

Reporting shortfalls in Parish Share Payments

You do not need to record Parish Share shortfalls as a liability in your financial statements. However, depending on the likelihood of that shortfall being met, you can report this in a number of ways...



Likelihood of meeting Parish Share Shortfall

Recommended inclusion in the Financial Statements

Where there is a strong commitment to make the payment, with funds identified to support this commitment

[Accruals accounting basis](#): accrue the outstanding value. Ref: PCC Accountability 5th Edition, Section 7.2.10
Current liabilities and long-term liabilities

[Receipts and payments basis](#): include a note in the accounts

Where there is commitment to make the payment but there is a strong probability this will not be possible, due to depleted funds and the unlikelihood of an upturn in future income

Do not accrue the outstanding value

A note in the accounts is recommended as good practice, per PCC Accountability 5th Edition, Section 7.2.10
Current liabilities and long-term liabilities, such as:

Voluntary Parish Share contributions were not paid in full due to reduced income as a direct consequence of the Covid-19 pandemic.

Parish Share arrears:

Current year	£x
Prior year	£xx

Where there is no likelihood of being able to meet the Parish Share shortfall in the coming years

Do not accrue the outstanding value

It is still recommended that a note is included in the accounts but as this is a voluntary contribution there is no obligation to do so.

However, it is strongly recommended that Churchwardens and PCC officers are apprised of the situation.