Association of Church Accountants & Treasurers

Being a Treasurer: The Basics

Exercises with Example Solutions

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Trustee Governance

John Ledger, a retired bank manager, was called upon at short notice to take over as treasurer at Hope Church. All were astonished when at his first Elders meeting, he announced that there were several accounting and governance issues. (At Hope Church, the Elders are trustees, and the treasurer is an Elder.)

1) In last year's accounts, it emerges that the Elders approved a payment to a local music society to cover the costs of a charity benefit concert raising money for a local nature conservation site.

Comments: this is likely to be *ultra vires*, i.e. outside of the charitable purposes of the charity and therefore not something the trustees are permitted to spend church funds on. The trustees may be held liable to repay the charity.

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2) John asks why two of the six existing Elders are not listed on the church's entry on the Charity Commission website. He is told that on a previous occasion the Elders discussed who the trustees for the purposes of the Charity Commission should be, and the other four were nominated.

Comments: trustee status reflects the role of the individual in making decisions about the charity and is not an extra consideration taken just to satisfy the Charity Commission. Every member of the decision-making / governing body is a trustee, and every trustee must be listed if registered with the Commission.

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3) Another Elder asks why any of this matters, as their income is below £100,000/year and he thinks they do not need to be registered with the Charity Commission.

Comments: if Hope Church does not belong to one of the bodies listed in the Excepted Charities rules this does not apply – even if it does if they are already registered, they cannot now deregister, and the exception for churches will eventually end anyway, with churches likely to be invited to register between now and the new deadline of March 2031. The Elders may also be missing the broader point that Excepted Charities are still subject to almost all the same rules and legal duties as if they were registered.

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4) The son of one of the other Elders is currently attending theological college. Last year, the Elders agreed to pay a one-off study grant towards the cost of his fees, but this is not recorded in the Elders' minutes.

Comments: this is a conflict of interest for the Elder in question. A payment may be acceptable if it is issued on the same terms as would be available to any other church member considering training, but there must be an agreed process for handling such payments, and for managing trustee conflicts of interest (e.g. the conflicted Elder should not have been in the room when the decision was approved), and the minutes must record the basis for the decision, and that the process for managing conflicts was followed.

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5) One of the Elders works a heating engineer with a good local reputation, and he normally looks after the church boiler for free. Last winter, it stopped working and needed replacement – he was paid to carry out this job for 20% less than the market rate. The minutes simply state that he was engaged and paid for this.

Comments: charities may pay their trustees for goods and services if it can be demonstrated that, notwithstanding their position as trustees, choosing them to provide said goods and services is in the best interests of the charity. For example, the Elder in question is already familiar with the church's heating system and has offered a discount (but presumably cannot afford to do such a large job for free). The minutes must fully reflect the basis for making this decision, and that the charity's interests have not been compromised in favour of the heating engineer Elder's commercial interests. The other Elders should take

reasonable steps to exercise due diligence and the conflicted Elder should not be involved in the decision-making process – which should also be recorded in the minutes.

6) One of the Elders wants to delay the AGM to allow a mission report to be compiled in time for its publication then. However, the governing document states that the AGM must take place no more than 15 months after the previous AGM, and the currently scheduled date is already pushing this limit. The Elders believe that since they wrote the governing document, they can approve one-off deviations from it.

Comments: since being accepted by the Charity Commission upon registration, the governing document is legally binding and, in most circumstances, all reasonable measures should be taken to comply with it.

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7) A new Elder appointment is being considered. The candidate, however, has previously lost a job because of financial irregularities and allegations of fraud, which were never brought to court.

Comments: the trustees have a duty to consider the eligibility of new trustee candidates and should investigate carefully, with reference to CC3. It may be that this individual should not be appointed.

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8) John considers that the previous accounts have been poorly kept, owing to a range of issues including missing receipts and other backing documents, lack of documentation of decision-making in minutes and bank reconciliations not being carried out until several months after the dates they cover. He wants to allocate time to discussing how to remedy these issues, and to prepare for the upcoming Independent Examination, at the next Elders meeting. The minister responds that as these fall within the treasurer's remit, it should not be on the Elders' agenda and that John should deal with the issues himself.

Comments: it is probable that the Elders have failed to recognise that the keeping of accounting records, preparation of the accounts and arrangement of IE are shared responsibilities of all trustees. To some extent it is reasonable to delegate to the treasurer, but the rest of the trustees should be involved in major decisions and in a shared recognition of the wider operational issues that need addressing.

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9) John observes that Hope Church does not prepare an annual budget, and that this has contributed to their spending £20,000 more than their income last year, leaving them with very little in reserves. The minister responds that that since as Christians they trust God to provide for their needs, it would be inappropriate to prepare a formal budget.

Comments: this is a controversial issue for many churches as the 'faith argument' is a valid consideration when budgeting for a church. However, arguments in favour of exercising good stewardship within a context of faith can also be made, and there is still a legal duty to manage resources responsibly.

Finance Operations

	In pursuit of the ideal……	Yes	No
1	Do you understand why it is essential to have sound financial procedures and controls?		
2	Do 2 people count cash collections together and prepare and sign a written record of the count?		
3	Is cash stored securely on the premises and banked promptly to keep cash inventory to a minimum?		
4	Do 2 people bank the money together? Do they vary their route and time?		
5	Do you bank gross?		
6	Do you use separate paying in slips for separate incomes?		
7	Is anyone paid in cash? Are receipts always obtained?		
8	Do you have a system in place for managing petty cash?		
9	Are occasional fees recorded (e.g. for weddings / funerals)? Are they paid by cheque / direct transfer?		
10	Do you receive and issue payments via direct transfer?		
11	Are there ever any signed blank cheques in existence?		
12	Is there a process for deciding what to spend money on and to approve expenditure?		
13	Do you have dual authorisation for cheque / online payments?		
14	Is supporting documentation always seen when payments are authorised / cheques signed and countersigned?		
15	Does the Treasurer have an audit trail? Is it filed appropriately and kept for the right duration (considering GDPR)?		
16	Do you conduct bank reconciliations?		
17	Are irregular transactions and decisions minuted?		
18	Have you a reliable recording procedure in place in respect of Gift Aid and the Gift Aid Small Donations Scheme?		
19	Does anyone except the Treasurer have visibility of the accounts?		
20	Do you regularly report to the trustees and membership?		

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Accounting Basis

1) Harrowdale Community Church uses Receipts and Payments accounts. The treasurer is preparing accounts for the year ending 31st December 2019. She claims Gift Aid every quarter and in early January 2020 submitted a claim for £10,000 of Gift Aid due on donations received in the final quarter of 2019. HMRC paid over the £10,000 later that month. How should this be reflected in the 2019 accounts?

Comments: Gift Aid income can be considered 'due' as soon as the donation it is associated with is received, so the final quarter Gift Aid would be recognised as 2019 income in Accruals accounts. However, as the money was not received until 2020 it would be recognised in the 2020 Receipts and Payments accounts and excluded from the 2019 receipts. The Gift Aid due at year end would be mentioned in the Statement of Assets and Liabilities.

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2) In 2019 the church received £140,000 from unrestricted donations, £80,000 in restricted donations and £60,000 from the sale of a plot of land near the church. The treasurer thinks they do not need to switch to Accruals accounts as their total income excluding restricted funds is only £200,000 for the year, less than the accounting threshold of £250,000.

Comments: restricted income counts towards gross income. The £80,000 must therefore be included. However, the Charity Commission's definition of gross income excludes proceeds from the sale of investments or fixed assets, so the £60,000 may be excluded bringing the total gross income to £220,000, which is still below the threshold, so they do not need to use Accruals.

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3) The nearby St. Fingolfin's Church is larger and uses Accruals accounts. Their treasurer produces monthly accounts for the PCC. In October 2019 they organised a Roots of Jazz outreach event and sold tickets, with much of the ticket revenue received in September. They pay the performers for the event in November. The treasurer is now preparing accounts for October.

Comments: if the treasurer follows the accruals principle, the ticket revenue and performer costs should all be reflected in the October accounts, when the event took place. However, since this principle only legally has to be observed with respect to the annual accounts, the decision to do monthly accruals only affects internal reporting and is at the discretion of the treasurer and trustees – at year end they only need to make sure the income and expenditure for the event all appear in the same accounting **year** as the event.

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4) The treasurer is preparing accounts for the year ending 31st December 2019 and, in accordance with generally accepted accounting principles, wants to split the latest CCLI licence and gas bill between the 2019 and 2020 accounts. The CCLI licence was renewed in July 2019 for £1,000, covering the period July 2019 to June 2020. The last gas bill covering part of 2019 was for £1,500, covering a period of 90 days split half-and-half between late 2019 and early 2020, received and paid in 2020. How should these be reflected in the 2019 accounts?

Comments: both bills cover periods half-and-half split between 2019 and 2020 and might therefore be split between the expenditure in 2019 and 2020 in the same proportion. Thus £500 of the CCLI bill and £750 of the gas bill should be included in each year's expenditure. The £500 of the CCLI bill attributed to 2020 would be considered a **prepayment**, while the £750 of the gas bill attributed to 2019 would be considered an **accrued expense** – both would be reflected in the balance sheet figures as an asset and a liability respectively. (An alternative way of splitting the gas bill would be based on actual gas consumption as determined from meter readings taken on or close to 31st December.)

Fund Accounting

1) Grumbly Town Independent Church uses a building held for their exclusive use by an independent trust, and do not hold the deeds to the property themselves. They do not include the building in their accounts.

Comments: the building is an asset on their balance sheet regardless of who holds the deed (with a note identifying the custodian trustee). It belongs in endowment (buildings are usually expendable endowment to allow for depreciation, although freehold land may be a permanent endowment).

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2) Engleby Baptist Church has received a legacy of £200,000 to purchase a manse. Their current income is £80,000/year, and the church is an Excepted Charity with Receipts and Payments accounts. The treasurer is concerned that they will have to register with the Charity Commission and change to Accruals accounts.

Comments: the receipt of funds for the purpose of purchasing a functional asset is receipt of endowment and excluded from the Charity Commission's definition of gross income so the relevant gross income thresholds are not exceeded (although registration will be mandatory anyway by March 2031).

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3) Engleby Baptist Church runs several fundraising events. Volunteers are reimbursed expenses from cash proceeds, and the residual profits are paid into the church bank account and reported to the treasurer.

Comments: the volunteers need to supply details of all expenses paid out of the cash proceeds, and the treasurer should record the total gross income and all expenses in the accounts. It would be preferable, if not essential, to bank the gross income and reimburse the volunteers directly from the bank account.

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4) The trustees of Grace Church Stibbleton have allocated £15,000 to a fund for building works. They now wish to employ a youth worker using money from this fund. One trustee is arguing that this is illegal.

Comments: if the funds were allocated by decision of the trustees then this is a designated fund and the trustees are free to release the funds for other uses – although they must decide if this is appropriate.

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5) St Cedd's operates funds in separate bank accounts. Unrestricted Offertory has been accidentally paid into one of the 'restricted' accounts and the treasurer is uncertain if this must now be used for that fund.

Comments: the Offertory is still unrestricted, and simply in the wrong account. Separating funds by bank account is unnecessary and can cause complications in situations such as this.

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6) The late Bob Smith left £5,000 in his will to the church in the following terms: *"I leave £5,000 to the PCC of St James Church in the hope that they will use the money to set up a scholarship fund to train the choir."*

Comments: a gift left for a specific purpose would normally be restricted, but the phrase "in the hope that" implies that this is a precatory gift i.e. unrestricted with the expression of a non-binding preference.

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7) Eliza Doolittle hosts coffee mornings to raise money for the church flowers. She hands the money to the treasurer to pay the florist and keeps records of the amounts raised. She also arranges the flowers for weddings and charges the wedding party for this service. She refuses to show the treasurer her records.

Comments: this is restricted income for the flowers. Eliza's activities, if part of the church's activities, should be included in the accounts (the wedding services may be her own private trading).

8) The PCC has a fund-raising evening by way of mounting a Saturday night concert in church: the organist gives a recital. On the posters, the strapline is: *"All proceeds to the Organ Restoration Fund."*

Comments: this is restricted, being advertised as such (assuming it is understood by those reading the poster what this fund is for). The church must restrict all **proceeds**, rather than only the **profits**.

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9)Farmer Giles donated a field providing: *"I give Bumble Field to the church, to be used as a car park, the income from which is to maintain the car park so created, and to maintain the fabric of the church."*

Comments: the field itself is an endowment fund (probably permanent), the income is restricted.

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10) Sodor Pentecostal Church has an annual summer fete. It was mentioned at the PCC meeting that the proceeds could be used to defray the expenses of the Youth Club to go on pilgrimage.

Comments: if this has been advertised then the income is restricted, otherwise not. The trustees can put unrestricted money in a designated fund if they explicitly decide to do so and can 'un-designate' it later.

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11) The church holds £20,000 in a "Heating Fund" to replace the heating system, put aside over 10 years. The fund originated from a Minute of the PCC which said: *"It was resolved to establish a Heating Fund by devoting the proceeds of the annual Carol Concert, and the annual surplus on the accounts."*

Comments: concert proceeds are restricted if advertised as such to those attending. Anything allocated by trustee decisions alone is designated. There may need to be two funds – one designated, one restricted.

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12) St John's is a prominent city centre church that receives many legacies from local dignitaries, which are kept in a separate bank account and recorded in the published accounts as *"Legacy Fund: £15,000"*.

Comments: funds are defined based on their **purpose** (not their source) – any legacies given for distinct restricted purposes each need their own restricted fund, and the accounts should indicate the purpose.

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13) The scout troop makes a surplus on summer camp and gives that to the (already existing) Choir fund.

Comments: this is fine provided that the scout organisation can legitimately use its money in this way.

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14) The treasurer is asked to make a grant application. He is concerned that the finances look "too healthy" so he decides to exclude all the restricted funds and asks the Friends of St John's to delay their grants.

Comments: asking donors to delay is acceptable (whatever the intent), excluding funds held is not.

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15) St Mary's raises £900 in a Christmas appeal for Tearfund. They claim £200 Gift Aid but are unsure what to do with it. In March, a funeral is held for Agnes Jackson, and her family organise a retiring collection for her favourite charity and ask to pass the money through the church, so Gift Aid can be added.

Comments: the Tearfund appeal has been organised by the church and may be treated as part of its charitable funds, with any Gift Aid going into the same restricted fund. The funeral collection has not been organised by the church, so it is excluded from the church accounts (but mentioned in the notes) even if passed through their bank account – no Gift Aid. Ideally, they would be better not to handle it at all.

Budgeting and Risk Management

1) Think about how you would go about budgeting the following areas of expenditure:

a) Youth and children's work.
b) Supporting an established mission partner.
c) Staff salary and other fixed employment costs.
d) Church building / manse utility costs.
e) IT costs.

Comments: estimating likely required expenditure in these areas can be done in a variety of ways but the following options are possibilities.

a) Look at expenditure in recent years and budget the same, or the same + an inflationary increase; consult those responsible for youth / children's activities to see if they have specific plans that would change the expenditure; look at changes in the numbers of children and young people in the church and scale the budget accordingly.
b) Review what has been agreed with the mission partner / sending mission agency; review any needs assessment conducted by the mission agency; consider church policy on what % of identified needs should be met by the church; consider spend in previous years and recent inflation and exchange rate changes.
c) Review church policy on salary levels; apply any relevant pay scale changes and / or cost of living or inflationary adjustments; check what pension provision and other benefits and allowances are provided; look up HMRC rates and thresholds for employer NICs and calculate contributions; check minimum pension contributions with auto-enrolment.
d) Review actual spend in recent years; look up local council tax bands if applicable; check what bills are covered by the church under the manse occupancy agreement; check supplier energy tariffs and estimate future cost based on past energy consumption; consider an allowance for changes to energy prices.
e) Check what hardware purchases are planned; check what software upgrades and ongoing subscriptions are required; make allowance for replacement / repairs based on total value of inventory and expected equipment lifespan.

2) Consider what risks affect the finances of your church in the following areas: income, expenditure, investment, fraud. What controls are in place for them at your church?

Comments: the following lists of potential risks are non-exhaustive and may not all apply to your church.

Income – change in financial circumstances, departure from church or death of major donor(s), reduction in membership, competing needs from other charitable causes, members unaware of church's financial needs, economic downturn.

Expenditure – major unexpected costs (e.g. building repairs), inadequate planning of activity and anticipation of major costs, lack of controls over expenditure, lawsuits.

Investment – underperformance of investment assets, mismanagement of portfolio.

Fraud – theft by external party (e.g. identity fraud, scams), theft by internal party (e.g. treasurer runs away with the money, stolen collection money, fraudulent expenses claims).

Gift Aid

1) Mrs Jones hands to the treasurer an envelope from Mrs Smith, and says it is a gift to the church.

Comments: Gift Aid can only be claimed in the name of Mrs Smith if the envelope is suitably annotated with her name or equivalent Gift Aid reference, assuming she has a GAD with the church.

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2) The organist's grandson had trained at Missionary College and was about to be posted to Ghana: he needed his fare and 6 months' keep while he established himself. The church raised the money by a special appeal which included Gift Aid.

Comments: Gift Aid can be claimed if this is part of the church charitable funds and charitable activities. This may be justified but the church would need to be able to defend their position if challenged by HMRC, who may perceive this as some individuals giving money to another individual.

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3) St John's is the city centre church: a survey found that the impressive tower was unsafe. Having heard of the success of telephone fundraising, the Church Council drafted volunteers to mount a campaign. Including Gift Aid, the target of £250,000 was met within the year. The case was picked up for a Gift Aid Review, and the Inspector was inclined to refuse the claims on the basis that there were no Declarations.

Comments: GADs can be taken by telephone provided an audit trail is kept. The church may need to return the Gift Aid to HMRC but can recover it if they go back to the donors and obtain GADs (within four years).

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4) The Will of Phil Snodgrass left the residue of his estate to the church. This comprised cash at the bank, shares and a property. To enable the church to claim Gift Aid, the mother in law of an executor bought the shares and, being a higher rate taxpayer, donated them to the church, along with a Gift Aid Declaration.

Comments: shares are not a monetary gift so Gift Aid cannot be claimed. She could sell the shares herself and donate the proceeds of the sale, however.

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5) On a similar basis, the firm of solicitors, dealing with another estate, sold a property and donated the proceeds to the beneficiary church along with a Gift Aid Declaration.

Comments: Gift Aid can only be claimed on donations from individuals, not firms. An individual from the firm, or an individual beneficiary of the estate, could donate their own money.

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6) The vicar is training as a clock mender for his retirement: on the death of his auntie Jean, he inherited a clock which he serviced and then valued at £300: it did not fit with his collection so he donated it to the church charity shop pointing out that he has a valid Gift Aid Declaration already, in favour of the church.

Comments: this is not a monetary gift so Gift Aid cannot be claimed based on the valuation. He could sell it and donate the proceeds, or entrust it to the shop to sell it on his behalf and then donate the proceeds (he can complete paperwork to do this – this is how charity shops sell 'Gift Aid' labelled items).

7) Pat Powell is the Brownie leader: on hearing of a flood in the Philippines which made many people homeless, the Brownies agreed to have a sponsored silence and raised sponsorship under Gift Aid.

Comments: provided Gift Aid is only claimed for donors with valid GADs, this is fine – but they need to be careful about which charity Gift Aid is claimed for. If the appeal is organised by the church as a special collection Gift Aid can be claimed and passed on with the donations to third party, but if donations are direct to the third party charity Gift Aid details need to be forwarded on.

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8) In the course of raising the sponsorship money for the Philippines Appeal, Pat incurred mileage expenses and to help the Appeal, waived her claim and submitted a Gift Aid Declaration.

Comments: current HMRC guidance no longer permits waiving of expenses by volunteers (or staff) to be counted as a gift for Gift Aid purposes. Pat can claim expenses and donate the money back to the church with a Gift Aid Declaration and have Gift Aid claimed on this donation in the normal way.

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9) Just like the National Trust, the church has an open day to tour the church and have its historic furnishings explained. A charge of £5 is made which can be Gift Aided.

Comments: this is payment for a service and therefore not a gift. A special provision exists for charities with objectives covering admitting the public to view property preserved, maintained, kept or created by the charity. A separate charity (e.g. The Friends of St John's Chapel) with such objectives could be set up.

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10) If you have paid under Gift Aid to tour the church, then for a further payment of £15, you can attend the fundraising concert, which is to be held in connection with the tour experience, and hear the organ.

Comments: this is a payment for a service and therefore not a gift, even for a "Friends of" charity.

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11) After Sunday Service, the congregation is encouraged to stay behind and have tea and toast: for fear of trading, worshippers are invited to make a donation of £3, which when they tick a sheet, is married up with their Gift Aid Declaration.

Comments: if the payment is expected for receiving tea and toast then this is not a gift. If the donation is voluntary then donations can be taken and Gift Aid claimed – however, HMRC would consider the 'true nature of the transaction' in an audit and would view a series of identical small donations as suspicious. Genuinely voluntary donations usually take a range of values and not all attendees donate (so keep a record of attendance numbers that shows if there were a few non-donors).

How much can be claimed?

a) A charity has one community building. During tax year 2019/20 it collected £10,000 in eligible small donations.

b) A charity has 2 community buildings. During the tax year 2019/20 it collected £10,500 in eligible small donations as follows:

- £2,000 in Local Authority Area (LAA) of Building A
- £1,500 in LAA of Building B
- £7,000 outside the LAAs of these buildings

c) A charity has 3 community buildings. During the tax year 2019/20 it collected eligible small donations as follows:

- £3,000 in LAA of Building A
- £2,000 in LAA of Building B
- £9,000 in LAA of Building C
- £2,500 outside the LAAs of these buildings

d) A charity has 3 community buildings in the same LAA. During 2019/20 it collects £15,000 in eligible small donations inside this LAA as follows:

- £4,000 inside Building A
- £11,000 outside the community buildings

e) A charity has 3 community buildings: 2 in LAA A and 1 in LAA B. During 2019/20 it collects in eligible donations as follows:

- £20,000 in LAA A
- £2,000 in LAA B

Answers

a) No point using Community Building Rules (CBR) as only one building – **can claim on £8,000**.
b) Using CBR cannot claim on donations received outside of the LAAs of the two buildings – can claim on £3,500. Not using CBR **can claim on £8,000**.
c) Not using CBR can claim on a total of £8,000. Using CBR can claim on up to £3,000 for Building A, £2,000 for Building B and £8,000 for Building C – **total claim on £13,000**.
d) Not using CBR can claim on a total of £8,000. Using CBR can claim on up to £8,000 per building on donations collected within the building's Local Authority area, as long as donations collected inside a building are claimed for that building. The £4,000 collected in Building A can only be claimed for Building A, the other £11,000 can be divided among the three buildings subject to the maximum of £8,000 per building, for a **total claim on £15,000**. One possible arrangement is to claim on £8,000 for Building A which includes the £4,000 collected inside the building, and £7,000 for Building B.
e) Not using CBR can claim on a total of £8,000. Using CBR can claim on £2,000 in Area B and up to £8,000 per building in Area A, for a **total claim on £18,000**.

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Who can be an IE?

1) Mark Brown holds a master's degree in physics and teaches maths and physics at the secondary school. He offers to be your IE. His father was a butcher and he used to help him balance the books.

Comments: Mark's general numeracy and familiarity with bookkeeping are relevant experience but he may have gaps in his knowledge concerning charity accounting, which needs to be checked. It is possible for him to pick this up – possibly by attending an ACAT course or similar.

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2) Elaine Green is your organist on Sundays and is a florist during the week: she is engaged by the church on a self-employed basis because the florist's is her own business.

Comments: Elaine may be familiar enough with bookkeeping (this would need to be checked). The chief concern is her independence – it is not ideal to use a member of the congregation, but it is permissible provided they are not connected to a trustee or involved in decision-making. The greater concern is that she is paid by the church – even if she is self-employed.

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3) The treasurer of St John's is looking for an IE and speaks to the treasurer of Engleby Baptist Church. They agree to act as IEs for each other.

Comments: a treasurer of another church is likely to have the relevant experience of charity accounts and understand what to look for in a set of church accounts. However, independence may be compromised by examining your own examiner – a three-way exchange would alleviate this problem, although this may break down if one church has an income over £250,000 and requires a professionally qualified IE.

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4) Anita Singh is an accountant at the local firm of Chartered Accountants: she usually audits their largest client, an engineering works, and expects to be made a partner next year.

Comments: Anita's general accounting credentials are very good, and she could probably easily acquire any further knowledge of charity accounts that she needs. This must not be taken for granted and should be confirmed before engaging her as an IE as most professional accountants do not work with charities unless that is their specialism. Her credentials are likely to meet the requirements for examiners for charities with income over £250,000.

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5) Anne Turnbull is a pensioner who used to work for the local accountants as a bookkeeper: she has just been released from prison having been put away for refusing to pay Council Tax, because the Council does not empty her bin often enough, and the street is never swept. The church paid the tax for her because she sings in the choir and her tones were sorely missed.

Comments: since Anne's prison sentence is not related to a fraud charge or other financial misdemeanour, it isn't very relevant (although it might still draw some questions). However, the fact that the church has paid for her to be released compromises her independence (in addition to which it is not ideal to engage a member of the congregation).