

TITLE

TIDEBROOK PCC FINANCIAL POLICY

PURPOSE

The aim of the policy is:

- to specify the rules covering the governance of the finance and fundraising activities of the PCC and those appointed by the PCC to execute financial procedures on its behalf
- to ensure that the PCC meets its fiduciary duties in financial terms as trustees of the charity
- to ensure the PCC complies with relevant finance laws and guidance.

CONTENTS

This policy covers the following:

- Financial Recording
- Banking arrangements and authorities
- Expenses policy
- Grants policy
- Liabilities of the PCC

1. FINANCIAL RECORDS

1.1 Records

Financial records must be kept so that:

- the organisation meets its legal and other statutory obligations, such as Charities Acts, His Majesty's Revenue & Customs regulations and common law.
- the PCC has proper financial control of the organisation.
- the organisation meets the contractual obligations and requirements of those making funds available to it.

1.2 Budget

Prior to the start of each financial year, the PCC will review and approve a budget for receipts and payments for the following year.

1.3 Reporting

A report comparing actual receipts and payments with the budget should be presented to the PCC every three months or whenever meetings take place.

The Standing Committee may review the financial position of the PCC outside of the PCC meetings.

1.4 Year-end

The Annual Parochial Church Meeting (APCM) will appoint a Treasurer. An appropriately qualified independent examiner to examine the accounts for the current year will be recommended to the APCM, or the APCM will be asked to delegate the decision to the PCC.

Final Accounts must be drawn up within 3 months of the financial year end and presented to the PCC for approval, and for presentation at the next APCM.

2. BANKING ARRANGEMENTS

2.1 Primary bank accounts

Accounts will be held in an agreed bank in the name of the PCC of St John the Baptist, Tidebrook.

The following primary accounts will be maintained:

- Lloyds Bank Treasurer's Account
- CBF Church of England Deposit Account

2.2 Other bank accounts

Other bank accounts may be established for individual activities under the overall control of the PCC.

The PCC members, the Treasurer or anyone employed by the PCC in a paid or voluntary capacity will not use any other bank or financial institution, nor set up accounts, nor use overdraft facilities nor undertake loan agreements without the prior written agreement of the PCC, or of the Standing Committee acting on behalf of the PCC to implement agreed PCC policy.

2.3 Authorities

The bank mandate of authorised signatories will be reviewed, approved and documented by the PCC annually.

At least two signatories will always be required. A maximum of three approved signatories will be agreed with the relevant banks: the Incumbent, the Treasurer and a Church Warden or other designated PCC member.

Any changes required to the mandate during the year will be approved by the entire PCC.

2.4 Reporting

Bank statements will be reconciled with the accounting records at least every three months, but when practicable monthly.

3. MANAGEMENT OF INCOME, PAYMENTS, CASH and other ASSETS

3.1 Income

All monies received by whatever means will be recorded promptly and where appropriate banked without delay. Appropriate records will be maintained by the Treasurer or other designated person.

All funds (cash or cheques) collected during services or fund-raising events involving more than 30 people should be counted in the presence of two appropriate and/or designated people.

The PCC may approve the use of digital technology, cashless payment systems and fund-raising websites as part of its fundraising initiatives. Such technology will be implemented in line with best practice in place at the time in respect of data security and banking practices.

The PCC agrees that from time to time and at its discretion it may levy a charge or request a donation for the use of church facilities in accordance with the relevant policy adopted by the PCC.

Details of income such as donations, legacies or regular giving will be considered as confidential within the PCC and those who need to be aware to ensure the proper processing, administration, auditing or reporting of the income.

3.2 Expenditure

3.2.1. Expenditure limits and authorities

All expenditure must be for legitimate PCC business only and explicitly authorised by the PCC. The PCC does not accept liability for any financial commitment unless properly authorised.

Commitment to capital expenditure and large single item costs of £500 or greater must be on the basis of three independent quotations, unless three quotations cannot reasonably be obtained. The use of a single unique supplier should be agreed by the Standing Committee.

Any orders placed, or undertakings given, which are likely to cost the PCC in excess of £500 must be approved by the Standing Committee, who must report it to the next meeting of the PCC. The agreement of the PCC to the expenditure should be minuted.

Every payment out of the PCC's bank accounts will be evidenced by an original invoice or other evidence appropriate in the circumstances, which is appropriately authorised for payment by the Standing Committee

3.2.2 Free Reserves

The PCC aims to hold a minimum of £10,000 as 'free reserves', i.e. other than funds which are restricted or set aside for specific purposes, such as essential maintenance or renewal or development of the church building. The free reserves are held to fund running costs in exceptional circumstances (such as sudden drops in income). The Lambrinudi Fund is a restricted fund resulting from a bequest which is to be used "to help older people unable to live in their own homes and to provide for the upkeep of the Parish Church."

3.2.3 Cheque payments

No-one is authorised to sign blank cheques.

Each cheque will be signed by at least two people authorised to do so.

A cheque must not be signed by the person to whom it is payable or who is a beneficiary of the monies.

3.2.4 On-Line Banking

Online banking requires only one person to execute the transaction. The approved signatories will usually be the Incumbent, the Treasurer and a Churchwarden or other designated PCC member. If a change to the authorised signatory is required, this must be approved by the PCC but may be implemented on-line by one of the other approved signatories for on-line banking.

4. EXPENSES POLICY

A properly evidenced expense claim, appropriately signed off, will be reimbursed without prior approval of the whole PCC, providing:

- No-one acting alone will commit the PCC to pay for any expenditure exceeding £100
- Approval for expenses of £100 to £500 may be given by the Incumbent, the Treasurer, or by a Churchwarden or other designated PCC member
- Approval for expenses over £500 may be given by the Standing Committee, if they are budgeted items
- Non-budgeted expenses over £500 require PCC approval

No single PCC member is authorised to commit the PCC to expenditure without the prior approval of the Standing Committee.

5. GRANTS AND OTHER EXTERNAL FUNDING SOURCES

All fundraising and grant applications undertaken on behalf of the PCC will be made in the name of the PCC and with the prior approval of the PCC members.

In urgent situations such applications may be made with the approval of the Standing Committee only, who will provide full details to the next PCC meeting.

Approved by the PCC

November 2024