

**TITLE**

**WADHURST PCC FINANCIAL POLICIES**

**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:

- 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 Executive Committee and/or Finance 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 ~~following year~~ 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 Peter and St Paul, Wadhurst.

The following primary accounts will be maintained:

- Charity Account No 1
- Charity Investment 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 Executive 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 five approved signatories will be agreed with the relevant banks: the Incumbent, two Churchwardens, the Parish Administrator and the Treasurer.

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

From time-to-time single user debit/credit cards may be issued to employees of the PCC with the approval of the Finance Committee. The PCC will be advised when such cards are issued.

### *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 Church Administrator.

All funds (cash or cheques) collected during services or fund-raising events involving more than 20 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; the circumstances and amount to be agreed in consultation with the Church Wardens and/or the Executive Committee.

Details of income such as donations, legacies or regular giving will be considered as confidential and known only to 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.

*The PCC has a Procurement and Tendering Policy (Policy 013), which includes a 'Tender Panel of Pre-Approved Contractors and Service Providers'. The terms of this policy apply to regular or ongoing capital expenditure and maintenance costs for church properties.*

*Otherwise, commitment to capital expenditure and large single item costs of £500 or greater from providers not on the Tender Panel of Pre-Approved Contractors and Service Provider must be on the*

basis of three independent quotations, unless three quotations cannot be obtained. The use of a single unique supplier should be agreed by the PCC.

The latest approved budget provides the signatories with the authority to spend up to the budgeted expenditure, not beyond it. In exceptional circumstances, expenditure outside the budget can be made with the Executive Committee's approval who will then provide full details to the next meeting of the PCC.

Any orders placed, or undertakings given, which are likely to cost the PCC in excess of £500 must be approved by the Executive 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 VAT invoice, which is appropriately authorised for payment by two authorised bank signatories, or in exceptional circumstances (eg advance bookings) a requisition form.

### *3.2.2 Cheque payments*

As soon as possible after receipt by the Treasurer, cheque books will be passed to The Church Administrator who will be responsible for holding them securely.

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.

### *3.2.3 On-Line Banking*

Online banking requires only one person to execute the transaction. The approved signatories will usually be the Incumbent, The Administrator, a Churchwarden and the Treasurer. 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.

Before any transaction is made, an approval proforma will be completed for each payment, giving the following details:

- Name of payee
- Amount to be paid
- Reason for payment
- Date of payment

This proforma must be signed by two approved signatories before an online payment is made.

If a signature is made electronically, the completed form will be signed and saved as a pdf before being returned to the administrator. This may result in two separate signed authorisations for a transaction. Both would be held on file against payment details.

Where any conflict of interest arises, an unconnected party should sign.

### *3.2.4 Wages and Salaries*

All payroll employees will be paid within the PAYE and National Insurance regulations.

All staff appointments and salaries paid will be agreed and authorised by the PCC.

Employees' wages and salaries will be reviewed annually by the Finance Committee/Executive Committee who will present their recommendations to the PCC for approval and implementation from 1 January of the following calendar year.

### *3.2.5 Paying contractors*

Services provided by contractors to the PCC who are not PAYE employees, including but not limited to the cleaner and groundsman, are paid directly by the Church Administrator into a named bank account on production of an invoice, suitably signed off.

### *3.2.6 Petty cash*

The Church Administrator is entrusted with a maximum sum agreed by the PCC to use for petty cash purposes and appropriately reconciled.

## **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, including employees of the PCC, will commit the PCC to pay for any expenditure exceeding £100
- Approval for expenses of £100 to £500 may be given by the Treasurer, or by the Churchwardens acting together
- Approval for expenses over £500 may be given by the Executive 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 Executive 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 Executive or Finance Committee only, who will provide full details to the next PCC meeting.