

Christ the Saviour PCC, Parish of Ealing
Financial Control Policy Document
Written by Emma Wyatt, Treasurer August 2018

1. Introduction

Christ the Saviour PCC, Parish of Ealing is an independent charity No: 1146203, answerable to the Charity Commission. All PCC members are trustees of the charity, which means that they have the duty of overseeing and governing the parish and ensuring that finances are handled correctly and in a manner, which corresponds to the aims of the charity.

PCC Members are ultimately responsible for ensuring that the finances of the parish are used to further its aims and that policies are put in place to allow the long term health and growth of the resources available for ministry as well as avoiding abusive financial activity.

2. General Accounting Principles and Reporting

Charity accounting is based on the principle that money must be used in line with the stated purpose for which it was given. This gives rise to *fund accounting*, which records what purpose money was given for and how it can be spent/distributed.

Christ the Saviour has three fund types – general/unrestricted, restricted and endowment/Investment. These fund types can be described as:

General/unrestricted – money that can be used for any purpose that furthers the aims of the charity.

Restricted – money that has been given for a specific purpose (e.g. a grant for roof repairs or a legacy with restrictions) and can only be used for that purpose.

Endowment – an amount of money that has been given to the church and that cannot be spent or the surplus funds held by the parish that is held in investment accounts.

The Parish holds several bank accounts. The general unrestricted funds are held in a Barclays Bank account. Any restricted funds tend to be held

in a sub account of the Barclays Bank account. The Investment account is held with CCLA. We also hold an Income Bonds account.

There are two areas of reporting that the Parish must carry out:

1. PCC Updates - the PCC should receive a financial update every meeting. This is to allow PCC members to act in their capacity as trustees and give them the opportunity to question how the church's money is being utilised. This update need not be a full set of accounts but should, as a minimum, include:

- a. Details of cash flow, fund balances and any projected deficits;
- b. If there have been any large/unusual payments or incomes;
- c. How well the parish is keeping to budget(s);
- d. If there is a shortfall in income/giving.

2. Annual Accounts – A full set of accounts prepared according to either the Receipts & Payments or Accruals accounting methods, which will form part of the Annual Report. These will be a matter of public record and should be made available to anyone who asks for a copy. As Christ the Saviour is a registered charity it will also need to upload them to the Charity Commission website.

3. Handling Cash

Cash is collected for the Parish from weekly plate collections and also occasionally from a fair or event.

Christ the Saviours Parish policy for weekly cash collection is as follows:

- Money is collected in lockable collection bags. These are locked and placed in the Sacristy safe directly after the 10.30am service. The cash is counted first thing on a Monday morning.
- We will have two people present when counting on a rota basis – the first person counts and records then the second person recounts to ensure the first count was accurate. These should happen at the same time;
- The roster for counting consists of 4 people so there is a regular change of people counting together.
- The money is recorded by amount, whether it is cash or cheque and whether gift aid is claimable. It is banked the same day.

For other cash collected i.e. from an event or from an adhoc individual donation:

- Money is counted and recorded at the time of collection.
- If there is a large amount of money from an event, two people must be present to count.
- The amount and details of the money collected should be recorded in the donations book (held by the Treasurer).
- The money should be banked as soon as possible, preferably the same day or the next working day. If it is the next working day the cash must be stored securely in the sacristy safe.

Paying in cash:

- It is sufficient for one person to pay in cash.
- A record of the payment must be reconciled to the cashbook.

Cash record sheets and paying in slips should be kept for six years, along with all accounting records. (Weekly collections are paid in using a specific paying in book which is kept as a record alongside a paper record of the denominations of cash counted and the gift aid record). Cheques and Cash for services such as hall bookings are paid in and the paying in record is kept in the accounting records.

Holding a Cash Float (Petty Cash Policy)

- Christ the Saviour doesn't currently keep an ongoing Cash Float. If there is reason to maintain a cash float for example for an event we should adhere to the following:
- The maximum amount of cash float or petty cash should not exceed £50
- If topping up the float from incoming cash we should detail the amount transferred to the float and proof that it came from the general fund in the accounts. This should then be reconciled with the amount paid into the bank;
- Any payments from the cash float must be based on an invoice and / or accompanied by a signed (or printed) receipt;
- Float should be reconciled with the amount stated in the accounts.

4. General Banking Guidelines

- Christ the Saviour PCC hold the following accounts:
 - Barclays Bank
 - Community Account 80292567
 - Community Account 60931861
 - Community Account 20276464
 - CCLA
 - Deposit Bennet Fund 623042001D
 - Deposit VCW CCS2 623042002D
 - Investment Fund Income Shares CCS2 623042002S
 - Income Bonds NS & I F127200
- The bank statements should be reconciled against the cashbook on a monthly basis
- Accuracy of direct debits, standing orders and other transfers are confirmed during the reconciliation;
- We do not transfer or hold money for a private individual or third party (except collections for other charities);
- Bank accounts are kept in accordance with the rules of the operating bank.

5. Online Banking

Online banking is the preferred means by Christ the Saviour Parish of making payments. Four people have access to our Bank Account with Barclays and two people have access to the online bank account system at any one time. All payments that are made are completed by Emma Wyatt, (Treasurer) First signatory and Jackie Ashmenall (Churchwarden) Second Signatory. In the absence of the aforementioned Father Richard Collins and Ebenezer Blavo also have access to the bank accounts.

- We will never respond to an email, phone call, text or other communication asking for personal details, banking passwords or card numbers;
- Passwords will be changed as soon as one person is no longer allowed access to the accounts. Passwords should never be written down;
- Online banking card readers should be stored securely and independently with access available to all those with permission to use the online banking.
- We don't currently hold debit or credit cards and therefore do not have a policy for cards.

6. Paying an Expenditure

Payments to third parties can be via three methods – bank transfer, cheque or cash.

- The PCC will authorise all payments above £5000 to be agreed
- If a payment is to be above £1000, the invoice should be initialled by two PCC Members before payment (but does not require the authorisation of the full PCC).
- No-one may authorise or co-sign payments to themselves;
- Payments for services should never be made without an invoice or bill.

Cash

- Cash payments should be avoided if at all possible;
- if payment must be made by cash please see the principles under the “Holding a Cash Float (Petty Cash Policy)” section.

Cheque

- We will require signatures from two trustees to pay cheques: who can sign cheques should be agreed by the PCC and the mandate kept up to date accordingly; Currently Father Richard Collins, Jackie Ashmenall - Churchwarden, Emma Wyatt - Treasurer and Ebenezer Blavo - Trustee can sign cheques.
- We will never sign blank cheques.
- Cheque books should be kept securely and independently. Two people of the four signatories should be able to access the cheque book if required for signatory and for audit purposes. The payee, purpose, invoice number and amount should be indicated clearly in the cheque book.

Online Banking Payments

Barclays bank requires authorisation from two people. Details of access are recorded in section 5. Invoices should be viewed and agreed by 2 people and are subject to the limits agreed by the PCC in this section.

7. Paying Staff and Expenses

The Parish of Christ the Saviour currently does not employ any staff but we will update our Financial Policy to include payment of staff and NI if the situation changes.

Expenses

It is the PCC's duty to pay reasonable expenses accrued in the running of the parish. These will include (but are not limited to) the incumbent's expenses, PCC Members' expenses and visiting clergy expenses.

- Reasonable expenses are deemed as those required for the running of the church or for the mission of the church. These may include travel, stationary, food and drink, training, books and information.
- Expense claims should be submitted to a member of the PCC and approved by another member of the PCC. The Treasurer will pay the expense.
- Expenses should be claimed before 3 months after the expense has been incurred.
- Expenses can only be paid by bank transfer or cheque;
- We will comply with the Church of England's *Parochial Expenses of the Clergy* policy.

8. Making Donations to other Charities

The Parish of Christ the Saviour may make payments to or collect money on behalf of another charity. The PCC may also decide to make a payment from parochial funds to another charity (e.g. for a charity relief effort).

- Money collected on behalf of other charities will be recorded in the accounts either as an agency or as a restricted fund;
- Payments from existing parochial funds to another charity (as opposed to holding a collection) must be authorised by a PCC resolution;
- We will record that the PCC have examined the justification for the donation and how the charity's aims align to those of the parish
- We will provide evidence that by transferring funds to another charity we are not being a party to money laundering; i.e. it must be a registered charity.

When we make a regular donation to another charity, e.g. for missional purposes, we will a) detail the justification for this & renew the commitment with a PCC resolution on a regular basis, and b) appoint someone to provide regular reports on the effectiveness of the donation to ensure that the money is being used appropriately and in line with the wishes of the parish. This can be reported at PCC meetings.

- The PCC may wish to appoint someone as a legacy officer to encourage congregants to leave legacies in their wills;
- Further suggestions for legacy policies can be found on the [Church Legacy website](#).

9. Fixed Assets, Investments and Trustee Donations

Fixed assets are valuable tangible items owned by PCCs such as printers, church halls and flats. All of these must be recorded in the parish accounts.¹

- The level over which fixed assets will need to be included in the accounts will be £1000;
 - If the treasurer is uncertain how to depreciate a fixed asset then this must be agreed by the PCC;
 - Not all fixed assets need to be depreciated on an annual basis, it is acceptable to write off certain asset types once they no longer have a resalable value;
 - The PCC must include details of how they safeguard the fixed assets including property security and insurance which must be reviewed on a regular basis;
 - Property leases (including domestic flat rentals) and purchases **MUST** be agreed and co-signed by the London Diocesan Fund;
 - Property rented out by the PCC must have a valid Energy Performance Certificate with a grade of E or better. An explanation of terms and a list of the numerous exemptions can be found on the Diocesan website [here](#);
 - Property must be regularly inspected to ensure that it is in good condition.
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Investments most often consist of an endowment fund held in a CCLA account. The Charity Commission has strict policies on charities undertaking commercial investments so if you need advice on investing (outside of a CCLA account) you should seek independent legal advice.

- All investments must be included in the accounts (bear in mind that some stocks and shares may be fixed assets depending on how they accrue interest);
- You should detail how you will use the income from any investment (even if you wish to add it to the general fund).

Trustee Donations means any money given by PCC Members (or close relatives) to the parish. We must record in the annual accounts any amount that makes a substantial difference to the parish income; either a one-off donation or the total collective donations of the PCC Members (including regular giving).