

Financial Policy Document

**Christ the Saviour Parochial Church Council of the Ecclesiastical
Parish of Ealing**

Approved by the PCC on 21 March 2023

1. Introduction

Christ the Saviour Parochial Church Council (PCC), Parish of Ealing is an independent charity. It is registered at the Charities Commission for England and Wales with a charity number of 1146203. The charity is required to comply with the requirements of the Charity Commission.

All PCC members are voted into their role and are trustees of the charity. They are collectively responsible for overseeing and governing the parish and ensuring that finances are handled correctly, in line with the aims of the charity. PCC Members are responsible for ensuring that the finances of the parish are used to further its aims, that policies are put in place ensure the long term financial health of the PCC is preserved, and avoiding abusive financial activity.

2. Financial Records and Accounts

The PCC is responsible for the preparation of financial statements and management accounts to monitor financial performance. Financial records must be kept so that:

- The organisation meets its legal and other statutory obligations, such as Charities Acts, Her Majesty's Revenue & Customs and common law.
- The PCC has proper financial control of the organisation.
- The organisation meets the contractual obligations and requirements of its funders.

The books of accounts must include:

- A record analysing all the transactions appearing on the bank accounts
- A petty cash record if cash payments are being made.
- Inland Revenue deductions record (if any employees are registered for PAYE)
- Valued Added Tax (VAT) records should the PCC decide to register for VAT with HMRC

The accounting year end of the PCC is currently 31 December, and aligns with the calendar year. This is consistent with the accounting year end of the Diocese of Willesden. Accounts must be drawn up at the end of each financial year within 5 months of the financial year end and presented at the Annual Parochial Church Meeting (APCM). The annual meeting typically occurs by the end of May, but may be later provided that the PCC is in agreement on a suitable date.

The APCM will appoint a Treasurer and an appropriate independent examiner to examine the accounts before presentation of the accounts for approval at the APCM. The PCC may approve the appointment of an independent examiner should the APCM not be in a position to appoint one at the meeting.

The PCC will review a budgeted income and expenditure account for the financial year. It will receive regular updates on the financial position at least every three months (or whenever

meetings take place if more frequently) to ensure that it is aware of the PCC's financial position. This is to allow PCC members to act in their capacity as trustees and to 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 include:

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

The Charity's accounting is based on the principle that money must be used in line with the stated purpose for which it was given. Financial statements are to be prepared in line with the Church Accounting Regulations 2006 as prescribed by the Business Committee of the General Synod, together with applicable Accounting Standards and the Statement of Recommended Practice (SORP 2015(FRS 102)). Financial statements are to be prepared under the historical cost convention except for the valuation of investment assets, which are shown at market value.

The accounts are for those of the PCC and do not include the accounts of church groups that owe their main affiliation to the Church or another body, or any other informal gatherings of church members. The annual accounts 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 be submitted to the Charities Commission and visible on their website using the link below.

[The Charity Commission - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

The PCC applies the accruals method of accounting in preparing its financial position. Fund accounting is used to record the purpose for which money was given, and how it can be spent and distributed. Christ the Saviour has two fund types being unrestricted and restricted. These fund types can be described as:

- **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.

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, or in an investment account held with CCLA (see banking section below for more details).

3. Banking

The PCC will bank with Barclays Bank plc at its Ealing Broadway Branch and accounts will be held in the name of Christ the Saviour PCC. The following three accounts will be maintained:

- Community current account (used for unrestricted payments and receipts)
- Community account (known as the Heating Account)
- Community account (known as the Gift Aid Account)

The PCC also maintains investment accounts with CCLA Investment Management. These are typically used to maintain restricted funds and include:

- Deposit Bennet Fund
- Deposit VCW
- Investment Fund Income Shares

The PCC shall be responsible for maintaining bank mandates which contain a list of people who can access these accounts on its behalf. Changes to the mandate will be approved and minuted by the PCC Members. At least annually the mandate shall be reviewed to ensure that it is kept up to date and the signatories remain appropriate.

The PCC will require the bank to provide statements every month and these will be reconciled with the accounting records at least every three months. The accuracy of direct debits, standing orders and other transfers are confirmed during the cash reconciliation process. The Independent Examiner will be required to will spot check that this reconciliation is complete through the review of the annual report.

Online banking is the preferred means by Christ the Saviour Parish of making payments. Those named on the banking mandates have access to online banking with Barclays. Two people are required to have access to the online bank account system at any one time. This is to ensure that payments can be instructed by one signatory and approved by another. The PCC does not currently approve the holding of debit or credit cards and therefore does not have a policy for cards.

The PCC does not transfer or hold money for a private individual or third parties, except for collections on behalf of other charities. The bank accounts are kept in accordance with the rules of the operating bank. The PCC will not use any other bank or financial institution or use overdraft facilities or loan without of the agreement of the PCC Members.

4. Cash collections

Cash is collected for the Parish from weekly plate collections and also occasionally from additional events. 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 weekly Sunday 10.30am service.
- All monies received will be recorded promptly in the cash analysis record and banked without delay.
- The amount and details of the money collected should be recorded as donations in the cash book held by the Treasurer.

- The PCC considers that it is sufficient for one person to pay in cash.

The PCC does not currently keep an ongoing cash float.

5. Payments

The PCC aims to ensure that all expenditure is properly within the PCC's activities and is properly authorised and that this can be demonstrated. Payments to third parties can be via three methods – bank transfer, cheque or cash.

- The PCC will authorise all payments above £5000
- If a payment is to be above £1000, the invoice should be approved by two PCC Members before payment, or one PCC member and the Treasurer (full PCC approval not required)
- No-one may authorise or co-sign payments to themselves
- Payments for services should never be made without an invoice or bill.

Every payment out of the PCC's bank accounts will be evidenced by an original invoice (never against a supplier's statement or final demand). That original invoice will be retained by the PCC and filed. The cheque signatory should ensure that it is referenced with:

- Cheque number
- Date cheque drawn

The only exceptions to cheques not being supported by an original invoice are Items such as advanced booking fees for a future course, deposit for a venue, VAT, etc. No-one is authorised to sign blank cheques. No cheques should be signed without original documentation.

Where the PCC may employ an individual, there will be a clear trail to show the authority and reason for each payment to (e.g. for payment to an employee, HMRC etc). All employees will be paid within the PAYE and National Insurance regulations. All staff appointments/ departures will be authorised by the PCC, minuting the dates and salary level. Similarly, all changes in hours and variable payments such as overtime, etc, will be authorised by the PCC.

The PCC will, if presented with a properly evidenced expense claim, reimburse expenditure paid for personally without prior approval of the whole PCC, providing:

- No-one acting alone will commit the PCC to pay for any expenditure exceeding £250
- The Standing Committee is authorised to commit the PCC to expenditure not exceeding £5000
- The Treasurer is not authorised to commit the PCC to expenditure without prior approval of the Standing Committee
- Other expenditure is evidenced by original receipts.

- Car mileage is based on official scales.
- No cheque signatory signs for the payment of expenses to themselves.

6. 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
- The PCC will examine the justification for the donation and how the charity's aims align to those of the parish
- The PCC 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 the PCC make a regular donation to another charity, e.g. for missional purposes, they will:
 - detail the justification for this & renew the commitment with a PCC resolution on a regular basis
 - 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.

7. Investments

Investments most often consist of an endowment fund held in a CCLA account. The Charity Commission has strict policies on charities undertaking commercial investments and the PCC should seek advice on investing outside of the existing CCLA arrangements.

- All investments must be included in the accounts (some stocks and shares may be fixed assets depending on the accounting treatment)
- The PCC should detail how they will use the income from any investment (even if you wish to add it to the general fund)

8. Fixed Assets

Fixed assets are valuable tangible items owned by PCCs such as printers property. All of these must be recorded in the parish accounts. The PCC will adhere to good practice in relation to its finances at all times. When relevant it will set up and maintain a fixed asset

register stating the date of purchase, cost, serial numbers and normal location of assets. The approach to fixed assets is as follows:

- 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
- Property must be regularly inspected to ensure that it is in good condition

9. Other rules

The PCC does not accept liability for any financial commitment unless properly authorised. Any orders placed, or undertakings given, which are likely to cost the PCC in excess of £500 must be authorised and minuted by the PCC. In exceptional circumstances such undertakings can be made with the Standing Committee's approval who will then provide full details to the next meeting of the PCC. This covers such items as the new service contracts, office equipment, purchase and hire.

All fundraising and grant applications undertaken on behalf of the PCC will be done in the name of the PCC and, with the prior approval of the Members or, in urgent situations the approval of the Standing Committee who will provide full details to the next PCC meeting.