

St Johns Kenilworth

Financial Policies and Procedures

Introduction

This document sets out in one place the financial policies and procedures for St Johns Kenilworth as agreed by the PCC.

Roles

Roles, in respect of financial matters only, are described below.

PCC

The Parochial Church Council (PCC) has overall responsibility for managing the finances and exercising financial control. The PCC's responsibilities include:

- Setting the annual budget (to be presented at the Annual Parochial Church Meeting)
- Authorising larger items of expenditure in accordance with the levels of authorisation set out in Annex 1
- Reviewing expenditure against the budget on a regular basis
- Appointing the PCC Treasurer in accordance with the Church Representation Rules [Annex II Part 1. (e)]

Treasurer

The Treasurer shall be appointed by PCC and shall have responsibility for:

- Managing the finances on a day to day basis – organising payments of bills (in accordance with the Authorisation Levels at Annex 1) and receipt of income
- Maintaining financial records and preparing summary accounts, including the annual accounts
- Preparing a draft budget, regular forecast of performance against budget, and longer-term forward plans for PCC consideration.

The Treasurer may be supported by a bookkeeper.

Finance Committee

The finance committee has an advisory role and is not a decision-making body. The committee shall advise the Treasurer on any financial matters, and may make recommendations to the PCC. Terms of reference are detailed at Annex 2.

Standing Committee

Authorising expenditure in accordance with the schedule in Annex 1.

Considered Giving /Gift Aid Secretary

The Considered Giving and Gift Aid Secretary is appointed by PCC to support the treasurer through undertaking the following responsibilities:

- Supporting the clergy and treasurer in communicating the biblical principles of giving
- Facilitating regular giving through provision of details for setting up standing orders and direct debits by individual within the church
- Administering the numbered envelope scheme
- Maintaining records of gift aid donations through considered giving
- Maintaining up to date gift aid declarations

- Encouraging church members to give through the Gift Aid scheme
- Keeping up to date with HMRC requirement for the Gift Aid scheme

Financial controls

Cash

Collections shall be counted by the person duly appointed as Warden for each service of worship. At Warwick Road these will be locked in the church office as soon as possible thereafter. At Knight's Meadow, they are held in a locked box. For services where large numbers of guests likely to make cash offerings are expected, the money shall be counted in the presence of a second responsible person (eg another member of the rota for Wardening services). They shall be moved to the safe by a key holder at the earliest opportunity. Cash receipts at services are generally modest and the risk of loss through fraud is considered low. Thus, it is not considered necessary for cash to be routinely counted by two people.

Banking shall be undertaken by an appropriate person independent of the Treasurer as appointed from time to time by the PCC. Periodically the Treasurer shall verify that the banked cash tallies with the records of cash collections received, as recorded in the Register of Services and weekly log sheets.

Payments in cash shall be avoided as far as possible. Where they are unavoidable, an appropriate receipt shall be signed by the recipient of the cash and countersigned by the church representative making the payment. Total cash received and expenditure made shall always be recorded in the accounts and not netted off.

Bank accounts

Only bank accounts authorised by PCC shall be opened and operated. Under no circumstances shall money received for the Church be paid into any other bank account

Payments from bank accounts

- Any payments from any of the church bank accounts shall be subject to authorisation by two signatories. Signatories on the accounts shall normally be the PCC Treasurer and each of the Church Wardens and Deputy Church Wardens as elected at the most recent Annual Meeting of Parishioners (AMP), unless PCC decides to appoint alternative signatories. Signatories shall be reviewed annually at the PCC meeting immediately following the AMP.
- Any payments made to a member of family of a signatory shall not be authorised by that signatory but by two alternative signatories.
- Signatories should be given supporting evidence of payments to be made before being asked to authorise payments

Reserves policy

As a Charity St. Johns PCC aims to use incoming finances to fund activities in keeping with our charitable purposes. Nevertheless, it is appropriate to retain a level of financial reserves to ensure sufficient funds are available to meet expenditure as income may not meet the immediate need for payments on a month by month basis, and to ensure emergency expenditure can be made if needed.

PCC therefore aims to keep a minimum level of cash reserves (not fixed assets or restricted funds) at a level of between 6 and 7-months' cash expenditure. In the event that reserves fall below this level the Finance Sub Committee will be asked to make recommendations on cost saving measures.

Accounting policies

Accounts records shall be maintained on a suitable accounting software package in accordance with the requirements of the Charities Act 2011 or any succeeding legislation.

Mission Giving

It is usual for St Johns to tithe its income (i.e. give away ten percent to charities at home and abroad). The policy at Annex 3 aims to define how the tithe is set and to describe the process for allocating it each year to charities.

Parish Share

St Johns places a high priority on meeting its required Parish Share to meet the cost of ministry paid by Coventry diocese in the Parish, and to support that cost in other less financially well-off Parishes in the Diocese. As far as possible, the aim is to maintain the level of the Parish Share, increasing it as appropriate when required.

Version history

This Policy was agreed at PCC on 4th December 2019 and will be reviewed every three years or more frequently if required after interim review by Treasurer / Standing Committee.

Annex 1: Authorisation levels of expenditure

Payments may be made, or contracts entered into, on the authority of the relevant Church Officers as follows, provided the annual budget is not exceeded:

	Individual payments	Longer term agreements – maximum expected payment over life of contract
Treasurer	< £1,000	
Standing Committee	< £5,000	<£10,000
PCC	£5,000+	£10,000+

Exceptions

- Where emergency repairs must be carried out to avoid further damage to property, the Treasurer in conjunction with one or more Church Wardens (or in their absence another member of Standing Committee) may undertake expenditure in excess of the above limits. In these cases, PCC will be notified by email within 24 hours of the emergency action having been taken.
- Payments related to payroll can be made in accordance with the employment contract, in line with salaries agreed by PCC.
- Individual payments for long term contracts (eg Utilities, Cleaning Services and Insurances) can be made without further authority providing the current contract has been approved in line with the levels of authority above.

Annex 2: Terms of Reference for the Finance Committee

The finance committee has an advisory role and is not a decision-making body. The committee shall advise and support the Treasurer on any financial and related operational matters, and may make recommendations to the PCC.

Membership

The Treasurer shall Chair the Committee and appoint such members as bring skills/gifts useful to support financial planning and cost management. The Treasurer shall report to PCC on activities and recommendations from the Finance Committee.

Annex 3 Mission Giving and Support Policy

Introduction

It is usual for St Johns to tithe its income (i.e. give away ten percent to charities at home and abroad). The purpose of this policy is to define how the tithe is set and to describe the process for allocating it each year to charities.

Policy and Approval Process

There will be a single Mission Group that covers every church/community in the parish, and it should include at least one PCC member and a representative from each church (WR and KM). The Mission Group shall oversee the church's support, both financial and non-financial, for local, national, and international mission charities.

The following process will be applied each year for agreeing and distributing the tithe:

1. When the annual budget is approved (usually in January), the PCC will agree the Mission Tithe for the coming year and the PCC secretary will notify the chair of the Mission Group. The Mission Tithe should be set on the basis of not less than 10% of the total income for the previous financial year.
2. The Mission Group will then consider how to allocate the tithe for the coming year, with the aim of agreeing details before the APCM in April for formal approval by the PCC. A portion may remain unallocated to enable requests received during the year to be met. Allocation of the tithe will be prioritised to support:
 - a. Mission Partners to whom we have a long term commitment
 - b. Local mission activity that aligns with or complements the Mission of St Johns.
 - c. Local individuals in need
 - d. National organisations with we are aligned
3. The Treasurer will arrange to make payments of the tithe during the year, with the main payments being made in August, confirming to the chair of the Mission Group when payments have been made. Consideration should be given to making payments annually by electronic payment or Standing Order where possible. The chair of the Mission Group will communicate details of our giving to our mission partners by letter.
4. During the year, the Mission Group may decide to make additional ad-hoc payments to charities and/or to individuals who apply for funding. Applications for these grants should be made on the form which is to be found on the Mission page on the St Johns website. Any ad-hoc payments should be approved by the Mission Group or the Standing Committee.
5. In October or November, the PCC will receive a report from the Mission Group with details of the charities being supported and the PCC will confirm how much of the tithe is still to be allocated.
6. Towards the end of the year, the Mission Group will review the total giving for the year, and allocate any funds that remain from the tithe to existing or new charities.
7. Annually a report to the Church will describe our mission giving for the year.