

FINANCIAL PROCEDURE POLICY

All Souls Parish Church Harlesden

All Souls Parochial Church Council (PCC), Parish of Harlesden, is an independent charity. It is registered at the Charities Commission for England and Wales with a charity number of 1131170. The charity is required to comply with the requirements of the Charity Commission. All PCC members are voted into their roles and are the charity's trustees. They are collectively responsible for overseeing and governing the Parish and ensuring that finances are handled correctly and in line with the charity's aims. PCC Members are responsible for ensuring that the finances of the Parish are used to further its aims, that policies are put in place to preserve the PCC's long-term financial health, and avoiding abusive financial activity.

The purpose of this Policy document is:

- to set out the authority for managing church finances delegated by PCC (trustees) to the Incumbent, the Churchwardens and the Treasurer;
- to provide the PCC with a written record of what is done on their behalf.

The Treasurer maintains this document, and it should be reviewed and updated annually and approved by PCC as a regular agenda item at a PCC meeting once a year.

FINANCE TEAM:

Revd Dr Adam Dobrzynski

Sandra St Louis-Kandapah

Clive Jones, Lorna Anderson

Lewis Evans and Bruno-Snelling

David Millar

Incumbent

Treasurer

Stewardship Recorder

Churchwardens

Bookkeeper

Assisted by **The Cash Collection Team:** May Roberts, Emelia Nortey, Margaret Oyemade
(they are not related)

BANKING AND INVESTMENTS

BANK ACCOUNTS

PCC banks with TSB Bank

The PCC must approve any proposal to change the PCC's bank, but the Treasurer has the discretion to open and close current and deposit accounts as appropriate, subject to authorised signatory confirmation.

SIGNATORIES

The following act as authorised signatories: Incumbent, the Treasurer and the Churchwardens. They may not sign cheques made out to themselves.

	Authorisation
Instructions to banks	2
Cheques	2
Standing Order / Direct Debit	2

CASH MANAGEMENT

Any cash expenditure is made from petty cash. This is kept solvent by cash paid into it and reclaimed by from the Treasurer. Receipts for said expenditure are logged and kept in the petty cashbox.

The Treasurer is responsible for monitoring bank balances.

Reserves Policy.

Our policy is to invest our funds balances with the CBF Church of England Deposit Fund. We have no other investments.

COMMITMENT AUTHORISATION FOR EXPENDITURE

The Incumbent can authorise expenditure under £500. Under £2000 by the Incumbent and the Churchwardens. Over £2000 must be authorised by the PCC (unless it has been allocated in the PCC-approved budget.).

PAYMENTS

Bills and expenses - by direct debit, bank transfer or cheque, and at least within the month.

PURCHASING

Regular suppliers are to be used for recurring expenditures, but church staff and volunteers should be open to changing these to obtain the best terms and quality of supply.

For non-recurring expenditure: In line with best practice and to ensure the best prices, at least three quotes should be obtained for work to be done / services to be provided unless there is good and proper reason otherwise, e.g. benefit of existing supplier relationships or expertise, time and effort involved in investigation price differentials relative to cost
Purchasing is under the overall control of the Treasurer.

VOLUNTEER EXPENSES

Volunteers may claim reasonable expenses incurred in carrying out their duties. These are to be agreed in advance.

Clergy – claims to be submitted monthly, supported by documentation appropriate to each item claimed. This is to be authorised by the Treasurer and (optional) one churchwarden before payment.

Volunteers – claims are to be submitted at least quarterly on a calendar supported by documentation appropriate to each item claimed. To be authorised at the discretion of the Treasurer.

UTILITY CONTRACTS

Our agents, CESC, manage these contracts to ensure that these contracts (gas and electricity) are reviewed every 2- 3 years for value.

INCOME

SUNDAY CASH COLLECTIONS – banking

Monies from Church collections are counted and logged in the Service Register by two members of the Cash Collection Team and locked in the vestry safe. Planned Giving is counted and logged by the Stewardship Recorder and a member of the Cash Collection Team. There should never be more than £3000 in cash in the safe. Cash should be banked at least fortnightly. Cash donations of £20 and over should be recorded as a separate item as soon as possible. The Treasurer does the banking.

DONATIONS

Regular donations are currently acknowledged annually in a generic format. We would like to make this more specific within the next 2 – 3 years; ad hoc donations are only acknowledged if requested or known to be from a person who would expect an acknowledgement. The Treasurer will delegate this task as appropriate.

GIFTAID CLAIMS

The Treasurer keeps a record of all gift aid agreements, and the Stewardship Recorder records all amounts given this way. A claim is made on-line. Those making gifts by Direct Debit are encouraged to do so through the Parish Giving Scheme.

The current practice is to claim the tax annually in the New Financial Year; this can be reviewed if cash flow requirements are in demand.

MONEY RECEIVED BY INCUMBENT/ CHURCHWARDENS/ TREASURER

Donations Received

Occasional donations received by the Incumbent and/or directly by the Treasurer should be banked at the earliest opportunity, with details passed to the Treasurer to claim Gift Aid when possible. The acknowledgements are to be as above; see 'Donations'.

Hall Hire Income

The PCC reviews hire rates proposed by the Treasurer at least every three years.

The Treasurer will arrange banking when invoices are paid in cash or by cheque.

Fee Income - Weddings and Funerals

Fees are based on Diocesan published rates. Set amounts from each event will normally be payable to the diocese based on the Return prepared by the Incumbent, and our policy is to pay these over biannually.

FINANCIAL MANAGEMENT

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 the following:

- 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 PCC's accounting year end is 31 December and aligns with the calendar year. This is consistent with the accounting year end of the Diocese of London (the Willesden Episcopal Area). 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 agrees on a suitable date.

The APCM will appoint a Treasurer and an appropriate independent examiner to examine the accounts before they are presented 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.

BUDGET PREPARATION AND APPROVAL

The Treasurer should prepare the Annual Financial Income and Expenditure budget in time for PCC approval before the end of the previous financial year. The General Fund budget must not have an excess of expenditure over income.

The annual budget will be published after approval by the PCC.

ACCOUNTING AND ANNUAL ACCOUNTS

The Treasurer is responsible for ensuring that suitable bookkeeping processes are in place to record all income, expenditure, assets and liabilities. The Treasurer is also responsible for ensuring that annual accounts and financial reports are prepared and passed to the Independent Examiner for review in time for presentation at the Church APCM each year.

MANAGEMENT ACCOUNTS

The Treasurer is responsible for providing information comparing actual income and expenditure to the budget in the financial report to the PCC. The Treasurer is also responsible for preparing a full-year Income & Expenditure forecast if required.

DISPOSAL OF RECORDS

Accounting records and documentation relating to assets and liabilities, including all Funds, must be kept until after the item's life: all envelopes from the last 12 months and a 1-month sample of envelopes from each of the preceding 6 years. This is a requirement of HMRC. Accounting records and documentation relating to general income (including Donations) and expenditure records should be disposed of properly after the normal six-year period. Gift Aid declarations need to be kept for 6 full calendar years from the most recent gift we collected for. A set of annual accounts should be kept indefinitely.

MAKING DONATIONS TO OTHER CHARITIES

All Souls Parish Church 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.
- A PCC resolution must authorise payments from existing parochial funds to another charity (as opposed to holding a collection).
- The PCC will examine the justification for the donation and how the charity's aims align with the Parish's.
- The PCC will provide evidence that by transferring funds to another charity, we are not 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.

FUNDRAISING AND GRANT APPLICATIONS

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 at the next PCC meeting.

OTHER RULES

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

This Policy was last discussed and approved by the Parochial Church Council (PCC) on 11th September 2024

Signed: *Revd Dr Adam Dobrzynski*