St Mary's Church Thakeham Parochial Church Council (PCC)

Financial Control Policy

Delegated Authority for Expenditure

1. Purpose

This policy sets out the authority delegated by the Parochial Church Council (PCC) to the Incumbent (Priest in Charge) and the Treasurer for the approval and payment of expenditure, ensuring proper stewardship, accountability, and compliance with Charity Commission, Nolan Principals of public life and Church of England guidance.

The PCC, as Church Trustees, retain overall and corporate responsibility for all church funds and their proper and appropriate management.

2. General Principles

All expenditure must support the mission and ministry of the parish.
Expenditure must fall within the agreed acceptable limits.
Proper records, receipts, and invoices must be retained for all payments.
We try to ensure that no individual may authorise expenditure from which they personally benefit as this is best practice, however, there are occasions when this has not been possible due to holiday and/or sickness. Please note all payments are set up by the Treasurer only on production of headed receipts/invoices.

Wherever practical, at least two individuals should be involved in authorisation or payment processes to maintain good financial controls.

Financial controls are essential to ensure funds are properly managed and safeguarded.

3. Delegated Spending Limits

3.1 Incumbent (Priest in Charge)

- The Priest in Charge may approve and incur expenditure as follows:

  Up to £500 per single item or transaction with no prior PCC approval required but <u>must be reported to the Treasurer</u>

  £500- £2000 Requires consultation with the Treasurer and at least one Churchwarden.

Over £2000 Requires prior approval of the PCC (or Standing Committee if urgent) (see point 4 re: Vicar's Discretionary Fund)

The inclusion of tiered approval thresholds reflects common church practice where larger unbudgeted sums require broader oversight.

3.2 Treasurer

- The Treasurer may authorise and process expenditure as follows:

Up to £500 per transaction and according to best practice

Routine payments (utilities, insurance, parish share, etc.)

£500 – £1500 per transaction Requires agreement with the Priest in Charge and at least one Churchwarden

Over £1500 Requires prior PCC approval (unless already budgeted and explicitly authorised)

Expenditure includes but not limited to Cash, BACS Transfer or Charge Card assigned to the Church Account.

The Treasurer is responsible for the proper disbursement of funds within PCC policy and must maintain accurate accounting records.

3.3. Administrator

- **The Church Administrator** may process payments on the Charge Card assigned to the Church Account for the procurement of Goods or Services up to an amount agreed by the PCC. All payments must be accompanied by a headed invoice/receipt.

4. Restricted Funds including Vicar's Discretionary Fund

I contacted Church House for clarification regarding the recent anonymous donation of £10,000. I attach a copy of the email I received from Sarah Rogers which clearly sets out the fact that, in this particular instance, the donor was clear that the monies were to be used solely at the discretion of our vicar.

However, please note that the monies were paid in electronically and any monies paid out will also be paid electronically and only on production of either headed invoices/receipts or an email from Joel, stating what the money is to be used for.

Furthermore, in this case, in the interests of transparency, I would ensure that the second signatory was either James or Wynn and not Joel.

See attached copy email from Sarah Rogers.

5. Expected vs Unexpected Expenditure

- **Expected expenditure**

  May be spent within approved limits above, provided it stays within the allocated budget line.

- **Unexpected expenditure**

  Up to £500: permitted within delegated limits after speaking to the Treasurer

  £500 – £1500: requires consultation with Priest-in-Charge and at least one Churchwarden

  Over £1500: requires PCC approval (unless emergency) as defined would interfere with the functional normal operation of the church.

  Unplanned expenditure limits and escalation thresholds are commonly adopted to ensure oversight of one-off spending.

6. Emergency Expenditure

In urgent situations (e.g., health and safety issues impacting on Church users or building repairs):

The Priest in Charge, Treasurer, and at least one Churchwarden may jointly approve expenditure above delegated limits.

Such decisions must be:

6.1 Documented in detail

6.2 Reported to the next PCC meeting

7. Accountability re: Collection, Donation Jars and Prize Draws

7.1 For the reputational safety of St Mary's Thakeham all collections including Service collections and donation jars at any church events e.g. Flower Festival must be counted by two PCC members or one member of the PCC and a church member (from different households). If this is not possible on the day, then the monies are to be put in the church safe until appropriate counting can be carried out.

7.2 For the same reason Prize Draws e.g. 100 Club, Christmas Fayre etc are to be carried out in public and by two members of the PCC or one member of the PCC and a church member (from different households).

8. Reporting and Accountability

A schedule of all expenditure made under delegated authority shall be presented at each PCC meeting.

> The Treasurer will provide regular financial reports showing expenditure. Unusual expenses must be explained to the PCC.
>
> Regular reporting ensures PCC trustees maintain proper oversight of church finances.

9. Review

This policy shall be reviewed annually by the PCC. It will be agreed by the Parochial Church Council as the agreed policy for Financial Control (Delegated Expenditure) at the PCC meeting.

Dated: 31st July 2026

From: **Sarah Rogers** <Sarah.Rogers@chichester.anglican.org>
Date: Thu, 21 May 2026 at 10:37
Subject: Vicars Discretionary fund
To: treasurer St Mary's thakeham <stmarysthakehamtreasurer@gmail.com>

Hi Liz,

Thanks for your call on this and apologies for my slow reply. It is the middle of APCM season and I am struggling to keep up with queries.

The key is how the donation was given and what is the intended restriction which needs to be abided by.

Usually, funds given to PCC's form part of their general unrestricted funds and therefore, their use is decided by the PCC. However, if donations come with a restriction, then the PCC has the duty to use the funds as intended or return the funds to the doners. E.g. for specific building work, a project, children's ministry etc. There are strict rules governing the use of restricted funds by charities.

It used to be common for legacies to be given to the 'vicar and churchwardens', this would form a trust that was reported in the PCC annual accounts. However, it would be for the wardens and priest to decide how the funds are spent. The new wording is for legacies to be left to the PCC to avoid any doubt, and so that collectively the PCC decide how to spend the funds.

Having said that, if someone has given £10k with the express restriction that it is for a vicar's discretionary fund. Then the person with the responsibility on how it is spent is the priest. It is right to show this on the PCC accounts and good governance to have this in the PCC deposit account with two signatories.

It is hoped that the priest and the PCC would be alignment on the mission and vision for the parish and to use the funds in a way that collaboratively works for the benefit of the parish. Although it is the decision of the priest for these particular funds and they can be spent at their discretion.

Any further questions please do come back to me.

Kind regards
Sarah

Sarah Rogers

Parish Support Team Leader

(Finance, Governance and Stewardship)