

St Mary's Church Thakeham

FINANCIAL POLICY AND PROCEDURE

PRODUCED BY: ELIZABETH WHITEHEAD

REVISED BY: ELIZABETH SLAUGHTER

REVISION DATE: JUNE 2026

REVISION NO: 3/19

Introduction

The procedures should endeavour to seek the best practice within the guidelines provided by:

- a) The Charity Commission and the Statement of Recommended Practice (SORP).
- b) The Church of England.
- c) St. Mary's Independent Financial Examiner who is appointed at the Annual Parochial Church Meeting (APCM).

The financial year for St. Mary's is January 1st to December 31st.

1. People and Roles

The Parochial Church Council (PCC) is responsible for the finance of the Church and, in particular for the associated procedures. This includes ensuring that the procedures are followed and, when necessary updated.

- a) To assist in this area the PCC shall appoint a Treasurer who shall be a member (voted or co-opted) of the PCC.
- b) The PCC may appoint a Finance Committee to assist the Treasurer. This committee should have a Churchwarden as one of its members.
- c) Signatories for the bank, deposit and investment accounts will be appointed annually by the PCC. For the accounts, there should be at least three available signatories (please see section 8 for signature payment authorisation). The signatories should include the Treasurer and one of the Churchwardens.
- d) Online dual authorisation of payments is considered best practice. This involves the treasurer setting up the payment and then seeking online authorisation from another signatory. This prevents payments being made by one person alone, thus ensuring protection for both the treasurer and the PCC funds.
- e) There may be other people appointed to assist with the finances (paid or voluntary). These roles should always be clear with regard to what authority and responsibility they carry.
- f) Services collections are counted by two people, usually from the service sidespeople and/or members of the PCC. These people are identified and authorised each year at the APCM.
- g) The PCC may authorise associated accounts for particular Church activities e.g. youth and identify people who will manage these.
- h) The PCC appoints an Independent Financial Examiner at the APCM.

2. Bank Accounts

These will be as approved by the PCC to meet St. Mary's requirements as a Church and charity. Currently the accounts are:

- a) Barclays current account (Community Account).

- b) Barclays savings account (Community Savings Account).
- c) CCLA (Churches, Charities and Local Authorities) CBoF (Church of England Board of Finance) deposit account.

Money can be moved between the Barclays and the CCLA accounts as dictated by cash flow requirements and interest optimisation. Such movements are undertaken by the Treasurer and are noted in the regular reports to the PCC. All bank statements are sent to the Treasurer and are used for reconciliation purposes.

3. Financial Records

These will include the following:

- a) An annual cash spreadsheet showing all income and expenditure currently
 - Expenditure should link to an online copy record of the payment incurred.
 - Income should be clearly identified so that the source is clear e.g. planned giving (but not by name), invoice payment, interest, donations etc. Money is banked by the Treasurer. This will form the Income file(s).
- b) An online file (or where necessary a paper file) of all bank statements and associated correspondence.
- c) Additional files may occur as are found to be useful e.g. regarding correspondence with utility companies, insurance etc.
- d) All income is identified as to its generic source and whether it is restricted regards use.
- e) There will be an annual budget for PCC approval.
- f) There will be annual accounts (Receipts & Payments method) in the form required by the Charity Commission, the Diocese and the PCC's Independent Financial Examiner.

4. Record Retention

Records will be kept for seven years. These will include:

- a) All records referred to in section (3) above.
- b) An electronic copy of all records, which will be made regularly. A copy will be kept in a location other than the Treasurer's home for safety. This is most appropriately kept on a "cloud"
- c) The Independent Financial Examiner also keeps annual records.
- d) After this period records should be properly destroyed in compliance with Data Protection requirements. Any financial data that is not required to be kept for 7 years should be destroyed after no more than two years unless it is still being accessed.

5. Security

Physical files should be secured as they will contain personal details.

Files may also be kept on a computer. Any such files requiring security will be password protected. The password will be known to the Treasurer and at least one other member of the PCC.

A backup copy of the financial files will be kept on a “cloud”.

6. Online Access

This will be permitted, where supported, on the explicit approval of the PCC. Associated passwords will be managed by the Treasurer. Access is limited to the Treasurer and the bank signatories, and, with the Treasurer’s guidance and PCC approval, other members of the PCC. Currently online access is for the Barclays accounts only as the CCLA deposit account does not support online access. Online access allows:

- Authorised payments to be made out of the Barclays current account.
- Transfer of money between the Barclays current account and savings account.

7. Payments

- a) Payments are usually by BACS – now the Faster Payment interbank scheme, FP. The church Charge Card will also be used by the authorised persons (currently the Administrator and the Treasurer).
- b) Cash payments are usually avoided.
- c) Cheque signatories are those explicitly agreed by the PCC, and as specified to the bank(s) by mandate.
- d) Two signatures are required for a cheque and for an FP payment (online dual authorisation). An additional signatory or authorisation may be required for a special project e.g. Restoration Project.
- e) A signatory cannot be related to the payee or, if unavoidable, 2 other signatories should authorise if possible.
- f) All payments include a payment request form/email giving:
 - The amount
 - The date of the request
 - The name of the payee
 - The reason for the payment and appropriate invoices/receipts
 - Authorisation details are given below in section 8 .
 - Cash book references, e.g. cheque number or FP details, date, category of expense.

g) Signatories should verify:

- That cheque details are correct, e.g. date, amounts tally, the payee is correct.
- That the cheque details match the payment request form (where a cheque is involved).
- That the payment is one that can be approved.
- If in doubt the cheque / payment request should not be signed but queried with whoever raised the payment request or the treasurer.
- Blank cheques are never signed.

h) All payment requests should include associated documents, e.g.:

- Invoices
- Expense sheets

i) Some payments might be agreed on a regular, annual or longer, basis. An associated document from the body (company) is required. The Treasurer reports on all such payments to the PCC. Examples are:

- Diocesan share payments
- Payments to agreed bodies, e.g. to support mission, or other like bodies
- Utility companies, water, gas, electricity, telephone
- Council tax
- Levies, e.g. from Storrington Deanery
- Affiliation fees and licences, e.g. TV
- Expenses to approved people, e.g. the Rector, Churchyard maintenance

j) Payments should be timely – as specified by an invoice; at the agreed weekly or monthly date for regular payments; as soon as possible for expenses/reimbursement for an individual.

8. Authorisation

- a) All expenses claimed should be supported by an invoice/receipt. There will be circumstances where an invoice or receipt is not available in which case the individual claiming the expense should outline the nature of the cost and the amount. Authorisation of the expense will be at the Treasurer's and second signatory's discretion.
- b) Expenses cannot be claimed until they have been incurred.
- c) Members of the church who need to spend money for any associated project/work need to ask for authorisation for the funds BEFORE any outlay if the sum of money exceeds £500.
- d) A signatory cannot authorise his/her own expense claim (exceptions see 7e)
- e) Payments of up to £1000 can be authorised by 2 signatories. Payments above £1000.00 need 3 signatories. These need to be documented separately by the treasurer and records kept, as the actual online process will only accept 2 signatures.

9. Letting of the Church Rooms

In the event of St. Mary's Church letting the Church Room, invoices are raised in accordance with existing agreements with those using the Church premises. The amounts relate to what area is being hired and the agreed rate.

10. Special Projects

The cashbook and reports will clearly show any income and expenditure associated with specific projects. In some cases, this will be restricted money. Authorisation for special projects may be passed to an associated sub-committee of the PCC. It will report back to the PCC.

11. Reports

The treasurer will produce appropriate reports:

- a) For the APCM. These accounts will first be approved by the PCC and be inspected by the appointed Independent Financial Examiner.
- b) For the annual budget.
- c) For PCC meetings as required, e.g. cash flow related to the budget; cash flow regarding the Reserves Policy; specific income and expenditure matters, etc.
- d) Financial details should be available to any PCC member at any time upon request.

12. Employees

HMRC has stated that organists must be treated as employees of the Church, which means that they now have full employment rights. The Benefice Administrator is also an employee.

Should in future we employ any other persons, they would be included on the payroll.

13. Associated Standards

- Charity Commission requirements for annual financial reports (SORP related matters). These now relate to the 2011 Act.
- Church of England / Diocesan recommendations and requirements.
- HMRC requirements for documentation associated with Gift Aid claims.
- St. Mary's Independent Financial Examiner's advice.
- Other associated St. Mary's policies.

14. Current Practice

- People:
 - Churchwardens: Pippa Harder, James Isgrove
 - Treasurer: Liz Slaughter
 - Gift Aid Officer: Bob Timms
 - Bank signatories: Liz Slaughter, Joel Willmer, James Isgrove, Wynn Lednor
 - Security Backup of files: Online cloud password known to churchwardens
 - The PCC Independent Financial Examiner: Mrs Sue Kowszun, Harlequin Financial Services.
- ICT:
 - Financial details are kept on the Treasurer's system. Access is via a user id and password and authorisation to access the financial folders.
 - Working details are kept on the Xero online banking system. These are annual in nature – January to December.
 - Finance details are recorded regularly and at least monthly. Reconciliation is at least monthly.

15. Reserves Policy

In keeping with Diocesan policy, this PCC aims to maintain a balance on the general unrestricted funds (excluding property) which equates to approximately three months' worth of unrestricted payments as contingency against unforeseen situations. If there are funds that significantly exceed this amount, they must be designated for particular projects. Accumulation of money is not considered appropriate, but must be used for PCC activities and good works.