

Appendix 2 : Finance and Governance Policy

FINANCIAL GOVERNANCE MEASURES

The PCC is a Charity and is governed by two pieces of Church of England legislation called measures:

- 1.1 PCC (powers) Measure 1956:** This defines the principal function, or purpose, of the PCC as “promoting in the parish the whole mission of the Church”

- 1.2 the Church Representation Rules** (contained in Schedule 3 to the Synodical Government Measure 1969 as amended) state there must be an annual meeting each year held not later than 30th April when an annual report on the proceedings of the parochial church council and the activities of the parish generally should be presented to include the financial statements of the parochial church council for the year ending on the 31st December immediately preceding the meeting, independently examined. These accounts must be considered and, if thought fit, approved by the parochial church council and signed by the chairman presiding at the meeting of the council; and be displayed for a continuous period of at least seven days before the annual meeting, including at least one Sunday when the church is used for worship, on a noticeboard either inside or outside the church. Copies to be sent within twenty-eight days of the annual meeting to the secretary of the Diocesan Board of Finance for retention by the board. We are reminded that the quorum for PCC decisions determined by the Church Representation Rules (Part 9, M27)

- 1.3 PCC MEMBERS RESPONSIBILITIES**
PCC members are trustees of the PCC Charity and as such have specific duties and responsibilities that are explained in the Trusteeship leaflet: <https://www.parishresources.org.uk/wp-content/uploads/Trustee-booklet-v2.pdf>. The Trustees must ensure the PCC remains solvent and exercise a duty of care in managing the PCC funds and investments. Whilst the Treasurer may deal with the day-to-day procedures, it is the PCC - as a whole - who are responsible for the finances of and financial decisions made by the PCC.

- 1.4 Fees**
The Church of England lays down set fees for weddings, funerals, and burials of ashes. These fees are collected and appropriate sums sent to the Diocese/ retained in Church Funds. The treasurer, also, manages these accounts. Additional local fees are agreed by PCC for ringing bells at weddings and funerals, for the choir, organist and other musical arrangements, and for heating in the winter months. Payments to servers, organists and bellringers are made from these fees and it is the responsibility of the recipient to declare these sums to HMRC.

- 1.5 Expenses**
Clergy and Lay Ministers are entitled to claim expenses in accordance with the provisions of the booklet “Parochial expenses of the Clergy” <https://www.churchofengland.org/sites/default/files/2017-10/Parochial%20Expenses%20Guide%20-%202017.pdf> . Reasonable travel expenses are reimbursed at the rate of 45p per mile for car journeys, or the rail or bus fare for travel

necessarily completed on parish business. Clergy and Lay Ministers have a rolling training allowance as agreed by PCC. Members of the PCC, the parish secretary and other individuals may also claim reasonable expenses if agreed in advance.

1.6 Income

In order for the parish to remain solvent it must raise income to maintain the day to day expenses of the parish and raise additional funds for central Diocesan Costs (parish share) and for any specific projects such as major building repairs and any other charitable giving PCC determines it should make.

Annually, the PCC determines external charities to support and has specific fund raising events to raise the funds. PCC must authorise each charity that is supported by giving from church members.

1.7 MANAGING CHURCH FINANCES

The Finance Advisory Board (terms of reference in section 6 of the main Standing Orders), reports to the PCC. Its purpose is to establish sound financial management for the church and its work.

In order to achieve this the following measures have been put in place:

1. An Annual Budget to be determined by the Finance Advisory Board and affirmed at the APCM. This will be cross referenced in the annual accounts review.
2. Expenditure in each budget area should not exceed that which has been budgeted without the agreement of the Finance Advisory Board.
3. All expenditure above £100 must be agreed with the Finance Advisory Board prior to spend. Requests should be made through the chair.
4. Finance Advisory Board to have authority to approve spending up to £500 and then report to PCC. Above this figure, expenditure must be pre-agreed with the PCC. (In exceptional circumstances agreement can be given by email confirmation from the relevant memberships).
5. For expenditure likely to be over £500 a minimum of 2 quotes will be obtained. For works over £1000 3 quotes are necessary.
6. The Rector and Wardens will be provided with an annual discretionary fund of up to £100 to make donations to causes, which are not established in the budget.
7. There will be a minimum of 3 banking signatories including the Finance Advisory Board Chair and one Warden. Where these posts are not filled, the PCC will confirm signatories.
8. The bank accounts will be reviewed bi-monthly. All unexpected payments (in and out) to be reviewed and checked with the group at their next meeting.
9. Tax efficient giving and reclamation of VAT will be pursued by the Financial Advisory Board at all times.
10. All contracts/regular providers will be reviewed on an annual basis to establish best value.