Finance Policy and Procedures

Parochial Church Councils of All Saints Church Biddenden

Financial Records and Accounts

1. 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 (HMRC) and common law.
   - The PCC has proper financial control of the organisation.
   - The organisation meets the contractual obligations and requirements of funders.

2. The books of accounts must include:
   - Records analysing all transactions appearing on the bank accounts.
   - Records of all cash and cheques that are banked.
   - Records (paper or electronic) of all orders/invoices resulting in payments.
   - Records of Inland Revenue deductions, if applicable (if registered for PAYE).

3. Currently, the PCC uses Excel spreadsheets to keep financial records, perform accounting analysis, manage reconciliations and to construct financial statements.

4. Accounts must be drawn up at the end of each financial year within 3 months of the financial year end and presented at the next Annual Parochial Church Meeting (APCM).

5. Prior to the start of each financial year, the PCC will approve a budgeted income and expenditure account for the following year.

6. The treasurer will prepare a report for all PCC meetings, which are usually every other month. This will provide, at the least, an update of bank account balances and cash flows. At least at every other meeting (every four months), the report will include a comparison of income and expenditure with the budget.

7. The APCM will appoint a Treasurer and an appropriately qualified independent examiner to examine the accounts before presentation at the next APCM.

8. The financial year runs from 1st January to 31st December.

Banking

1. The following bank accounts will be maintained by the PCC on behalf of the Parish of All Saints Church, Biddenden:
   - Nat West Bank plc - Business Current: Current account activities
   - Lloyds Bank plc - Community account: Parish magazine advertising
   - CCLA Investment Management: Investment reserves

2. Bank mandates (list of people who can authorise transactions and sign cheques on the PCC's behalf) will be reviewed annually, at the first PCC meeting after an APCM. Any signatory changes will always be approved and minuted by the PCC.

3. The PCC will require the bank to provide statements every month (whether paper or online) and these will be reconciled with the accounting records at least every three months, and preferably monthly. The Independent Examiner will be required annually to spot check that this reconciliation has been achieved.
4. The PCC will not use any other bank or financial institution or use overdraft facilities or loans without of the agreement of the PCC Members.

Income

1. The PCC will ensure money received by the following methods can be recorded, stored and reconciled safely and accurately:
    - Cash
    - Cheques
    - Contactless card reader payment (SumUp)
    - Payment via BACS directly to bank account
    - Payment by Standing Order directly to bank account
    - Payment via Parish Giving Scheme directly into bank account
2. All monies received will be recorded promptly at the time of receipt. Cash and cheques will be banked without delay. All such receipts will be noted monthly in the cash analysis records and reconciled monthly with bank statements.
3. The PCC will maintain files of documentation (hard copy where possible, as well as online filing) to back this up.
4. PCC invoices requesting payment from hirers will be issued by the PCC Administrator at least monthly.
5. All fundraising and grant applications will be undertaken in the name of the church and with prior approval of the PCC. In urgent situations, the Fundraising Secretary will use their discretion and will provide full details to the next PCC meeting.

Payments (Expenditure)

1. The PCC will aim is to ensure that all expenditure properly represents the PCC's activities and is properly authorised and that this can be demonstrated.
2. For annual service checks, utility bills or essential replacement of existing items, spending should be checked with the Priest-in-Charge and/or the Churchwarden.
3. For online banking, the PCC Treasurer will make payments on the basis that the PCC has elected them to carry out such transactions, subject to authorisation limits. The PCC will be seeking to move to a banking platform that allows dual authorisation for online transactions.
4. The PCC Treasurer will be responsible for holding the cheque books (including unused and partly used cheque books) which should be kept under lock and key.
5. Signatures from two PCC member who are bank signatories are required to sign cheques. No-one is authorised to sign blank cheques.

6. The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
7. No cheques should be signed without original documentation (see below).

Authorisation of Spending

1. The PCC does not accept liability for any financial commitment unless properly authorised.
2. The Treasurer is authorised to commit to expenditure not exceeding £250 without prior approval of the PCC
3. Any expenditure which are likely to cost the PCC in excess of £250 but under £500, must be authorised by the Priest-in-Charge and/or the Churchwardens, on behalf of the PCC.
4. Any expenditure likely to cost the PCC in excess of £500 must be authorised by the PCC.

Payment documentation

1. Every payment, whether online or by cheque, out of the PCC's bank accounts will be evidenced by an original invoice (never against a supplier's statement or final demand). That original invoice will be retained and filed by the PCC.
2. The only exceptions to online payments or cheques not being supported by an original invoice are items such as advanced booking fees for a future course, deposit for a venue, VAT, etc. Here a requisition form will be used.
3. For Wages and PAYE, there will be a clear trail to show the authority and reason for EVERY such payment; e.g. a requisition form asking for payment to an employee, HMRC etc. All employees will be paid subject to PAYE and National Insurance regulations.
4. All staff appointments/departures will be authorised by the PCC, minuting the dates and salary level. Similarly, all changes in hours and variable payments such as overtime, etc, will be authorised by the PCC.
5. Salaries will be reviewed and increased ready for the start of the financial year. The Real Living Wage is the guideline for any amount increase. The PCC will agree the final decision on any annual pay increase.
6. The PCC Treasurer will, if presented with a properly evidenced expense claim, reimburse expenditures paid for personally without prior approval of the whole PCC, providing:
    - Authorisation guidelines are met.
    - Expenditures are evidenced by original receipts.
    - Fares are evidenced by tickets.
    - Car mileage is based on official scales.
    - No cheque signatory signs for the payment of expenses to themselves.
    - No online signatory arranges for the payment of expenses to themselves.

Reserves Policy

It is current PCC policy to try and maintain a balance of unrestricted funds equivalent to around three months of running costs. This is held to smooth out fluctuations in cash flow and to meet potential emergencies. The average for a three-month period of unrestricted payments in 2025 has been around £16,500.

For the avoidance of doubt, running costs will include Parish Share contributions.

Policy Review

This policy was reviewed and approved by the PCC on 10th November 2026.

The policy will be reviewed every three years.

The next review date will be the first PCC meeting after the 2029 APCM.

Approved by the PCC and signed on its behalf ……..

Date ……..