



Guidance for managing financial records and accounts

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 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:

- 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 registered for PAYE)

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

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

5) A report of the actual income and expenditure (Preferably compared with the budget) should be presented to the PCC every three months or whenever meetings take place.

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

Banking

1. The PCC will bank with HSBC Bank plc and CCLA, accounts will be held in the name of the PCC of St Michaels, Waddington.

The following accounts will be maintained:

- Charity Account No 1 (HSBC Current Account)
- Charity Investment Account (CCLA)

2. The bank mandate (list of people who can sign cheques on the PCC's behalf) will always be approved and minuted by the PCC Members annually; as will any changes to it.

3. The PCC will require the bank to provide statements every month and these will be reconciled with the accounting records at least every three months and the Independent Examiner will be required to check that this reconciliation has been done each year.

4. The PCC will not use any other bank or financial institution or use overdraft facilities or loan without of the agreement of the PCC Members.

Income

- A. All monies received will be recorded promptly in the cash analysis record and banked without delay, including sundry receipts such as payment for telephone calls, photocopying etc.

The PCC will maintain files of documentation to back this up.

Payments (expenditure)

- a. The aim is to ensure that all expenditure is properly the PCC's activities and is properly authorised and that this can be demonstrated. The latest approved budget provides the cheque signatories with authority to spend up to the budgeted expenditure, not beyond it.
- b. The Treasurer and Church Wardens will be responsible for holding the cheque books (including unused and partly used cheque books) which should be kept under lock and key.
- c. No-one is authorised to sign blank cheques.
- d. The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
- e. No cheques should be signed without original documentation (see below).

Payment documentation

1. Every payment 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 by the PCC and filed. The cheque signatory or payment authoriser should ensure that it is referenced with:
 - Cheque number/or suitable reference number and note of payment method
 - Date cheque drawn/or payment made
 - Amount of cheque/or payment
2. The only exceptions to cheques/payments 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 payment requisition form will be used, and a copy of the cheque/payment method kept.
3. Wages and Salaries. There will be a clear trail to show the authority and reason for EVERY such payment; e.g. a Payment requisition form or invoice from self employed persons asking for payment to an employee, HMRC etc. All employees will be paid within the applicable HMRC, 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. Petty cash will always be maintained in detail and kept to a minimum as cashless payments should be the main method of payments. However where the Administrator/

Church Wardens/PCC Treasurer/Vicar is entrusted with a cash sum, the amount held of £100 must be agreed by the PCC yearly. A complete set of expenditure vouchers, totalling the amount spent must be completed at the end of each month so they can be analysed as required.

6. The PCC will, if presented with a properly evidenced expense claim, reimburse expenditure paid for personally without prior approval of the whole PCC, providing:
 - No-one acting alone will commit the PCC to pay for any expenditure exceeding £0
 - The Standing Committee is authorised to commit the PCC to expenditure not exceeding £500
 - The Church Wardens acting together are authorised to commit the PCC to expenditure not exceeding £300
 - The Priest in Charge is authorised to commit the PCC to expenditure not exceeding £300
 - The Treasurer is not authorised to commit the PCC to expenditure without prior approval of the Standing Committee.
 - Fares are evidenced by tickets.
 - Other expenditure is evidenced by original receipts.
 - Car mileage is based on official scales.
 - No signatory signs for the payment of expenses to themselves.

Cheque & Payment Authorisations

- 1) Each cheque or payment will be signed or authorised by at least two people.
- 2) A cheque or payment must not be signed by the person to whom it is payable (*ensure that you have enough signatories on the bank mandate*)

Online banking

The PCC will maintain a proper charity or business bank account using approved software that preferably requires two online signatories to authorise every transaction. If it does not then before any payment can be made a traceable method of two signatory agreements to the payment must be made first – this can be by utilising the authorised email addresses or paper form.

Other rules

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

- d. The PCC will adhere to good practice in relation to its finances at all times, e.g. when relevant it will set up and maintain a fixed asset register stating the date of purchase, cost, serial numbers and normal location of assets.

Additionally, the PCC will maintain a property record of items of significant value, with an appropriate record of their use.

Name of PCC Member responsible for treasury functions: Melanie Carroll

treasurer@stmichaelschurchwaddington.org.uk

Approved by the PCC and signed on its behalf:



Date: January 2024