

## **IV PCC - Terms of reference for Treasurer, Finance Committee and Bookkeeper and general financial strategy**

### **General**

1. The PCC has overall responsibility for the Finances of the Parish. This responsibility cannot be delegated although the work involved can be.
2. The Treasurer is appointed by the PCC pursuant to the powers granted to it by the Church Representation Rules (“CRR”). If the Treasurer is not a member of the PCC, under the CRR, they may be co-opted onto the PCC until the conclusion of the following APCM when they may be co-opted again in each ensuing year on the same basis.
3. The Finance Committee will be responsible for agreeing with the Independent Examiner the basis of accounts, accounting policies and format of accounts having regard to the Church Accounting Regulations 2006 together with applicable accounting standards and the SORP 2005.
4. The accounts will be prepared on an accruals basis, recognising that only material accruals will be made
5. IV PCC will have one general fund, four restricted fabric funds one for each church, and designated/restricted funds as needed from time to time. There is an overall strategy to minimise the number of restricted and designated funds.
6. As a general principle, wherever possible, expenses should be paid from an appropriate restricted or designated fund in preference to the general fund. Similarly, all income will be applied to the general fund unless the donor explicitly requests it be applied to a restricted fund

### **Financial Strategy**

1. The Parish should aim to raise enough income to meet and exceed our ambitions
2. Regular giving should be enough to finance the on-going costs of the Parish. To the extent that they are not in any year, the difference should be made up from fundraising events. Regular giving should be made through the Parish Giving Scheme (or by CAF payment).
3. The General Fund should maintain a balance of a minimum of 9 months spending
4. Spending on repairs of existing fabric to the buildings should in the first instance come from the Were Fund or, if this is insufficient, individual

fabric funds. New projects should be funded by individual fabric funds or specific fund raising

5. The Parish can support outside charities through agreed special collections and one-off events

### **Finance Committee Constitution**

1. The Finance Committee was established by the PCC pursuant to the powers granted to it by the CRR.
2. The composition and membership of the Finance Committee should be reviewed annually by the PCC in consultation with the Treasurer at the second PCC meeting after the APCM (the first meeting being on the same day and immediately after the APCM). The Treasurer should annually propose to this PCC meeting his recommendations as to who should sit on the Finance Committee for the ensuing year. The composition of the Finance Committee should recognise the need to maintain flexibility and regard should be had to the work involved, those tasks that the Treasurer would like delegated, the people available, each person's relevant financial expertise and their familiarity with how the Parish and its four churches operate. The Treasurer will be a member of, and chair, the Finance Committee. Under the CRR, the Finance Committee may include persons who are not members of the PCC and the Rector will be a member ex-officio.
3. The Finance Committee will meet as often as it feels is appropriate considering that much of its business is likely to be conducted by email.
4. The terms of reference for the Treasurer, Finance Committee and Bookkeeper are set out in this document.

### **Responsibilities of the Treasurer/Finance Committee**

1. The Treasurer/Finance Committee will be responsible for advising the PCC on overall financial strategy, reserves policy, investment policy, quarterly management accounts and annual financial accounts, the review of the budget, planning and financing long-term projects, review of common mission fund (parish share), insurance and the day-to-day management of PCC finances. They will also advise on the establishment of appropriate adequate internal controls and the appointment and management of a Bookkeeper

2. The Finance Committee will advise the PCC on the appointment of the Independent Examiner.
3. The Finance Committee will also be responsible for advising the PCC on the financial risks and mitigating action
4. The Treasurer, Finance Committee and Bookkeeper will have regard to any role descriptions, guidelines, practice notes, etc. promulgated by the Church of England and Winchester Diocese Board of Finance relevant to their duties. In this regard, it should be noted that IVPCC is a registered charity and members of the PCC are trustees of a charity.
5. The Finance Committee will be arrange adequate insurance for all the churches
6. The Finance Committee will review all investments at least annually and advise the Standing Committee and PCC on investment policy
7. The Finance Committee will review all banking arrangements at least annually.

### **Responsibilities of the Bookkeeper**

1. The Bookkeeper will report to the Treasurer who will be responsible for their supervision.
2. The Bookkeeper will maintain the books and financial records of IV PCC
3. Payments should be made by electronic funds transfer (EFT) with payments prepared and entered into the bank system by the bookkeeper and approved online by the Treasurer or his stand-in. The Treasurer should be notified by text directly by the bank on the setup of, or changes to, payees. If for any reason it is believed that a payment cannot be made by EFT, this should be reviewed with the Treasurer. If it is necessary to make a payment by cheque, it should be signed by 2 authorised signatories in line with the Bank Mandate.
4. Expenditure from designated and restricted funds will be appropriately identified and approved. Funds whose use is restricted to a particular church may only be spent with the approval of the appropriate Churchwardens (or where there are not any, the Churchwardens generally after consulting with appropriate DCC).
5. The Trial Balance (list of transactions) will be sent to the Treasurer monthly.

6. Quarterly management accounts will be prepared showing the Statement of Financial Activity for the Year-to-Date and the Balance Sheet at the period end, including general, restricted and designated funds. These will be reviewed by first the Treasurer and then Finance Committee before being circulated to the Standing Committee and the PCC
7. Financial accounts will be prepared annually and submitted to the PCC for their approval following review by first the Treasurer, then the Finance Committee and finally the Independent Examiner.
8. The Bookkeeper will be responsible for administering the Parish Giving Scheme.
9. The Bookkeeper will maintain the central Gift Aid records and tax forms. The Bookkeeper will act as Gift Aid Secretary and be responsible for preparing Gift Aid claim forms every quarter together with the annual return for period ended on 5<sup>th</sup> April.
10. An annual letter will be sent to all regular givers as soon as possible after the 5<sup>th</sup> April thanking them for their giving and support of the Parish
11. The 'regular giving' list will be updated in March ahead of the ACPM.
12. Expenditure outside the agreed budget requires the specific approval of the Treasurer who will obtain Standing Committee or PCC approval as appropriate. The Rector, Parish Administrator and Churchwardens have approval for individual items less than £100.
13. Expense claims should be submitted promptly for authorisation using the agreed form and supported by invoices.
14. The Bookkeeper will inform the Treasurer immediately the General Fund falls below £10,000 to ensure that restricted/designated funds are not eroded.

## **Budgeting**

1. A draft budget for the following year will be prepared in October by the Treasurer and reviewed by the Finance Committee before being tabled for discussion with the Standing Committee ahead of the year end. The budget will be approved at the first PCC meeting of the new year.
2. As part of the preparation for the budget, each DCC will be asked by the Treasurer what expenditure they estimate for regular maintenance and major repairs, and any major projects, in detail for the following year and at a higher level for the following 2 years.

3. The Rector and any other members of the clergy team should inform the Treasurer of any exceptional expenditure anticipated for the following year.
4. The budget should be prepared in enough detail to enable both day-to-day operating expenses and exceptional and extraordinary expenditure to be monitored and controlled.
5. The Finance Committee will advise the PCC from which funds, whether general, restricted or designated funds spending should be taken.

## **DCC**

1. Each DCC together with the Churchwardens will be responsible for (a) ensuring that regular maintenance takes place of its church, (b) arranging for the carrying out quinquennial inspections and reporting the results to the Finance Committee, Standing Committee and PCC, (c) ensuring that major repairs and capital projects are identified in good time.
2. Each DCC will be responsible for paying monies from collections, fundraising events, etc. into IV PCC bank account monthly using the appropriate form.
3. Any petty running expenses should not be deducted from collections and should be claimed separately as part of an expense claim.
4. Fundraising income and expenses should be shown separately and not netted off in the accounts. It is therefore important that event organisers submit accounts for their events to the Bookkeeper so that any receipts net of expenses banked can be grossed up and the expenses shown separately in both the books of account and the accounts.
5. A copy of this document should be sent to the Chairman of each DCC who should distribute it to both other members as appropriate and the person responsible for banking.

## **Major repairs and alterations to the fabric of a church**

1. In the case of all major repairs and alterations to the fabric of a church, each project should be managed by an appropriate body of competent people in association with the relevant DCC. The body of competent people should be established by the relevant DCC and approved by the PCC. The size and membership of this body should be appropriate to the size, complexity, skills required and length of the project and include necessary financial expertise to ensure proper financial controls are in

place. For a small project, a DCC may decide to appoint a single person. The relevant DCC may alternatively choose to perform the role itself and, if necessary co-opt people onto the DCC for the duration of the project.

2. The work of the body, or the DCC where it undertakes the work itself, will include preparation of an appropriate detailed budget, identifying and if necessary raising the sources of finance, liaising with the DAC, dealing with the architect and contractors, obtaining quotes, taking full responsibility for managing the project and the timely delivery of the work, monitoring expenditure against budget, planning and monitoring of cash flow, making claims for repayment of VAT under the listed churches scheme, obtaining appropriate approvals from the Treasurer, Finance Committee and PCC before proceeding with the project and incurring expenditure, preparing and submitting appropriate progress reports to the Treasurer, Finance Committee and PCC.
3. Once a budget is approved by the PCC, any commitments that will result in expenditure over the budget will require further PCC approval before the commitment is made.

### **Stewardship co-ordinator**

1. This is a key role and this individual (who may not be the Treasurer or a member of the Finance Committee) will be responsible for co-ordinating the nurturing of regular giving across the parish and working closely with the Rector and Churchwardens. In the absence of the appointment of a Stewardship Co-Ordinator, the role will be performed by the Rector and Standing Committee.

### **Fund-raising**

1. All fund-raising (Fetes, Christmas Sales, Lecture, Plant Sales, Plays, Duck Races, Open Gardens, etc.) will be raised for the general fund unless explicitly stated otherwise.
2. Language such as *'funds are being raised for the work of the Itchen Valley parish churches'* will be used for all events.

### **Special collections**

1. Unless otherwise stated all collections made in any of the churches will be paid into the general fund.

### **Common Mission Fund**

1. The Treasurer and Finance Committee in close consultation with the Rector will be responsible for advising the PCC on the amount of the Parish contribution to the Common Mission Fund and leading on any discussions with the Diocesan Board of Finance and Alresford Deanery. This will include the submission of the size of our Worshipping Community and Affluence Band in May each year.

### **Other**

1. The Treasurer should send copies of the minutes of the Finance Committee to the PCC Secretary for distribution to the Standing Committee and PCC.
2. The PCC Secretary should send copies of minutes of the PCC, as well as any minutes for the Standing Committee, to members of the Finance Committee who do not sit on the PCC.
3. Each DCC should ensure that copies of its minutes/meeting notes are distributed to the Treasurer and Finance Committee as well as the Standing Committee and PCC.

Adopted by the PCC on [ ].