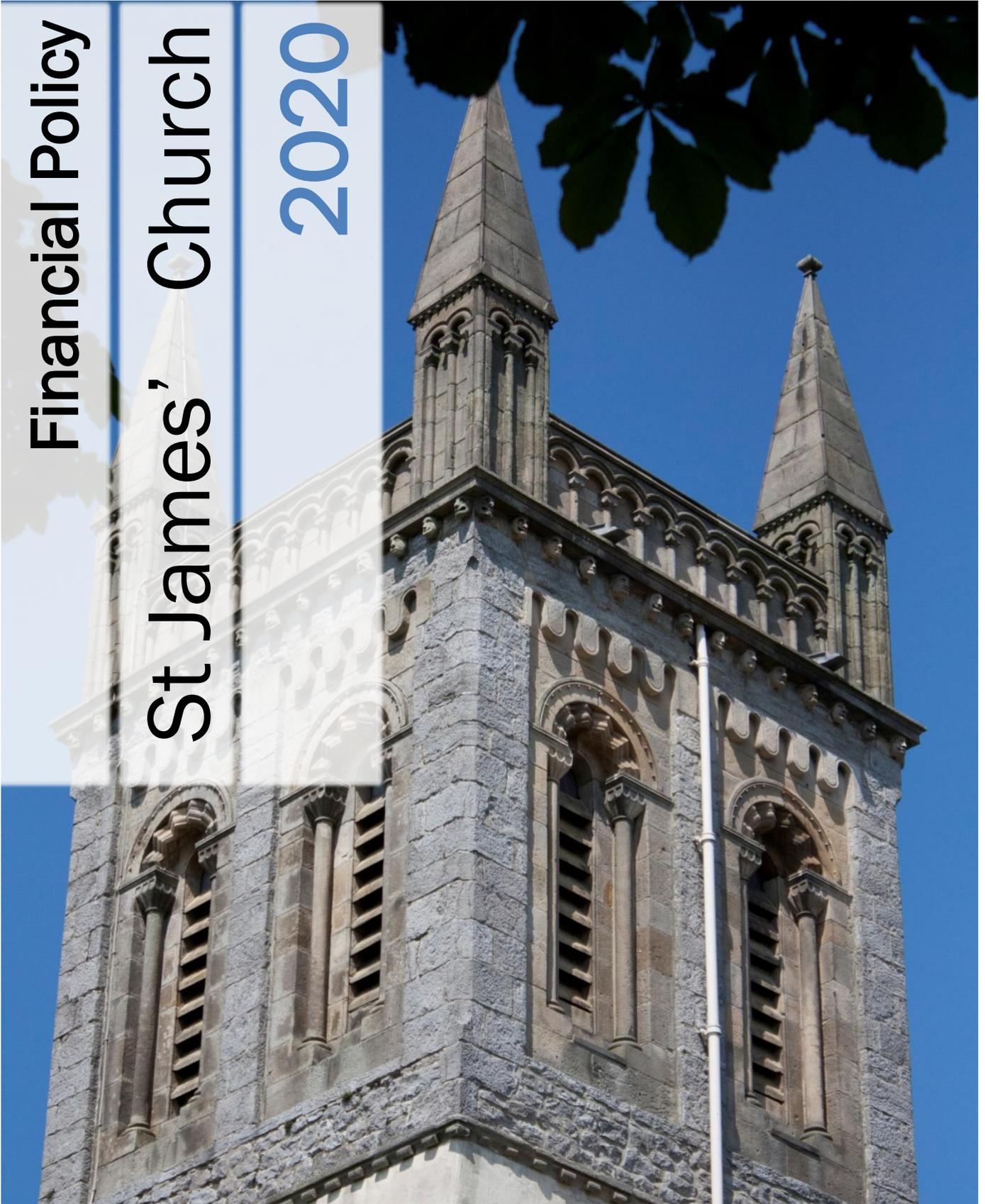


Financial Policy

St James' Church

2020



St James Church  
St James' Street  
Clitheroe  
Lancashire  
BB7 1HH

## St James Clitheroe Financial Policy

Signed: \_\_\_\_\_

On behalf of the Parochial Church Council as agreed at a meeting on

Date: \_\_\_\_\_

## 1. Key Principles

### 1.1 **Biblical Principles**

The Parochial Church Council are the stewards of the funds entrusted to them by the church. As Christians, we recognise the need to steward our own finances well, and to be generous and regular givers.

We recognise the guidance of 2 Corinthians 9:6-7: Remember this: Whoever sows sparingly will also reap sparingly, and whoever sows generously will also reap generously. Each of you should give what you have decided in your heart to give, not reluctantly or under compulsion, for God loves a cheerful giver.

We also recognise the Biblical principle of tithing, and we encourage regular tithing and additional offerings, so that our giving is our first and our best, underlined by the principle of first fruits. (Deuteronomy 26:1-10)

### 1.2 **The place of prayer in finance**

We recognise the importance of seeking God's wisdom in finding income to meet needs, in determining the budgets for those needs and in handling finances.

### 1.3 **Budgets and the church's vision**

The church will set its budget annually, to be presented to the PCC in November. The allocation of the budget should reflect the church's priorities for the coming year. We aim for the regular giving to cover the church's running costs, and for additional giving (offerings, legacies, gifts and bequests) to be used for expansion into the vision, but this is at the discretion of the PCC.

### 1.4 **Accountability**

There is a need for complete transparency and clear lines of accountability in handling church finance.

### 1.5 **Authorisation**

This financial policy should be authorised by the PCC and should be reviewed annually.

## 2. Teaching about Giving and Possessions

### 2.1 **Teaching on giving**

Teaching on giving and spending will form part of the Sunday sermons each year, looking at tithing, gifts and offerings and stewardship. This will be mirrored in our teaching to young people and children, and will be supported by small groups.

### 2.2 **Teaching about possessions**

We teach that Christians are stewards rather than owners of all they have. We recognise that all our possessions, including material possessions, are gifts from God.

### 2.3 **Regular communication of finance**

The congregation is informed regularly of the church's financial position in a manner that is clear, accurate and accessible. This may be in church services or special meetings, but is most often in Network, the church magazine.

## **2.4 Annual General Meeting presentation**

The annual budgets and historic accounts are presented at the Annual General Meeting, after the accounts have been audited. The accounts should be presented in a manner which is clear, concise and accessible.

## **3. Congregational Giving**

### **3.1 Means of Offering**

We encourage standing orders as the best way of giving regularly. We support this by sharing our bank details as much as possible and by having physical giving packs with a standing order form.

We take a plate collection in some services and make use of collection boxes for cash donations. We also have a card reader to enable givers to give by card.

### **3.2 Confidentiality**

The Finance Team including the Treasurer, Operations Manager and Gift Aid co-ordinator have access to people's giving details. These should be treated with the strictest confidence, kept in a locked filing cabinet and, if they are on a spreadsheet, password protected and encrypted. Paper copies of these should be shredded if they are not required for the annual accounts. The Treasurer, Operations Manager and Gift Aid co-ordinator also have access to these details on ChurchSuite, where they are limited to their ChurchSuite administration accounts.

### **3.3 Payment for church activities**

Some church activities (meals, events, residential) should be paid for to cover costs: this will be decided by the finance team and those organising the events. While the majority of people should be encouraged to purchase their ticket, provision should be made for a small minority to attend for a reduced cost or for free if they cannot afford the cost. Organisers may apply for money from the discretionary fund to cover this cost.

### **3.4 Special offerings**

Retiring and special offerings are occasionally held. A collection plate will be used for this which is marked clearly. Special envelopes may also be used.

### **3.5 Legacies**

Legacy gifts should be spent according to any restrictions given. If there are no restrictions given, the PCC should decide how they should be spent.

## **4. Fees and Trading Income**

### **4.1 Fees charged and registered**

Fees are charged in line with the Table of Parochial Fees. A copy of the up to date table should always be displayed in the church office.

### **4.2 Room Hire**

Room hire can be charged for in line with the Room Hire Policy and Letting Agreement.

## **5. Staffing and other revenue expenditure**

### **5.1 The Parish Share**

The Parish Share is set by the Diocese of Blackburn. This should be paid in full as a priority in our budget.

## **5.2 Salary levels/scales in staff team**

Salary levels are set at appointment, informed by the budget and the decision of the PCC. Salary levels should be reviewed annually. Payroll is managed by Stewardship. The Operations Manager is responsible for liaising with Stewardship.

## **5.3 Pensions**

The church offers pensions through NEST, although alternative pensions may be negotiated if the cost to the church is similar. The Operations Manager is responsible to the administration of the NEST pensions.

## **5.4 Payment of Expenses**

Cost centres are set up within our accounting systems for payment of expenses. Staff members should try as much as possible to keep within their allocated budgets. Significant overspending on expenses may not be paid.

Staff should complete an expenses form monthly at the minimum, and should hand this to the Operations Manager. Receipts should be labelled and stapled to the form.

Expenses will be paid within 5 working days by BACS transfer.

# **6. Financial Administration**

## **6.1 Appointment of Treasurer and Finance Committee**

The Treasurer position is a voluntary one, although a significant one in the life of the church. The Treasurer is part of the PCC and provides a report at each meeting. The treasurer takes responsibility for the monitoring and accounting.

The Operations Manager takes responsibility for payment and management of receipts and invoices.

Other members of the Finance Team are voluntary roles and should be supported by the Operations Manager and Rector in line with other volunteers, while recognising that this is a position which can require significant amounts of expertise and experience.

## **6.2 Prevention of Fraud: General**

Counting of cash should be done in the Church Office with others around. The cash should be counted by two people. Totals should be noted and given to the Operations Manager before banking.

Budget holders require verbal or written consent from the Operations Manager, Rector or Treasurer before spending. Members of staff should keep costs within their agreed budgets, and should not see their set budget as something to 'aim' for: rather, staff and volunteers alike should be responsible stewards of the church's finances.

All invoices should be paid in person or by BACS. Paid invoices should be signed and dated, and the money totals noted on the banking form.

All transactions should have a printed receipt which is signed, dated and has the relevant Xero Code noted on it by the Operations Manager.

### **6.3 Prevention of Fraud: Banking**

St James Church PCC makes use of Internet Banking. The Operations Manager and the Treasurer have access to Internet Banking. The Rector is the primary contact for Yorkshire Bank, and can access telephone banking.

All transactions are imported into Xero for accounting purposes.

Cheques must be double-authorised by 2 named signatories, of which the Rector is one.

### **6.4 Documentation security**

All documents relating to financial matters must be kept securely and should not be stored on home computers or outside of church premises. Documents should be kept in a locked filing cabinet. Spreadsheets and any other digital documents should be encrypted and password protected. All financial files and records should be kept for 10 years.

### **6.5 Legislation**

The church will comply with all legislation relating to VAT, PAYE, National Insurance and National Living Wage. The church will seek competent external advice with reference to this.

### **6.6 Level of reserves**

The PCC will determine the preferred level of reserves. As of 2017, the PCC agreed 3 months running costs plus £20,000. The PCC can authorise a deficit budget but should communicate this clearly to the congregation.

### **6.7 Investments**

Investments are currently held by the diocese.

### **6.8 Speed of settling invoices**

Invoices should always be paid within the specified period as a Christian witness to suppliers.

## **7 Accounts**

### **7.1 Bank Accounts and Authorisations**

The PCC has one single bank account with Yorkshire Bank. The Operations Manager, Treasurer and Rector are authorised to use Online Banking.

### **7.2 Accounting Policies**

The PCC uses a system of receipts and accruals for the basis of its accounts preparation.

### **7.3 Reporting and Management**

The treasurer must report the accounts to each PCC meeting. This includes a full set of accounts, prepared by the accountants and independently examined, for the Annual General Meeting in April.

#### **7.4 Audit/Independent examination**

The accountants are chosen during the Annual General Meeting to complete the independent examination. Accounts must be submitted to the Charity Commission and to the Diocese of Blackburn.

### **8. Capital Projects**

#### **8.1 Identified giving**

Identified giving will be allocated towards a specific cost centre.

#### **8.2 Sponsorship and Events**

Sponsorship and Events may be used to raise capital funds but should not be a significant sources of income for running costs.

#### **8.3 Grants and other organisations**

The church will actively seek support from grant-making bodies, but should not rely on these for running costs unless that is agreed in the grant application. The use of grants to provide employment is a way of ensuring if a post is viable.

### **9. Global Mission**

#### **9.1 Mission Tithe**

The church is committed to giving away 10% of its income each year. The income is the total income for the year, including bequests, Gift Aid and fees. The 10% will be identified at the end of the calendar year, and will be given during the following calendar year.

Mission giving is decided by the PCC within a certain number of guidelines: Local Projects, Supporting Individual Missionaries, Relieving Poverty and Supporting the Persecuted Church.