



AN INTRODUCTION FOR PCC TREASURERS

A number of the downloadable aids for PCC Tonight are in Word format so you can make them specific to your context. We'd be grateful if you could leave the footer indicating the origin of the document.

Starting out as a PCC treasurer there is a lot to get your head around. This guide is a fairly comprehensive introduction to the role and its responsibilities. It will be good to update it after each APCM to make sure all the information is correct.

You may like to personalise the guide by:

- Adding your Church logo and/or name.
- If you have a particular font you use for your church materials change it to these fonts.
- In particular you will need to add details in the following sections:
 - Page N How PPCs operate: details about frequency, time and day of your meetings, and name of church in final sentence.
- You may also like to add a section on any specific things about the way you operate as a PCC that it will be good for the treasurer to know.

The guide is numbered to start on page 1 so you don't have to print this covering page.

This guide is an adaptation of several diocesan handbooks that are available on diocesan websites, in particular Norwich, Birmingham and Canterbury dioceses. Many dioceses have their own resources for PCC treasurers, often including helpful forms and computer spreadsheets to aid record-keeping. Do take a look on your diocesan website as well as reading the guide below.

AN INTRODUCTION FOR PCC TREASURERS

Welcome to the role of PCC treasurer

It is great that you have taken on the role of PCC treasurer, although at this point you may be wondering exactly what you have let yourself in for. This is a brief guide to the role, and hopefully it will enable you to get an overview of what is involved. Like any new role, it will take a while to familiarise yourself with it, so don't worry if it all feels a little overwhelming at the start.

It may help to read the general introduction to PCC membership first, as this provides some background to the role of the PCC and how it operates.

What is the treasurer responsible for?

As treasurer it is your role to oversee the financial matters of our church, and to do this in a way which co-operates with God in his mission to the world. A treasurer of a church is not there to guard money for the church's own end; s/he is there to steward money for Christ's purposes.

This guide aims to give you an overview of the tasks that are likely to fall to you as well as some of the key legislation that applies to PCCs.

This document is not an exhaustive list of the things you might do as a PCC treasurer, nor does it contain the answers to all questions of procedure. It should be read alongside the guidelines and regulations *The Charities Act 2011 and the PCC*, 5th edition, available from www.parishresources.org.uk/wp-content/uploads/PCC-Accountability-5th-Edition.pdf.

While all of the tasks outlined do need to be completed, they do not necessarily have to be undertaken by the same person. Each person who takes on the role of PCC treasurer does it slightly differently from others, bringing their unique mix of gifts, skills, knowledge and passions. Part of my role as incumbent is to work with you to shape the role in the way that best suits you over the coming months.

APPOINTMENT OF A TREASURER

The PCC may appoint one or more of its members to act as treasurer solely or jointly. Failing such appointment, the office of treasurer shall be carried out by one of the following:

- One or more of the churchwardens who are members of the PCC.
- Some other fit person who shall not thereby become a member of the PCC, provided that such person may be co-opted to the PCC.

Where a person other than a member of the PCC is appointed to act as treasurer that person may be paid such remuneration (if any) as the PCC deems appropriate provided that the person shall not be eligible to be a member of the PCC.

Where the person appointed is not paid and is not a member of the PCC, it is desirable for that person to be co-opted on to the PCC. The treasurer is normally appointed or reappointed each year at the first meeting of the PCC following the Annual Parochial Church Meeting (APCM).

How PCCs operate

We meet *N* times a year (legally the PCC must meet at least four times a year, and have an Annual Parochial Church Meeting), normally from *N.NN* to *N.NN* on *N* night at *N*.

The meeting is chaired by *N* and each member receives an agenda for the meeting along with accompanying documents at least seven days in advance of the meeting.

We have developed some guidelines on how we operate that will be shared with you at the first meeting. They cover everything from the use of mobile phones during meetings to how we handle conflict, from refreshments to creative decision-making.

Our aim in all of this is to try and make the PCC meeting one of the best meetings you attend, and we hope you will join us with an intention to do all you can to make this true for others.

We have a big job to do, which is often complex and difficult. But through the years we have seen God at work, and we know he has called us to serve his purposes in the world. It will be great to have you as part of the PCC to shape the next chapter of *N*'s story.

The rest of this guide is a compilation of helpful information taken from a variety of sources. It is lengthy, but will hopefully offer you advice on most of



the things you will need to do as a treasurer. Any questions, don't hesitate to ask me.

The treasurer's duties

As PCC treasurer you have certain responsibilities:

1. Steward the church's financial resources so that they might best be used to further the mission and ministry of the church.
2. Implement the financial policy of the PCC. The finances of the parish remain the responsibility of the PCC, including raising the necessary funds to operate and deciding how these should be spent.
3. Participate fully in the decision-making process within the PCC and its various committees.
4. Give a forecast of income and expenditure in the forthcoming year based on previous year's information and on known information for the forthcoming year, and to be able to comment on the ability of the PCC to meet the known expenditure (see the parish budget spreadsheet).
5. Maintain records of the PCC's financial transactions, ensuring that they are properly authorised and in keeping with the approved budgets. The treasurer also needs to establish what expenditure can be paid without reference to the PCC e.g. utility invoices and so on.
6. Keep the parish's finances under regular review and present written reports regularly to the PCC e.g. at each PCC meeting.
7. Ensure the PCC's financial obligations are met on time, including the contribution to the diocese, the clergy's expenses if applicable, and insurance of church buildings (especially against fire, theft and public liability). The level of insurance should be reviewed at least every year with the PCC after taking advice from the appropriate insurance company and taking account of any long-term agreements.
8. Maintain a book-keeping system (manual or computerised).
9. Draw up the annual financial statements for the PCC's approval, before these are submitted to the Annual Parochial Church Meeting (APCM).
10. Arrange for the annual independent examination of the accounts up to £500,000 or a full audit when income exceeds this amount.
11. Present the parish accounts to the APCM.
12. Ensure copies of the accounts and the Independent Examiner's report are sent to the relevant people in the diocese along with any other diocesan requirements after your APCM and before the end of May following the financial year.

ADDITIONAL RESPONSIBILITIES FOR PARISHES WITH INCOMES OVER £250,000

- Prepare financial statements on the accruals basis, and analyse the income and expenditure under the specific headings of the Charities Statement of Recommended Practice (SORP 2005) in such a way as to identify the main elements of income and expenditure based on activities.
- Ensure that once a parish's regular income exceeds £100,000 the PCC is registered with the Charity Commission. This may involve completion of Annual Returns (see www.charity-commission.gov.uk). However, if the income reaches over £100,000 because of repair/grant monies received etc. then a letter of dispensation should be sought from the Charity Commission stating there is no need to register fully for the time being.

Task breakdown

REGULAR RESPONSIBILITIES

Keep accurate records of all money paid to the PCC.

- What amount?
- Who from?
- Reason for it?
- Which fund is it for – general funds, a designated fund, or a restricted fund?

Arrange payments from PCC funds and keep accurate records.

- What amount?
- Who to?
- Reason for it?
- Which fund it comes out of?
- Checked against an invoice, receipt or expense claim?

This includes regular payments such as diocesan contribution, electricity, insurance, heating oil, and so on.

Make best use of PCC money, by transferring as much as possible into investment accounts or other deposit accounts for improved rates of interest.

Report to PCC meeting on the state of PCC finances as required, and to the Standing Committee, of which the treasurer is a member. Remember not just to tell them what is in the bank, but how the cash flow looks and whether you are under or over budget.



Make tax claims from HM Revenue & Customs (HMRC) for Gift Aid (can be done annually or more often) and make claims for VAT repayment from the Listed Places of Worship scheme (when building works have been done).

Respond to any correspondence on financial matters promptly, keeping records as appropriate.

WEEKLY TASKS

- Ensure the cash is counted and recorded accurately each week.
- Bank cash weekly.
- Empty any places where money is deposited, for example a wall safe.
- Maintain (in strict confidentiality) Gift Aid records and Free Will Offering (FWO) and planned giving envelope records.

YEARLY TASKS

January

Prepare the annual accounts for the year (January-December) in the correct format as required in the Charities Act. Give them to your Independent Examiner or Auditor as early in the year as possible for him or her to review them.

February/March

- Prepare your annual treasurer's report for the meeting in February or March as part of the PCC Report and Accounts. The whole report must be adopted by the PCC and then presented to the APCM.
- Fill in the Return of Parish Finance form which will have been sent to you in the autumn or winter of the previous year. This should be a relatively simple task once you have made up the annual accounts.
- Reflect on stewardship within the life of the church and what could be done to heighten awareness of the financial aspect of Christian stewardship.

March/April

Present the approved accounts to the Annual Meeting – and be ready to answer questions.

October

Prepare a budget for next year for the PCC to adopt before the end of this year.

OCCASIONAL TASKS

- Liaise with the finance team in the diocese about financial matters causing you concern.
- Keep an eye on income and expenditure and encourage Christian generosity in the congregation

at all times. Be ready to advise the PCC when things look bad.

KEEPING THE RECORDS

It is quite possible to keep PCC records manually using a ledger, but it can be laborious. It can equally be done by using a spreadsheet such as Excel, or a simple accounts package such as Sage or other program. Dioceses often have pre-prepared spreadsheets that can be downloaded.

The specialist church accounts program *Finance Co-ordinator* has the great advantage that it keeps track of all your funds, and will prepare all the reports you need (for Annual Accounts, diocesan returns) at the touch of a button. For further details including cost, contact www.datadevelopments.co.uk.

Change of PCC treasurer or incumbent

The following is a checklist put together by some dioceses to aid PCC treasurers on:

- The retirement of any person dealing with receipts and payments.
 - Taking over from a retiring treasurer.
1. Obtain possession of all cash balances, counted in the presence of the person retiring and give a written receipt, keeping a copy for PCC records.
 2. Check the signed list of all monies owing to the parish to the best of the knowledge of the person retiring.
 3. Check the signed list of all monies owed by the parish to the best of the knowledge of the person retiring.
 4. Receive a list of all bank and investment accounts operated by the parish, including CBF accounts, and take possession of all bank statements, pass books, etc.
 5. Obtain all unused cheque books and bank paying-in books.
 6. Following a PCC resolution immediately change signatories on all bank and investment accounts.
 7. If dividends/interest from investments are not mandated direct to bank accounts, advise payer of any change of correspondent and address.
 8. Obtain a signed list of accounting/record books kept by the person retiring and take possession of receipt books, cash book and vouchers, bank reconciliations etc.



9. Review details of the Gift Aid scheme. If the treasurer is the authorised Gift Aid Officer inform HMRC of the change of name and address.
10. Check whether the PCC is, or controls, a registered charity. If so, make sure that the Charity Commissioners' Regulations/Statement of Recommended Practice (SORP) are applied and make any necessary changes to trustees.
11. Where there is a new PCC treasurer ensure that:
 - (a) All the relevant diocesan bodies are informed (normally includes the diocesan secretary or the finance team, the administrator of the diocesan directory).
 - (b) These guidelines and the handbook entitled The Charities Act 1993 and the PCC are handed to the new treasurer.
12. Receive the permanent file containing investment fund details and holdings, copies of bank/investment statements and copies of public liability certificates.
13. Obtain records for at least the previous seven years.

It is suggested that a copy of this checklist should be completed on each occasion of change of treasurer and retained in the PCC records.

Record keeping

It is recommended that the following records be maintained:

1. **The cash book(s)** This can be manual (various designs such as the Guildhall or Collins versions are obtainable from most stationers) or computerised. It should contain the record of every item received by the PCC and all payments made.
2. **Collections records** Weekly collections and income from envelope schemes should be checked as they are counted, by at least two people. Their names and signatures should be part of the records. The sums recorded should tie up with subsequent banking entries.
3. **Payment vouchers** Every cheque payment should be supported by appropriate documentation, such as invoices, bills, expense claims or at the very least, a receipt from the payee.
4. **Petty cash vouchers** Cash payments should be kept to a minimum and should not be paid out of cash received from collections or other receipts, which should be banked intact. They should rather be paid from a properly authorised cash float, with periodic reimbursements when required by cheques drawn for 'Cash'. All payments should be recorded in a Petty Cash Book and supported by appropriate

documentation as set out above for cheque payments.

5. **Gift Aid** Apart from records kept by a Gift Aid Officer (if there is one), the treasurer needs to keep a note of who has paid what and when, whether in terms of an envelope scheme or by standing order direct into the bank account. These receipts need to be entered in the cash book and will form part of the 'audit trail' needed to support the tax reclaim from HMRC.
6. **Bank statements** These should be kept for a period of seven years in support of the PCC accounts.
7. **Bank mandates** Records should be kept of who the authorised signatories are on each account. Two signatures (as a minimum) should be needed for each cheque, with four authorised by the PCC to sign, including churchwardens, the treasurer and, if necessary, other members of the PCC.
8. **Investment account(s)** As with bank accounts, statements of these accounts should be retained and details of those authorised to operate the accounts should be kept on record.
9. **Return of Parish Finance** This annual form from the Archbishops' Council helps the Church of England to compile financial statistics to monitor the Church of England's finances. This form needs to be returned to the diocese (either by post, email or online) immediately after your APCM and a copy retained by the parish treasurer.
10. **Annual Report and Accounts** The original signed Statements and Reports should be retained indefinitely with a copy being sent to the diocese and other relevant bodies.
11. **Correspondence file** The treasurer must retain all important letters, especially those relating to HMRC, the Charity Commission and all other correspondence in connection with the finances of the parish.

SUPPORTING DOCUMENTATION

The treasurer must ensure that there is adequate supporting documentation for all transactions. Invoices from suppliers should be authorised by a responsible person, where this has not been delegated to the treasurer through the PCC. Each invoice should show a description of the goods sufficient to identify what has been supplied. If, for example, an invoice simply states 'Services for November' it would be necessary to mark the invoice with a better description such as 'cleaning'.

In a vacancy, expenses for visiting clergy should be claimed on a standard form (normally available from the diocesan website). This should show clearly the nature of the claim and should be signed by the Rural Dean and sent to the diocese for payment, otherwise



your PCC will reimburse the appropriate expenses. A guide for the reimbursement of clergy expenses is at <https://www.churchofengland.org/sites/default/files/2017-10/parochial-expenses-guide-2017.pdf>

IT ISSUES

When accounting software is used for the PCC's accounts, all computer records should be password protected and backed up after updating. In addition it would be wise to print out a monthly detailed cash book for the records.

Retention periods

The following is a guide to the minimum periods for which different financial records should be retained. Everything should be retained for the current financial year (CFY) until the independent examination or audit has been completed. The following need to be kept longer:

- Financial forecasts and budget working papers, CFY + six years.
- Workings for annual financial statements, CFY + six years.
- Final annual report and financial statements, permanent.
- Suppliers' invoices, expense claims, CFY + six years.
- Petty cash claims, CFY + six years.
- Collection sheets, CFY + six years.
- Bank statements and paying in books, CFY + six years.
- All payroll records, CFY + six years.
- Gift Aid records, CFY + six years (if Gift Aid certificates are open ended, these need to be kept for as long as they are still valid, plus six years.
- Insurance records, 40 years.

Bank account

GENERAL ADVICE FOR CHEQUE AND INTERNET PAYMENTS

1. Bank accounts should be held in the name of the PCC. The PCC treasurer should ensure that the list of authorised signatories (at least four minimum) is kept up to date and approved by the PCC annually following the APCM. It should also be reviewed where there is a change of any signatory, e.g. on the election of new churchwardens.
2. At least two signatories should sign any cheque on the PCC account; the treasurer should be one of them. The other should not be a partner or relative

of the treasurer. Only one cheque book to be used at a time.

3. There should be no practice of pre-signing blank cheques. A signatory should never be asked to sign a blank cheque.
4. Invoices should be produced to cheque signatories who should ensure that they are endorsed with the cheque number (audit trail).
5. Where any cheques are sent to the diocese it helps to ensure the right name is given. If you are in any doubt of what the payee should be on your cheque, please contact the diocesan finance department for clarification as this will save time rectifying any incorrect cheques at a later date.
6. Bank statements should be received at least monthly and the cash book record should be reconciled to the balance on the bank statement taking account of reconciling items such as unpresented cheques. Any errors or omissions should be investigated and corrected.
7. A written instruction should be sent to the PCC's bank stating that no overdraft should be permitted without prior resolution of the PCC. The bank should be asked to confirm this instruction in writing.
8. At present most PCCs do not have a charity registration number as they are excepted Charities by statute under Statutory Instrument 1996 No.180. If tax recoveries are made under the Gift Aid scheme, the PCC will have an HMRC reference number that can be quoted. This guidance should enable banks and other financial institutions to grant to church bodies the rates etc. appropriate to charities.

ONLINE BANKING

If you have opted to register for online banking there are two main options to choose from:

1. Review of statements on a 'live' basis, rather than waiting for a periodic paper statement to be received, but no provision to make any payments/transfers between accounts.
2. In addition, to pay monies (for example: diocesan contribution, invoices, clergy expenses) and transfer monies between parish bank accounts.

When a parish chooses to use the second option, then the recommended process is as follows:

1. Research the online banking system currently available with your bankers.
2. Discuss with and gain the agreement of the PCC to use online banking.
3. Have at least one other user to authorise online payments.



Handling of money

It is important to keep a written record of items of income and expenditure. Payments not made by direct debit or standing order should be by cheque unless there is a petty cash system in place.

SECURITY

Cash from collections, alms boxes, etc. should be counted immediately on receipt where possible (by two unrelated people) and should not be placed in a safe to which more than one person has a key (unless the safe has more than one lock) or to which people other than the one who placed the money in has access. Cash should be banked frequently, at least every week. A key to the money safe should only be held by the treasurer and a churchwarden, who should be responsible for its safekeeping at all times.

Collections

COLLECTIONS AT HOLY COMMUNION

Money given at services of Holy Communion, whether according to the *Book of Common Prayer* or *Common Worship*, forms part of the general funds of the PCC. The PCC has power jointly with the minister to determine the objects to which all money given or collected in church shall be allocated.

COLLECTIONS AT INSTITUTIONS, INDUCTIONS AND CONFIRMATIONS

The Bishop has the right to say whether there shall be a collection at any service he conducts but, if there is a collection at an Institution or Induction for a new member of clergy, these monies should be collected for the Bishop's Fund for Ordinands. Cheques and Gift Aid envelopes (with the amount contained written on the front) should be sent to the diocese.

COLLECTIONS AT OTHER SERVICES

- The purposes to which collections at other services are to be allocated are determined by the PCC jointly with the incumbent, and in case of disagreement the Bishop may give directions (see section 7[iv] of the Parochial Church Councils [Powers] Measure 1956). The PCC must keep account of all monies so collected. The treasurer of the PCC is the responsible officer of the PCC for this purpose.
- The churchwardens are the proper officers to make the collection, either alone or with the aid of the sidespeople or other persons selected by them.

- All collections in church, including retiring collections, are subject to the rules laid down by the PCC (Powers) Measure. The amount must be recorded in the church service book, passed through the church accounts, and administered by the treasurer on behalf of the PCC. All such monies are subject to the independent examination/annual audit.
- A PCC can agree that collections in church at funeral services and other occasional services can go to charities and causes nominated by the family concerned. An officiating minister cannot agree to such requests without the authority of the PCC. Where the PCC has given consent, the procedure laid down in the paragraph above still applies. The money must be paid to the charity concerned by the treasurer, and a receipt obtained. It is possible for the PCC to give general approval for collections at funerals to go to charitable causes nominated by the family of the deceased, and to delegate to the minister their power for giving individual consent.
- No monies given to charities by means of any form of collection in church may be passed direct to some collector for that charity without it appearing in the services register and church accounts, unless collected as an agent of that charity.
- Where PCCs have agreed to collections at funerals for charities, but subject to a part being retained for other church funds, this must be agreed with the family concerned when the consent for the collection is first given.

MONEY PLACED IN ALMS BOXES

Alms placed in the alms box (which should be provided in every parochial church and chapel) are to be applied to such uses as the incumbent and PCC think fit, and if they disagree the bishop is to determine the disposal of the alms.

COUNTING SUNDAY COLLECTIONS

Please note that good practice guidelines are that all the Sunday collections, both loose cash and envelopes, should be counted on the premises immediately after the service with at least two people, who are independent of one another, present throughout the count. A record should be made at the time of the amount of the collection, and the record initialled by the counters.

GIFT AID

Since the extension of the Gift Aid scheme in 2000, it is now possible for tax to be reclaimed on any money given to the church by a taxpayer, provided that that taxpayer can be identified. Regular givers can complete



a Gift Aid declaration which covers all payments made. For those making a single donation, for example visitors to the church, it is recommended that the church provides specially prepared envelopes which are printed with a suitable declaration which the giver can complete. Up-to-date information can be found at: www.parishresources.org.uk.

PAROCHIAL FEES FOR OCCASIONAL OFFICES – BAPTISMS, WEDDINGS, FUNERALS ETC.

A table of fees chargeable by clergy and PCC is prepared annually by the Church Commissioners and sent direct to clergy and is also placed on most diocesan websites. Baptisms, weddings and funerals generate an income to the PCC and should be accounted for correctly in the Annual Accounts.

Most clergy assign the clergy element of occasional office fees to the Diocesan Board of Finance (DBF).

The waiving of Parochial Fees should only be done in exceptional circumstances and with the permission of your Archdeacon. Other than the DBF, the only person entitled to retain fees is a retired member of clergy with permission to officiate in a diocese. They are entitled to two-thirds of the rate prescribed on the Table of Parochial Fees. In a vacancy, their share of the DBF proportion of the fee and any expenses would need to be claimed from the diocese directly.

Routine expenditure

This section focuses on the routine items that all PCC members need to consider. As trustees of parish funds it is for them to authorise payment and also to find the income to meet that expenditure.

MINISTRY EXPENSES/DIOCESAN CONTRIBUTION

The single largest expense for most PCCs is the diocesan contribution which is paid to the diocese either directly or through a benefice. The amount of this contribution is worked out differently in each diocese, and covers the cost of clergy stipends, pension contributions and housing costs, plus a share of wider ministry and ministry support costs.

CLERGY WORKING EXPENSES

The expenses of the clergy should be fully covered by the PCC. This can be a tricky subject to navigate, but as treasurer your role is to ensure expenses are paid and that the correct expenses are being claimed. The parish priest must only be reimbursed for actual expenses. Paying a lump sum in advance is not acceptable or

allowable under our own or Charity Commission guidance.

Properly reimbursable parochial expenses of clergy may include the following:

- Postage; stationery; telephone; internet; administrative assistance; maintenance of robes; hospitality; provision of locum; travelling, including related subsistence expenses.
- Other items that might be included are books, repair/replacement of items such as carpets and chairs in the official part of the house, and continuing ministerial education.
- Water charges are normally paid by the PCC directly. These are not considered a taxable benefit by HMRC.

The best basis for reimbursement of parochial expenses is one of mutual trust. There needs to be a full understanding of the true extent of expenses incurred by the clergy. The reimbursement of expenses incurred in fulfilling official duties is quite simply playing fair with all concerned. Stipend levels assume that all properly chargeable expenses are reimbursed fully. Claims for reimbursement should be presented clearly to the PCC.

Further information and guidance on allowable expenses can be found in the booklet entitled *The Parochial Expenses of the Clergy* available from <https://www.churchofengland.org/sites/default/files/2017-10/parochial-expenses-guide-2017.pdf>

CHURCH RUNNING EXPENSES

The PCC is responsible for church running costs such as heating, lighting, insurance and cleaning.

VISITING CLERGY, ORGANISTS, CLEANERS

All visiting clergy, organists and cleaners will normally need to be paid. Further information on taxation is available from the diocesan finance department.

Sometimes the organist, for example, might be on the PCC. In that case the organist cannot normally be paid, as PCC members cannot be paid anything by the PCC, other than the reimbursement of actual expenses incurred in respect of PCC business.

Budgets and budgetary control

FUND ACCOUNTING



The Charity Commission's regulations specify three types of funds, which should be clearly set out in the PCC's Annual Financial Statements, as follows:

1. UNRESTRICTED FUNDS

These are monies received with no stipulation on how they should be spent, for example, church collections or stewardship income. These may be applied to pay general running expenses or to purchase any item agreed by the PCC. It may be decided to set funds aside for a particular purpose, which would then be held in a **designated fund**, but this would not stop the PCC later reallocating this money to another purpose.

2. RESTRICTED FUNDS

This is money received for a particular purpose from the outset. The intentions of the donor(s) are the criteria to determine whether funds are restricted. For example, they might be responding to a specific appeal for fabric repairs, or supporting a fundraising event in aid of a mission project. In these cases the money (capital and income) has to be applied to the stated purpose.

3. ENDOWMENT FUNDS

This is money received by the church or PCC with the stipulation that the capital must be retained intact and only the interest earned on the capital can be spent. The donor might have insisted on this or, in the case of a legacy, the condition might be contained in the will. These could be expendable in certain circumstances, depending once again on the terms of the donation or will.

ANNUAL BUDGET AND FINANCIAL PLANS

An annual budget for the forthcoming year should be approved by the PCC before the start of each financial year. The basis for the budget should be a coherent plan of the PCC's activity for the year borne out of prayer, vision, prioritisation and discussion. In particular, it should take into account the allocation of the diocesan contribution for the forthcoming year and any major repairs needed to church buildings. It is important that the budget is 'owned' by the PCC and not merely imposed by the treasurer. The budget, once approved, becomes a policy document that provides a framework for mission and ministry within which the treasurer operates.

REGULAR MONITORING OF THE FINANCIAL SITUATION

As treasurer, keep the parish's finances under review and provide regular reports to the PCC. As most PCCs have income and expenditure that is uneven, it is good practice to produce an estimated cash flow forecast which can be used as a guide to timing of expenditure.

INVESTMENTS

The PCC may invest wherever it wishes but independent financial advice is always recommended before making any significant investment. NB. Diocesan Office staff cannot give investment advice. They can, however, suggest an appropriate independent advisor.

INVESTMENT INCOME

Wherever possible, arrangements should be made for investment income to be paid directly into the PCC bank account by BACS or reinvested into the same fund. As the PCC is a charity, banks should be instructed to pay interest gross before deduction of tax.

Insurance and risk management

INSURANCE

Churchwardens are primarily responsible for maintaining adequate insurance cover. Insurance is needed for buildings and their contents, for public liability and for employer's liability, where the PCC has employees.

INSURANCE AND EVENTS INVOLVING MORE THAN ONE PARISH

PCCs should check with their insurers and Archdeacons upon the adequacy of insurances. It is likely that a Group Ministry / PCC event would need separate insurances to those held by the participating PCCs. If any activities are held by third parties outside the church building but within its boundaries, you should contact the PCC's insurance company before giving permission.

RISK MANAGEMENT

The Charities Statement of Recommended Practice (SORP) requires a Trustees' Annual Report. For those charities that require an audit, they should include a statement confirming that the major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems or procedures have been established to manage and mitigate those risks. Although this is not a requirement for PCCs with income of less than £500,000, it is nevertheless considered good practice.

Risk management is the responsibility of the whole of the PCC. Useful guidance can be found on the Charity Commission website, <https://www.gov.uk/government/organisations/charity-commission>.



For further information

Diocesan website Most dioceses have a dedicated section of their website with useful resources and contact details for treasurers. It is worth spending some time early in your appointment looking at what is available, and each year around the time of the APCM reviewing the website.

Parish Resources This site is run by the Church of England National Stewardship Department and is updated regularly. It covers a wide range of topics including all aspects of PCC accounting, including Gift Aid, and guidelines for the year end process: www.parishresources.org.uk.

Parish Buying These are the approved suppliers to the Church of England – often saving time and money for those who use them. Parish Buying includes a range of competitive national deals and helpful buying guides to aid your stewardship. Visit www.parishbuying.org.uk; email: procurement@churchofengland.org; call: 0800 368 0887.

The Listed Places of Worship Grant Scheme This website explains the scheme in detail and guides you through the process of making a claim: www.lpwscheme.org.uk.

Funding Central This is a website funded by the Cabinet Office which allows charities to search for grants: www.fundingcentral.org.uk/Default.aspx.

GENERAL PCC RESOURCES

You may like to get hold of some of the resources below:

- Phyllis Carter and Michael Perry, *A Handbook of Parish Finance*, Mowbray.
- Douglas McKean, *Money Matters – A Guide to the Finances of the Church of England*, Church House Publishing.
- *Church Representation Rules 2011*, CHP, also available online at www.churchofengland.org.uk.
- John Pitchford, *The ABC of the PCC*, Mowbray.
- Kenneth MacMorran and Timothy Briden, *A Handbook for Churchwardens and Parochial Church Councillors*, Mowbray.
- www.dataprotection.gov.uk.



Appendix: Summary information about the structure of the Church of England

The Church of England is organised as two provinces; each led by an archbishop (Canterbury for the Southern Province and York for the Northern). Each province comprises dioceses of which there are 41 in England.

Each diocese in England is divided into parishes. Each parish is overseen by a parish priest (usually called a vicar or rector). From ancient times through to today, they and their bishop are responsible for the 'cure of souls' in their parish.

Her Majesty the Queen, who is the Supreme Governor of the Church of England, appoints archbishops, bishops and deans of cathedrals on the advice of the Prime Minister. The two archbishops and 24 senior bishops sit in the House of Lords.

The Church of England is episcopally led. There are over 100 bishops (including diocesan bishops and assistant and suffragan bishops). It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures which, if accepted by Parliament, have the effect of acts of Parliament. It is made up of three groups or houses of members: the Houses of Bishops, of Clergy and of Laity, and meets in London or York at least twice annually to consider legislation for the broader good of the Church.

THE THREE NATIONAL CHURCH INSTITUTIONS

The Archbishops' Council, the Church Commissioners and the Church of England Pensions Board are sometimes referred to as the three national Church institutions.

The Archbishops' Council was established in 1999 to co-ordinate, promote, aid and further the mission of the Church of England. Its task is to give a clear sense of direction to the Church nationally and support the Church locally by acting as a policy discussion forum.

The Church Commissioners manage the historic assets of the Church of England, spending most of their income on pensions for the clergy. The costs of episcopal administration through the diocesan and suffragan bishops are met by the Church Commissioners.

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pension's authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation, both for those retired from stipendiary ministry, and for widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations. The Board, which reports to the General Synod, is a trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Board its central responsibilities for retirement welfare, the Board works in close co-operation with both the Archbishops' Council and the Church Commissioners.

THE CATHEDRAL

The cathedral is the mother church of the diocese and legally is constituted as a separate charity, currently exempt from Charity Commission registration.

THE DIOCESE

DIOCESAN SYNOD

The diocesan synod is elected with representation across the diocese with broadly equal numbers of clergy and lay people meeting together in diocesan synod with the diocesan bishops and archdeacons. Its role is to:

- Consider matters affecting the Church of England in the diocese.
- Act as a forum for debate of Christian opinion on matters of religious or public interest.
- Advise the Bishop where requested.
- Deal with matters referred by General Synod.
- Consider, through the Bishop's Council, the strategic budget for the diocese, including the overall level of parish contributions.

DEANERY SYNOD

The deanery synod has two houses, laity and clergy, and its role is to:

- Respond to requests from General Synod.
- Give effect to the decisions made by the diocesan synod.
- Consider matters affecting the Church of England by drawing together the views of the parishes within the deanery.
- Act as a channel of communication to express the views of parishes to diocesan synod and thence to General Synod.
- Raise with the diocesan synod such matters as it considers appropriate.



- Elect a lay member of the diocesan board of finance.

THE BISHOP'S COUNCIL

The Bishop's Council has the following functions:

- To initiate proposals for action by the Synod.
- To carry out such functions as the Synod may delegate to it.

PAROCHIAL CHURCH COUNCIL (PCC)

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Typically each parish has one parish church. The PCC is made up of the incumbent as chair, the churchwardens and a number of elected and ex officio members. Each PCC is a charity, and parishes with an income of less than £100,000 p.a. are exempt from registration with the Charity Commission. Following the passing of the Charities Act 2006 and the start of the registration process in 2008, PCCs with over £100,000 of income need to be registered with the Charity Commission.

PARISHES

A benefice is a parish or group of parishes served by an incumbent who typically receives a stipend and the benefit of free occupation and use of a parsonage house from the diocese for carrying out spiritual duties.

A deanery is a group of parishes over which an area dean has oversight, and an archdeaconry is a group of deaneries for which an archdeacon is responsible.

The diocese is then the principal pastoral and missional unit, and in turn financial and administrative resource of the Church of England, encompassing the various archdeaconries under the spiritual leadership of the diocesan bishop.

