

GUIDELINES FOR DEALING WITH MONEY IN OUR CHURCHES

1. Self Check List

Money must be handled in such a way as to conform with the requirements of the Charity Commissioners set out in their Self Check List and care should be taken to ensure that this is so. The following should be noted.

- All money should be banked and no amounts held over for petty cash, or for making any payments in cash.
- Payments in cash should be avoided wherever possible, but where these have to be made they are to be made from a petty cash float (with which is kept a petty cash account book) and not from income received.
- Proper procedures should be in place for authorising expenditure.
- Under no circumstances should blank cheques ever be signed and all cheques need to be signed by at least two authorised people.
- Nominated signatories do not have authority to sign cheques payable to themselves.
- Care should be taken over the security of receipt books.

2. Handling Cash

- No one person should have access to cash, whether this be handling freewill offering envelopes, Gift Aid envelopes, emptying Offertory boxes, counting Collections or gift donations etc.
- The PCC should ensure that procedures for handling money under the Parish Gift Aid Scheme are in accordance with the Charity Commissioners Guidelines and Inland Revenue rules.
- The normal procedure is for Collections to be immediately counted after a Service wherever possible by at least two of a nominated panel of counters. The total should then be entered in the Register of Services and initialled by those who have counted it. On occasions when this procedure is not possible, Collections should be placed in a locked box to be provided for the purpose which will then be locked in the safe until the money is counted by two authorised persons.
- Fees for Occasional Offices, weddings, funerals, calling of Banns etc., - the normal procedure should always be to request payment by cheque from undertakers or persons contracting a marriage etc.; the cheque to be payable to the Parochial Church Council and the Church Treasurer should then allocate money as necessary properly receipted, including the fee assigned to the Diocese as part of the Incumbent's stipend.
- Special Collections taken at Funerals or at any other time for particular charities should be paid into the PCC Account in the usual way and payment made to the nominated charity on a PCC cheque and accounted for in the proper manner.

- If payments are made in cash (and this should be the exception) care must be taken to issue a receipt immediately, giving a detailed breakdown of what the total payment is for and a duplicate copy should be retained for inspection by any authorised person (Charity Commission, Inland Revenue, the Archdeacon etc.).

3. Discretionary Funds

Care for those in need is an essential feature of Christian discipleship and an important part of the Church's work. At the same time this work needs to be effectively managed. In the past people in need have turned to the clergy for help from Discretionary Funds. This role for the clergy is no longer appropriate.

It is important that there should be the closest possible working relationship between the Church and other agencies (Social Services etc.) in responding to calls for help. At national level there is great concern for the safety of the clergy and there is need to be aware of the danger if clergy are seen as dispensers of cash.

Inevitably with discretionary funds there is need for confidentiality (usually between Incumbent and Churchwardens), and in these days of much closer scrutiny by Charity Commissioners, Inland Revenue etc. There is increasing need for openness. The greater the degree of confidentiality, the greater is the suspicion of the possibility of misappropriation.

For the above reason any Incumbent's Discretionary Fund should cease forthwith and should be replaced by a system of discretionary help provided on a non-cash basis as recommended in "Clergy Security: A Discussion Paper", issued by the Advisory Board for Ministry. Every effort will be made to work in partnership with Social Services or other appropriate agencies.

If the PCC decides that there could be circumstances when financial contributions from the PCC funds could be deemed appropriate, clear procedures need to be in place for authorising such payments. It should be clearly understood that no payments of this kind can be authorised by any single person. Any discretionary payment needs to be authorised in writing by at least two of a nominated group of people who should then not sign the cheque for the payment they have authorised. For audit purposes a receipt should be obtained in all cases and this should be filed with the signed authorisation for the payment and a photocopy of the completed cheque.

4. Reimbursement of Expenses

All who incur expenses on behalf of the Church and who seek reimbursement should submit expenses claims to the PCC Treasurer.

Expenses should be reimbursed only on the receipt of detailed itemised claims supported by invoices wherever possible.

In accordance with the recommendations of the Central Stipends Authority claims for travelling expenses should include all journeys to and from:

- Parishioners and churches in the clergy's care.

- Church meetings within the parish, deanery and Diocese where such expenses are not the responsibility of the Diocese.
- Public cemeteries and crematoria.
- Hospitals for the purpose of visiting sick parishioners.
- Ecclesiastical suppliers of robes, Communion bread and wine, books etc.
- Approved training courses.

Reimbursement of travelling expenses : The Diocese adopts the rates recommended by the Archbishop's Council after consultation with the Inland Revenue. The current rate is 40p per mile for the first 10,000 miles per year and 25p per mile thereafter. Travelling beyond the borders of the Diocese is reimbursed at 25p per mile.

Expenditure on postage should be supported by a postage book in which details of each letter are recorded and by receipts obtainable from the Post Office for stamps purchased.

Reimbursement of telephone expenses includes the rental of one telephone line and the cost of business calls. A record should be kept of all long distance business calls and these should be clearly indicated on the itemised bill.

Reimbursement for stationery etc. should be on production of receipts.

Payments to Vergers, Organists etc. should be made directly by the PCC and not by the clergy.

Expenditure on other items such as hospitality and secretarial assistance should be in accordance with guidelines agreed with the PCC.

USEFUL PUBLICATIONS

Clergy Security – *A Discussion Paper* ABM

Charity Commissioners – *Accounting & Reporting by Charities* October 2000

The Charities Act 1993 & the PCC – 2001

The Parochial Expenses of the Clergy – *A Guide to their Reimbursement* CSA 2002

Knocking at Heaven's Door - 1996 London Diocesan Board for Social Responsibility