

1. Introduction

This document covers the way in which the finances of the Parish of Witney are governed, including relevant policies, accountabilities and procedures. Its scope covers the Parish of Witney.

This document covers the roles and accountabilities of the PCC, DCCs, Standing Committee, Team Rector, Treasurer and Ministry Team members. Nothing in this document, either policy or procedures shall contravene guidelines from the Charity Commission or HM Revenue and Customs.

As the governing body of the Parish of Witney, the PCC remains accountable for the effective control over the finances of the Parish, both in terms of the management of our ongoing operations, and also longer term major asset renewal or ministry related projects. As such, the PCC is responsible for **all** parish monies, including the monies raised by the individual churches, and under current legislation (*Charities Act 2011 and the PCC 5th Edition:2017*) remains ultimately accountable for all income and expenditure.

The PCC may delegate responsibility for the management of elements of Parish finances to other bodies or individuals as set out in this document. These include the Standing Committee, DCCs, Team Rector and Treasurer and specific project management bodies (e.g. St Mary's Inspiring Change Programme, or the Holy Trinity Roof project) and their respective project management leads. As a consequence of the ongoing accountabilities of the PCC and any agreed delegation of management responsibilities, the PCC will require regular finance reporting from all relevant bodies.

As a registered charity, the Parish of Witney has extremely limited ability or desire to borrow money. As such, the PCC has a major responsibility to ensure that there are sufficient funds available to cover the costs of our on-going ministry, as well as approved major projects.

Throughout this document, a distinction is drawn between two categories of expenditure:

1. The management and control of the day to day expenditure of the Parish (PCC and DCCs). This includes the expenditure proposed in the operational budget of the PCC and also the church specific and maintenance costs budgeted by the DCCs
2. The management and control of expenditure relating to major projects, whether they relate to church buildings – enhancements or large scale repairs, or whether they are related to our various ministries.

This document should be read in conjunction with other relevant Parish policies including whistleblowing, disciplinary, grievance and safeguarding policies of the Parish of Witney.

2. Finance definitions

2.1 Projects and associated Restricted Funds

The PCC and each DCC may, from their respective fundraising activities, hold restricted funds for specific projects.

The scope of each project with a restricted fund is to be clearly delineated, including its expected timescale and the full requirement for funding, restricted or otherwise.

Interest from a restricted fund may only be applied to the aims and objectives of that fund, and will not form part of the general income of the parish.

Similarly, any gift aid reclaimed as a result of donations into the restricted fund may only be applied to the fund and not form part of the general income of the parish.

When expenditure is incurred relating to an agreed project, money from its associated restricted funds shall be disbursed first; designated funds relating to the project second; general funds third. Only where no restricted or designated fund exists should general funds be allocated.

Historic funds and endowments should be managed in the same way as other restricted funds and efforts made to ensure that the aims and objectives of these funds are still appropriate. Should this not be the case, then efforts should be made through the Charity Commission to vary the aims and objectives of these funds in line with current need.

2.2 Designated Funds

The PCC or each DCC (with PCC approval) may, from its general funds, allocate funds to be designated for particular purposes (subject to adherence to the requirements of the Reserves policy in section 6). This does not constitute a restricted fund, and the monies may be re-designated by either the PCC or the DCC at any time and as necessary.

2.3 General Funds

All money given without a specific restriction shall form part of the general fund of either the DCC or the PCC as appropriate. Only monies which come with a specific restriction may be allocated to restricted funds.

2.4 Legacies

Legacies to the PCC or any DCC in the parish are reported to the PCC. The PCC will be informed of the benefactor, the amount, which church fund and any restrictions on its use. A copy of the letter from the executor or their solicitor will be passed to the PCC Secretary to be filed with the minutes.

2.5 Gift Aid

Wherever possible, the Parish will seek to maximise the gift aid that we can reclaim from donations, irrespective of whether they are given in support of General or Restricted Funds. However, it may not always be possible to reclaim gift aid on every donation; in certain circumstances, it may be that the amount of benefit accruing to the Parish is outweighed by the complexities of validating a claim, including the requirement to call on limited volunteer time to do so. The responsibility to determine such instances where gift aid will not be claimed will rest with the Parish Treasurer, working in conjunction with the relevant DCC Treasurer.

3. Financial Governance – Bodies and Roles

3.1 PCC

The primary financial accountability of the PCC is to ensure that the costs of our ongoing ministry are covered in full. This includes the payment of the annual Parish Share allocation set by the Diocese/Deanery. The PCC will aim to pay the Share in full each year, and wherever possible to meet the stage payments that will trigger any agreed rebates from the Witney Deanery.

If the Parish Treasurer considers that financial circumstances are such that it will not be possible to meet our agreed operational budget or to pay the Share in full then a recommendation will be made to the PCC, via the Standing Committee, regarding the required remediation actions. The PCC will decide whether or not to accept this recommendation. Any decision which results in an underpayment of the Parish Share in full will be communicated to the Diocese/Deanery as early as is possible.

In addition, the PCC is accountable for the approval and control of the financing of major projects, whether undertaken directly on behalf of the PCC or as proposed by individual DCCs.

The PCC has the responsibility to ensure that the Reserves Policy of the Parish is adhered to. The details of this reserves policy can be found in section 6 of this document. Where there is a risk that the reserves policy might be breached, the PCC is responsible for reviewing and agreeing any remedial action actions recommended by the Parish Treasurer.

The PCC is accountable for the adherence to all aspects of this policy. There may be occasions where it is not practically possible to comply fully with every element of the policy; in such circumstances, the PCC must assess and accept the financial risk of non-compliance.

3.2 Parish Treasurer

The Parish Treasurer is appointed at the first meeting of the PCC following the APCM. The role of the Treasurer is to enable the PCC to fulfil its financial accountabilities. Specifically, the role is to:

- Produce an annual operational budget for consideration and approval by the PCC.
- Ensure that accurate and up to date financial records are maintained for all funds which are the responsibility of the parish such that they are able to show the financial position of the PCC at any time.
- Produce regular reports for the PCC on the financial situation of the parish in respect of the operational budget.
- Identify any potential issues in the achievement of our agreed operational budget, and propose remedial actions for consideration and agreement by the PCC.
- Facilitate the implementation of any agreed remedial actions in order to address any budget shortfalls, which may also result in the parish breaching its reserves policy.
- Liaise with DCC treasurers to ensure the timely provision of relevant financial data to provide input to financial reporting to the PCC and Standing Committee, and also to enable the production of the annual report accounts for the Parish.
- Liaise with DCC treasurers and any project leads to agree the financial structure of major projects and to ensure that major project expenditure remains within the respective agreed budget.
- Facilitate the assessment of any financial risks to the Parish arising from non-compliance with any aspect of this policy.
- Produce the annual report and accounts for the parish, arrange for an independent examination of these accounts, and present the accounts to the APCM.
- Complete the annual Return of Parish Finance for the ODBF.
- Ensure that proper controls are in place for counting and banking cash received through collections and other fundraising events.
- Ensure that all payments are properly authorised and within approved budgets.
- Ensure that banking arrangements for the funds held by the parish provide the maximum financial benefit.
- Ensure that the parish is following the required procedures for those employed by the PCC, including payment of Income Tax and National Insurance.

3.3 Standing Committee

While the Standing Committee has a broader remit than purely finance, its agenda has a standing item providing the opportunity to review the operating income and costs of the parish, and to assess the probability of meeting the parish's yearly operational budget. On the basis of this regular discussion, the Standing Committee is in a position to recommend any remedial actions required to the PCC, as proposed by the PCC treasurer.

The Standing Committee will fulfil the governance responsibilities in respect of parish finances (to assist the Parish Treasurer in discharging their duties) in the following :

- Recommend an annual operating budget for the parish to the PCC, agreeing priorities for expenditure for the parish as a whole, as well as the individual churches, and ensuring that there are adequate resources to meet this expenditure
- Monitor the financial situation of the parish and make recommendations to the PCC to overcome any problems that arise.
- Keep the financial policy for the parish under review, ensuring that it is implemented effectively, and recommending changes as necessary for approval by the PCC.
- Consider the draft annual report and accounts, discussing and agreeing any implications and actions arising from it, prior to approval by the PCC.
- Agree and monitor the Asset Management Plan(s) for the parish to ensure that regular maintenance is budgeted and carried out as required.
- Identify and assess any financial risks arising from the operational budget or the asset management plan(s), for acceptance and approval by the PCC.
- In conjunction with the Standing Committee, agree and review on an annual basis, fees charged by the PCC for weddings, funerals and use of church buildings.

The full Terms of Reference and membership of the Standing Committee can be found on the Parish website.

3.4 Finance Committee

A Finance Committee meeting will be held a minimum of twice a year. The focus of two of these meetings will be:

- To review and aggregate the operational budgets for the PCC and DCCs (to be held no later than the end of January in any given calendar year)
- To review the medium to long term financial trajectory of the Parish and develop appropriate longer term initiatives to address any financial risks identified. This meeting will normally take place in the last quarter of any given calendar year to take into account the progress against budget in that year, and the success of any shorter term fund raising activities (as proposed by the Treasurer/Standing Ctee as per section 3.3 above).

The membership of the committee shall comprise The Team Rector (or representative); Parish Treasurer (as chair); representatives from St Mary's, Holy Trinity and Hailey DCCs (preferably the DCC Treasurers or Deputy Wardens) and where relevant, from Curbridge Church. Other members to be co-opted as required.

Other meetings of the Finance Committee will be called as required to assess major new investment projects, either in relation to physical assets of the Parish, or new initiatives relating to our ministry. In such circumstances,

These ad hoc meetings will focus on :

- The adequacy of the budget planning for the project, to ensure that it can be completed in accordance with its agreed scope.
- The identification of any specific funding needs, particularly in terms of fundraising and grant submissions.
- Support for any supplier selection, particularly if the project management leads do not wish to adhere to the standard requirement for three alternative quotes to be obtained.
- The proposed management and control of the project. At the outset of the project this would focus on the provision of constructive challenge to ensure that the scope and requirements of the project have been adequately defined.

- Agreement to those individuals who will have delegated financial authority to progress the project.

The Finance committee will make recommendations to the PCC on the basis of its review of any proposed major projects

3.5 District Church Councils (DCCs)

The primary financial responsibility of DCCs is the upkeep and maintenance of their respective church buildings. In this respect, each DCC must produce an annual budget for approval by the PCC. The DCCs must also produce an asset management plan for their respective churches, based on the findings of their latest Quinquennial report.

The terms of reference for the DCCs allow for the submission of annual budgets to be approved by the Parish Treasurer and incorporated into the Parish Budget that is then submitted to the PCC for final approval. The DCC budget shall cover the cost of works necessary to care, maintain and preserve the fabric of the church, its goods and ornaments and, where appropriate, the churchyard, as defined in the DCC Asset Management Plan. This should include the cost of implementing the recommendations of the most recent quinquennial report. In certain circumstances, these recommendations may require the inception of a major project.

The budget should also make provision for the expenses allocated to the DCCs in the Schedule in Appendix A. This schedule also identifies the source of funds available to the DCC to meet its budgeted expenditure.

Throughout the year, the DCC should review actuals against budget as a standing item for each meeting. On the basis of this review, the DCC must assess the likelihood of meeting the agreed budget. Where there is significant risk that the budget will not be met, the DCC must agree a set of remedial actions, and communicate both the risk and the remedial actions to the PCC for confirmation.

The limits of delegated authority applicable to DCCs in terms of expenditure relating either to ongoing maintenance and upkeep of their churches or in respect of major projects, are defined in 4.1 of this document.

3.6 DCC Treasurers

DCC Treasurers are appointed at the first meeting of the DCC following the APCM. Their role is to:

- Prepare an annual budget to be agreed by the DCC and then submitted via the Parish Treasurer for approval by the PCC.
- In conjunction with the Deputy Wardens, ensure that costs associated with priority items of work arising from the quinquennial inspection are included on the asset management plan for each church, and in the annual DCC budget.
- Prepare reports for each meeting of the DCC to monitor performance against the budget and then submit these reports to the Parish Treasurer with the actions proposed to address any deviances from the budget.
- Prepare the end of the year report to be approved by the DCC and then submitted to the Parish Treasurer for incorporation into the PCC Annual Report and Accounts.
- For agreed major projects, work with the PCC leads to produce project income and expenditure plans, and support adherence to these plans throughout the lifetime of the project.
- Support project leads to produce required financial updates on agreed projects for review and agreement by their respective DCC and PCC (via the Standing Committee).

- Ensure that all payments are properly authorised and within the approved budget for the DCC, and keep records to account for this expenditure (receipts and/or invoices).
- Maintain a daybook recording income and expenditure, the allocation of money between specific funds, and reconcile with bank statements on a regular basis.
- Ensure, in conjunction with the churchwardens, that the procedures set by the Parish Treasurer are followed for the counting and banking of collections and other monies received by the DCC, and that accurate details are kept of the monies received, particularly any restrictions on its use.

4. Limits of Delegated Authority

4.1 DCC limits of authority

In recognition of the impracticalities of referring all proposed purchases to the PCC then the DCCs will be able to purchase goods and services with an estimated value of less than £1000, without the need to obtain authorisation from the PCC. Appendix A highlights the nature of the operating expenditure to which this condition applies. Any purchase with an estimated cost of £1000 or more must be submitted to the PCC for approval.

In the case of a major project approved by the PCC but being managed and controlled by an individual DCC, the PCC will approve those individuals on the DCC who are able to accept quotes or authorise expenditure relating to the project. These individuals would normally be members of the relevant DCC, and will usually include the deputy warden and DCC Treasurer.

However, in the case of major projects, once the project is fully approved and funded, those appointed by the PCC/DCC to run the finances of the project have delegated authority to commit to expenditure provided that:

- The expenditure is in line with the agreed project expenditure schedule
- The total projected expenditure remains within the agreed budget for the project
- Adequate funds are available to cover the current expenditure. In addition, where the current expenditure relates to a stage payment for a component of the project, that adequate funds are also available to cover the full costs of the component of the project
- Where the overall project is not yet fully funded, plans are in place to raise any shortfall, and that the overall risk to the project has been assessed and accepted by the PCC should these fund-raising activities not bear fruit
- Regular reports on the finances of the project are submitted to the DCC, Standing Committee and PCC, in particular to highlight any variances, and the projected project outturn.

Any scope increase or expenditure which causes the overall project costs (actual or projected) to exceed the agreed budget or funds available must be referred to the PCC for agreement. No unfunded expenditure is permitted.

N.B. It is expected that such major projects will normally be defined, incepted and funded by individual churches, but these provisions will also apply to any such projects progressed by the PCC.

4.2 Officers of the Parish and other nominated individuals

The PCC will approve and keep under regular review those individuals who can engage the Parish contractually as well as those who can authorise expenditure. (N.B. the authorisation of expenditure is distinct from the bank mandates authorising payments).

Those with authority to commit the PCC to contracts or expenditure will include the Team Rector and Treasurer, and any other officers of the Parish who, with the agreement of the

PCC have a legitimate reason to do so. The PCC will maintain a list of all such officers, which should be reviewed and confirmed on an annual basis.

DCC Treasurers can authorise expenditure from their respective DCC accounts up to £1000, provided sufficient funds are available to cover such expenditure. The DCCs may also approve other members of their respective district councils to be able to authorise expenditure. Each DCC will maintain a list of all those members with authorization authority, and will share these lists with the PCC. As with the PCC, these lists should be reviewed and confirmed on an annual basis.

In terms of the day to day running of the Parish, the Team Rector and Treasurer have delegated authority to commit one-off expenditure up to £2000 for items not covered in the list of PCC expenses (Appendix A) . Such expenditure will be reported retrospectively to the Standing Committee within one week, and minuted for the PCC. The limit of delegated authority for such expenditure for those other officers approved by the PCC is £1000.

5. Bank Mandates and Cash – Operating Principles

- All bank mandates will require two authorised signatories. Authorised signatories should be drawn from the membership of the PCC and DCCs for their respective accounts. The Parish Administrator may also act as an authorized signatory. Only one member of a family group should act as an authorized signatory on a PCC or DCC account.
- Payments from bank accounts may only be made against approved receipts, or approved emails evidencing the validity of the expenditure.
- It is not permitted that any Parish bank account should go overdrawn. No expenditure can be authorised which would result in such an occurrence.
- Wherever possible, payments from all PCC and DCC accounts should be made electronically.
- The counting of cash collections must be carried out by two individuals who should not be part of the same family group.

6. Reserves

- The PCC will hold reserves to cover unexpected cash flow issues, (arising from the relative timing of receipt of income vs expenditure, or a shortfall in budgeted income) of an average over the year of £7,000 (min).
- The DCCs will each hold reserves to cover unexpected or unbudgeted maintenance expenditure of an average over the year of £5,000 (min).
- This Reserves policy assumes that if any significant items of unexpected maintenance expenditure arise, these will be met through an emergency appeal to the congregation.

Adopted by Witney PCC 16 January 2024

Signed *Toby Wright*

Counter-signed *Kate Banks*

Review date: 5 years from date of adoption

Appendix A: Allocation of Income and Expenses between the PCC and DCCs

N.B. These definitions apply primarily to the general funds of the parish. They do not apply to income and expenditure relating to restricted funds

PCC Income	DCC Income
<ul style="list-style-type: none"> • All planned giving – bank debits and envelopes, with the exception of any regular donations to the individual churches as described in the DCC income column • Income tax recoverable on donations eligible for Gift Aid, (with the exception of donations to individual churches, as described in the DCC income column) • Collections from normal services • Collections from special services, including weddings and funerals, which have been specified as being for the general purpose of the PCC • Sundry donations in favour of the PCC • Fundraising specified as being for the general purpose of the PCC • Grants for general purposes • Lettings of church premises • Fees paid to the PCC for weddings, funerals and hospital chaplaincy. • Surplus arising from the sale of assets belonging to the PCC • Legacies, where the donor has not defined any specific restriction to the use of the related funds 	<ul style="list-style-type: none"> • Planned giving explicitly in favour of an individual church to support the maintenance of the fabric of the building or the assets of that church • Gift aid recoverable on donations to an individual church • Collections from special services specified to raise funds for an individual church • Sundry donations in favour of an individual church • Income from wall safes in the church • Grants for specific purposes in relation to the care and maintenance of the churches and the churchyards • Proceeds from the sales of goods, or fundraising events, specifically to raise funds for an individual church • Dividends and interest on individual church accounts and investments • Surplus arising from the sale of assets belonging to an individual church • Fees received for the use of the church organs at weddings • Legacies, where the donor has made an explicit wish that funds should be allocated to a specific church

PCC Expenses	DCC Expenses
<ul style="list-style-type: none"> • Costs associated with generating voluntary income - a stewardship campaign, application for grants, fees for professional fundraiser • Costs associated with events and activities to raise funds for the PCC • Payment of the Parish Share • Clergy expenses – travel costs, telephones, books, etc. • Running expenses for all church buildings – gas, electricity, water, trade waste, supply and maintenance of fire extinguishers • Insurance of all church buildings • Upkeep of services – altar requisites (candles, bread/wafers, communion wine, etc), service books • Payments to Organist / Choirmaster at St Mary’s and Trinity and fees for casual organists. • Costs associated with parish training and mission, including books and publications for general use within the parish • Costs related to running of the PCC and discharging its responsibilities – fee for independent financial examiner, deanery fees and subscriptions, CRB and safeguarding fees, music copyright licence fees • Diocesan fees – funerals, weddings, lay ministry • Expenses associated with weddings and funeral – clergy fees, organists fees, choir, verger – where not paid directly • Wages for Parish Administrator • Parish Office costs – postage, stationery, photocopying, telephones 	<ul style="list-style-type: none"> • Costs associated with events and activities to raise funds specifically for the individual churches • Repairs and routine maintenance to the building fabric of the churches • Organ tuning and repairs • Costs associated with the church choir – music, junior choir fees, robes, etc • Cost associated with the running of Junior Churches • Cleaning costs and materials (50% in the case of St Mary’s) • Consumables such as light bulbs • Servicing (including periodic statutory inspections) and repairs to heating and electrical systems • Upkeep of the churchyard <p><i>Note: There are parts of St Mary’s Church that are used extensively by the PCC - Wenman Room – (Vestry and Parish Office) and Winchester Room. The costs associated with specific maintenance affecting these areas will be split between the PCC and St Mary’s DCC, whilst the maintenance of the remainder of St Mary’s Church will be the responsibility of their DCC. The cost of cleaning the church will be apportioned 50:50 between the PCC and St Mary’s DCC (as agreed at the PCC meeting on 28 July 2011)</i></p>