

General Statement

This policy applies to all churches, DCCs and the PCC of the Parish of Witney.

Nothing in this policy shall contravene guidelines from the Charity Commission or HM Revenue and Customs.

This policy should be read in conjunction with any other financial policies, whistleblowing and safeguarding policies of the Parish of Witney.

Policy

Projects and associated Restricted Funds

1. The PCC and each DCC may, from their respective fundraising activities, hold restricted funds for specific projects.
2. The scope of each project with a restricted fund is to be clearly delineated, and a timescale for each project and its associated restricted fund shall form part of this.
3. 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.
4. 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.
5. 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.

Designated Funds

6. The PCC or each DCC may, from its general funds, allocate funds to be designated for particular purposes (subject to adherence to the Reserves policy below). 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. Designated funds should be treated as restricted funds in relation to point 2 (above).

General Funds

7. 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.

Budget and Reserves

8. In line with the Charity Commission recommendations, the PCC and each DCC shall set a budget each year. This will include restricted, designated and general funds.
9. The holding of large sums of unrestricted and undesignated funds as Reserves by the PCC or a DCC is detrimental to the fundraising efforts of the parish as a whole.
10. 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). This equates to approximately one month of operating costs excluding the Parish Share.

11. The DCCs will each hold reserves to cover unexpected or unbudgeted maintenance expenditure of an average over the year of £5,000 (min).

12. 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.

Limits of Delegated Authority

13. The PCC remains the legal entity responsible for the finances of the Parish and all the individual churches within it. The PCC is responsible for agreeing all PCC and DCC budgets across the parish on an annual basis.

14. The PCC delegates authority to individual DCCs for formulation of budgets and financial control relating to the maintenance of their respective church buildings. The budgeting and financial control of the day to day operations of the Parish, including the payment of the Parish Share, remains the responsibility of the PCC.

15. Each DCC may authorise expenditure of up to £1,000, provided unrestricted funds are available. Any expenditure above £1,000 must be authorised by the PCC.

16. In extremis, the Rector and Churchwardens delegate the responsibility for the approval of expenditure requests of over £1,000 to a subset of a minimum of three of its members of the PCC, to include the Treasurer, or in the absence of such a person, one member who is familiar with and/or engaged with the finances of the Parish.

Legacies

17. 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. For legacies over £1,000 the PCC may request an electronic scan of the relevant part of the will. This will ensure transparency in the naming of the beneficiary and accurate details of how the legacy is to be spent.

Adopted by Witney PCC on 8 October 2019

Signed *Toby Wright*

Counter-signed *Jeremy Lasman*

Review date: 5 years from date of adoption