

**Ditchling, Streat and Westmeston Parochial Church Council (Registered Charity number 1132488) – aka
The Beacon Parish**

Terms of Reference of the Finance Committee (“FC”)

The Finance Committee is a subcommittee of the above-named Parochial Church Council (“PCC”). Its role is monitoring the finances on behalf of the PCC and advising the PCC on expenditure and other matters of financial interest to the PCC.

Members

Members are appointed by the PCC and are currently as follows.

- PCC Treasurer
- Six Committee members (including Vicar ex officio)
- Note: at least two members, one of which being the Chair, must be members of the PCC.
- The Treasurer will normally act as Chair. In his/her absence, another member shall be elected by the meeting to act as Chair

Note that the PCC’s Bookkeeper is not currently a member of the FC but may be invited to attend, as deemed necessary by the Chair.

Responsibilities of Chair

Chair the meetings of the Finance Committee.

Ensure that the Parish is suitably represented at Diocesan or Deanery finance meetings as necessary

Ensure the Committee members as a team are competent to assess the financial activities of the Parish, and are active churchgoers

Ensure that the Committee meets at least once a quarter and more frequently if necessary, furnishing an agenda and relevant materials for each meeting at least one week in advance

Ensure that the Committee reviews its performance annually, together with that of the Chair and Treasurer, identifying and agreeing areas for possible improvement.

Responsibilities of Treasurer

Bank account:

- Ensure that bank and other account signatories are properly authorised and a record kept of such signatories.
- Pay cash and cheques into the bank in a timely manner.
- Ensure that there are sufficient funds in the current account to meet the Parish’s net liabilities for the next four weeks.

HMRC: Ensure compliance with all HMRC regulations and requirements, supporting and overseeing the Bookkeeper’s activities as required (see below)

Investments:

- Oversee the investments and financial reserves of the PCC.
- Keep a record of all investment funds (General/Designated, Endowment and Restricted) and report these to the Committee and the PCC.
- Consider annually (or more frequently should market circumstances warrant) whether the investments controlled by the PCC are in the most appropriate fund to balance maximising the returns and minimising the risk of capital erosion.

- Liaise with the Diocese on the management of endowment funds it holds on behalf of the PCC.

VAT: Ensure that VAT is recovered where possible from the Listed Places of Worship Scheme.

Insurance: Ensure that the church buildings are insured and that works compensation and other insurance (such as public liability cover) and requirements are up to date.

Annual Report & Accounts (“ARA”):

- Prepare the annual report and agree its content with the independent examiner.
- Review the statement of accounts prepared by the independent examiner and ensure that they meet the requirements of the Charity Commission.
- Finalise the ARA with the independent examiner
- Present ARA at the Annual Parish Committee Meeting for approval and signature.
- Ensure that the signed report and financial statements are then submitted in a timely manner to the Charity Commission and to the Diocese.

Charity Commission:

- Ensure that the details of the Trustees of the PCC are correctly reported to the Charity Commission for their records.
- Ensure the PCC remains in compliance with all regulations and requirements of the Charity Commission.

Diocesan returns: Ensure that online returns are made to the Diocese for Finance, Statistics for Mission (annual attendance records) and Energy Footprint.

Gift Aid:

- Maintain a record of cash donations from members of the congregation, identifying those who have signed up to Gift Aid.
- Record every Standing Order receipt, or Gift Aid collection envelope, against the list of Beacon Parish members to enable Gift Aid to be recovered when appropriate.
- Maintain a separate record of cash received that is not flagged as valid for Gift Aid claim.

Responsibilities of Bookkeeper

Record-keeping:

- Record all financial transactions in line with Diocesan guidelines for submission to the auditor as requested.
- Ensure that appropriate backups of material are maintained.

Management Information:

- Ensure that monthly bookkeeping reports are submitted to the Finance Committee to enable actual income and expenditure to be monitored against budget, taking into account both monthly and annual figures.
- Produce summary reports as requested by the Finance Committee or the PCC.

Receive income

- Maintain a record of all income received, breaking it down under the standard Diocesan codes.

Make payments

- Receive and record invoices from suppliers.
- Receive and record expense claims from the Church Wardens and other members of the PCC.
- Make payments against all approved invoices and expense claims in a timely manner.
- Maintain a record of all payments made, breaking them down under the standard Diocesan codes.

HMRC:

- Prepare payslips for all employees,
- Report employee payments to HMRC
- Ensure payments to HMRC of any PAYE tax withheld.

Weddings

- Receive notification from the Parish Office of up-coming Weddings.
- Send out invoices and resolve issues with the wedding contact person.
- Expedite receipt of wedding income.
- Make payments to Organist, Bell ringers and Verger.
- Prepare and make a periodic payment to Diocese for its share of the marriage service fees.

Funerals

- Receive notification from the Parish Office or Undertakers of planned Funerals.
- Invoice the funeral home or family depending on the circumstances
- Make payments to Organist and Verger (if not paid at the funeral by the Undertakers).
- Prepare and make a periodic payment to Diocese for its share of funeral service fees.

Bank

- Reconcile bank statements with our records on a weekly basis, resolving any differences

Salaries

- Make applicable salary payments as per PAYE slips.

Gift Aid:

- Ensure that Gift Aid is recovered on donations where possible through the Gift Aid (GA) and Gift Aid for Small Donations Schemes (GASDS)

Responsibilities of Finance Committee

To monitor **income and expenditure**, and to recommend to the PCC actions that will ensure that expenditure remains within what can be afforded at all times.

To monitor performance of the PCC's **investment portfolio**, making recommendations to the PCC for appropriate action.

To review all **major works and purchases** proposed for the Parish, recommending these for approval to the PCC where appropriate and monitoring the performance of these projects for the duration of their life.

To ensure that all financial activity is carried out within the rules and regulations laid down by the Diocese.

To approve and recommend to the PCC **an annual budget** for the following calendar year, ensuring that the financial obligations of the Parish are met, forecasting both monthly and annual income and expenditure. The budget should be prepared and considered by the Finance Committee each year so that it may be submitted to the November PCC for consideration and approval. To report to the PCC, at each of its meetings, the performance against budget in the year to date, together with a forecast for the remainder of that financial year.

To present the complex financial picture of the church's finances to the members of the PCC in a way that is relevant to their needs, so that they are able to take well-informed financial decisions when called upon to do so.

To recommend actions required by the PCC to **ensure that the PCC's financial arrangements are conducted at all times in a prudent manner**, including the control of expenditure (particularly any expenditure outside

of budget) and the undertaking of income-generating initiatives. Where fundraising is concerned: while the Finance Committee is not itself responsible for fund raising, the Committee should advise the PCC on the level of funds needed to meet the Parish's obligations and should maintain close relations with The Giving Team with regard to their future plans, and the outcome of their existing activities.

To ensure that expenditure is normally be covered by an agreed budget item.

To manage/ monitor expenditure outside budget according to the following guidelines:

MAJOR ADDITIONAL BUDGET ITEMS (above £1,000) - The Finance Committee should:

- receive formal written proposals for any major expenditure for items that fall outside of the budget, containing details of both one off and ongoing expenditure, and measures of success
- assess the proposal in a timely manner, define funding sources and take professional advice where necessary
- provide written recommendations to the PCC
- where appropriate establish a control process for ongoing expenditure.

MINOR EXPENDITURE on urgent items not covered by a budget item will be controlled as follows:

- Church Warden expenses above £200 should be approved in writing (e-mail) by the Wardens collectively, copied to the Treasurer. The Treasurer can advise on whether funds are available before the proposed expenditure has been committed.
- The PCC should be alerted if and when these urgency provisions are used three times in a year by the same Church Warden.
- Expenditure by a member of the PCC to a maximum of £50 must be approved by a Church Warden in writing (e-mail).
- In all cases an expense form must be submitted to the Bookkeeper.

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