

Financial Risk Assessment Policy

St Luke's Church Ramsgate – January 2022

As a local church community, and as a PCC, we are stewards both of the mission of the church in the parish of St Luke Ramsgate, and of the resources available to the church. For this reason, we have considered carefully areas where the financial activities of the church, and the people involved with these activities, could be put at risk. The following is a list of precautions agreed by the PCC to protect both the assets and personnel of St Luke's Church Ramsgate.

Roles and Responsibilities

The PCC is responsible for ensuring compliance with both church law and charity law. In particular it will:

- examine both income and expenditure on a regular basis to ensure clarity of the financial position and agree a budget for income and expenditure each year to be reviewed regularly throughout the year.
- check and if appropriate approve the accounts prepared by the Treasurer before the Annual Parochial Church Meeting each year.
- ensure that adequate insurance cover is arranged for both the church and hall buildings and contents, including Public Liability Insurance.
- keep an inventory detailing the property and assets of the church and ensure it is reviewed annually. Procedures will be put in place to ensure the church building is opened and then secured responsibly after use.
- consider how much money to hold in reserve to cover financial activity. This should be reviewed regularly to take account of changes in financial position.

The PCC will be responsible for appointing:

- a Treasurer to oversee the day to day running of the finances (Nicky Galer).
- an Internet Bank Authoriser (Peter Shakeshaft).
- Cheque Signatories (any two from: Nicky Galer, Peter Shakeshaft, Paul Worledge, Andrew McMillan)
- an Independent Examiner to check the accounts each year (Peter Cottington)
- a Hall Manager to oversee the hall rentals, both regular and one off (Regular: Pauline Emptage, One-off: Paul Worledge)
- a Utilities Manager to liaise with all utility companies (Pauline Emptage)
- an Employment Tax administrator (Doug Mackinney)
- a Banker to take money from the safe and pay it into the bank (Brenda Walters-Erlam and Doug Mackinney)

The Treasurer will ensure that accurate accounting records will be kept, and the required financial statements and reports will be prepared at the end of the financial year. These will be stored for the required amount of time. The Treasurer will be responsible for claiming Gift Aid and maintaining necessary documentation.

The Treasurer will produce a monthly report for the Hall Manager to show all rental paid directly into the church bank account. They will also send an electronic photo of invoices and expenses paid by internet banking to **the Internet Bank Authoriser** to enable authorisation.

The Hall Managers will be responsible for overseeing the opening and closure of the hall for one-off bookings and ensure correct payment is received in advance. Each hall booking should be accompanied by a fully completed contract of hire form, which details the PCC's conditions of hire. A deposit should be taken which is non-refundable if the hall is not left in an acceptable condition, unless the Hall is booked online with a debit card and it is made clear that up to £50 will be charged in the event of damages incurred or excess cleaning required. They will also keep a verifiable record of all bookings.

Money for hall rental should be receipted immediately. The receipt should clearly show the date of the rental and the name of the renter. The funds should be placed in the church safe at the earliest opportunity.

The Hall Manager will check the list of regular rental payments provided by the Treasurer to ensure all hall hirers are up to date and ensure correct amounts are being received. Any lateness should be investigated immediately.

The Utilities Manager will ensure meters are being read accurately, competitive contracts are arranged, and that the Treasurer is informed when payments are to be made from the bank account.

The Employment Tax Administrator will ensure that HMRC are informed of all payment to employees of the church. A back-up copy of the employment records is kept on the vicar's computer.

The Banker is permitted to remove funds from the safe and take them home to be counted prior to banking. The church insurance policy will include cover for funds whilst in transit. The PCC considers it safer for this person to count money at home rather than being alone in the church building. They should, however, seek to pay money into the bank as soon as possible. It is recommended that the Banker varies the days and times of the week when they remove cash from the safe and when they take it to the bank.

Giving to the Church and Confidentiality

The PCC agrees that all matters of personal giving to the church remain confidential. The Treasurer will be the only person with full details of donations, to allow for sufficient record keeping and to allow accurate reclamation of tax where appropriate. It is accepted that on occasions, people involved with counting or banking money may see names on individual cheques and this information should remain confidential. The PCC has authorised a named person to assist the Treasurer with computer issues if the need arises.

The PCC agrees that no-one should feel obliged to contribute financially to the running of the church. For this reason, the offertory plate will not be passed round during services. The offertory box will be situated near the entrance to the church and permanently secured to the floor,

accessible only by key, for security. On special occasions the plate may be passed round with prior notice having been given.

Pay, Payments and Expenditure

The PCC is responsible for compliance with employment law and will ensure that the regulations for applying PAYE are adhered to. Employees will also be advised of their responsibilities under English law for declaring income from the church and other sources. This will include one-off payments to people who act as verger at weddings and funerals.

All cheque payments will be signed by two authorised signatories.

Payments via the online BACS system have been agreed by the PCC provided the Treasurer initiates them and they are then authorised by a named second person. The authoriser should always be a member of the PCC who is aware of the financial decisions made at meetings and is familiar with the financial activities of the church.

Blank cheques will never be signed.

The PCC agrees that three quotes will always be obtained when considering work to be carried out, where the cost of the work exceeds £500. In the case of emergency or urgent work then a trusted contractor should be used, but it is recognised that it may not be possible to obtain three quotes.

Where church members are required to make purchases from their own funds, money should be reclaimed using the blue Expense Form. Receipts should always be provided, and the form should be countersigned by the nominated person before being handed to the Treasurer. No items should be purchased without prior agreement from the Treasurer/PCC unless they come under part of the agreed PCC budget.

Where invoices are passed to the Treasurer for payment, the date of the receipt of the goods and a signature of the person who received them should be added to the invoice.

Handling Cash

All church groups should keep accurate records of income and expenditure and produce an annual statement for the Church Treasurer at the end of the financial year. This should include receipts and a copy of the cashbook. Petty cash should be held in a locked tin within the church safe.

All income received at services will be counted and checked by two people using the forms provided. These people should not be related. Accurate signed paperwork will be kept with the cash, which will then be held in the safe prior to banking. Cash given at services must be counted at the end of the service and recorded in the Register of Services. Cash should not be carried forward to the following service/week.

Church funds should not be removed from the premises, except for banking or to purchase goods and should never be paid into personal/business bank accounts.

In some circumstances a bank paying in slip can be provided to allow monies to be paid directly into the church account. Accompanying paperwork should be passed to the treasurer immediately.

Sunday refreshments: two people should count the donations towards refreshments. The cash and accompanying paperwork should be placed in the safe immediately and a record made in the refreshments cash book.

On occasions some people may have church funds given/sent to them at home, i.e., hall rental, donations or funeral fees. These funds should be put into the church safe with accompanying paperwork at the first opportunity. If practicable, church money should not be retained in an individual's home.

Where funds are received that are not already recorded on an official church document* the person placing the money in the safe for banking should keep a personal record of the amounts, dates and purposes. Where church groups keep a petty cash record and occasionally place money into the safe for banking, they will keep a simple account of money paid in and claimed from their fund so that they can check the fund total on a regular basis. (*Official church documents include cash books, Register of Services, fees returns, record of Hall Bookings, petty cash books etc.).

The Safe

Money to be paid to the church should be passed to an authorised safe key holder, to be held securely until it can be banked. All cash should be accompanied with accurate paperwork stating the date, where the money has come from and the intended recipient.

Money held in the safe should be banked as soon as possible by the Banker. All accompanying paperwork should be passed immediately to the Church Treasurer.

On occasion people other than the Banker may need to pay funds directly into the bank account, i.e., after mission box counting and a formal paying in slip will be provided.

The PCC will keep accurate records of people holding a key to the safe. This should be kept to a minimum and keys should not be loaned to third parties. The safe should only be opened when it is considered safe to do so. There should be no 'strangers' in the vicinity and external doors should be secure.

A list of all key holders will be held and reviewed regularly. This will include keys issued to regular hall hirers. Keys will be kept in a suitable location.

Review

The PCC agrees that the contents of this policy should be reviewed annually. All personnel involved in any of the procedures mentioned should be encouraged to read the policy annually.

Chair of PCC
Rev. Paul Worledge

Agreed at PCC on 10th January 2022