

Essential Finance for the PCC

A checklist of policies, returns and procedures that each PCC needs to ensure are in place

Policies	Description	Done
Reserves Policy	The PCC needs a policy stating how much it plans to hold by way of reserves. This policy should encourage the PCC to hold appropriate reserves and discourage it from holding unnecessary reserves. The policy can be stated in a few sentences https://www.parishresources.org.uk/pccs/managing-reserves/sample-reserves-policies/	
Investment Policy	PCCs which are holding endowment funds or have other holdings will need an investment policy. The investment policy will state what level of risk the PCC is prepared to accept and how funds are to be invested (eg. hold on deposit, or use fund managers). https://www.parishresources.org.uk/wp-content/uploads/investingreserves.pdf	
Legacy Policy	A Legacy Policy is an important document that all parishes should have. It allows the PCC to think about how it would wish to see a gift used and encourages those who might leave legacies to see how such gifts can significantly benefit the church. An example is given on the Parish Resources website https://www.parishresources.org.uk/legacies/developing-a-legacy-policy/	

Accounts and Returns	Description	Done
Parish Finance Return	All parishes have to submit a Parish Finance Return by 31 st May each year. https://www.leicester.anglican.org/resourcing-your-work/finance-2/financial-resources/	
Annual Accounts	The PCCs annual accounts must be presented to the APCM and a copy sent to the Director of Finance at the diocesan office.	
Charity Commission requirements (PCCs with annual income over £100k)	<p>PCCs with an annual income of more than £100k are required to:</p> <ul style="list-style-type: none"> - Register with the Charity Commission. - Submit an annual return to the Charity Commission. - Fulfil any other requirements of the Charity Commission. <p>The Charity Commission will usually advise the PCC of other requirements at the point of submission of the Annual Return. <i>PCCs with an annual income over £1m and/or assets of over £3.25m should contact the Director of Finance at the diocesan office as separate requirements of the Charity Commission apply.</i></p>	

Procedures	Description	Done
Conflicts of Interest	The PCC needs to make sure that any PCC members declare any other trustee, employee, director or other positions that they hold which may create a conflict of interest. Interests need to be declared and managed when discussions are taking place. For instance, a PCC member who is also a Parish Councillor will have a conflict of interest when the PCC discusses issues which involve the Parish Council. He or she must declare the conflict of interest, should not vote, and may be asked to remain silent during the discussion or even to leave the room for the duration of that item of business. Managing conflicts of interest well is particularly important in relation to financial matters.	
Bank mandates	As PCC membership changes and/or new officers are elected it is important to ensure that bank signatories are kept up to date.	
Insurance	The PCC must ensure that an appropriate level of insurance cover is in place for the church and its activities. New developments such as additional activities or employment of staff need to be notified to the insurers. https://www.parishbuying.org.uk/categories/insurance	
Gift Aid	The PCC must make reasonable efforts to claim Gift Aid where donors indicate that gifts are eligible. As charity trustees PCC members have a duty to make reasonable efforts to claim money that the PCC has a legal right to (the same applies to VAT which can be reclaimed on listed building repairs). The Parish Giving Scheme helps PCCs with claiming Gift Aid on regular giving. https://www.parishresources.org.uk/giftaid/	
Other financial procedures	PCCs should have appropriate financial procedures in place to ensure sound handling of the church finances. Two key issues are <ul style="list-style-type: none"> - Appropriate use of vestry sheets for recording income; - Ensuring cheque and mandate signatories are kept up to date and that cheques and other financial instruments are never signed before being completed. <p>A full manual of financial procedures is available from ACAT (the Association of Church Accountants and Treasurers).</p>	

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