



Financial Controls

Document history

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1 Overview

Each year St Barnabas PCC have to make a return to the Charity Commission of our income and expenditure, but the form which the PCC Secretary completes asks whether we have reviewed our financial controls during the reporting year. The Independent Examiner's checklist also requires a confirmation that we have done this recently. This note sets out our procedures and invites the PCC to consider the adequacy of our arrangements.

We have a Finance team who together oversee our financial affairs:

- Richard Cunningham (Treasurer, PCC account)
- Bob Abel (Church Hall account)
- Anna Hall (Bank Reconciliations)
- Brian Bartlett (Financial planning)

2 General principles

- PCC accounts are kept and organised in a software package called "My Fund Accounting" (MFA) designed for church accounts. This was introduced in 2025.
- The PCC is ultimately responsible for raising and spending money and the Treasurer implements its decisions.
- The Treasurer works to a job description which was approved by the PCC on 6th September 2016 (copies are available).
- The Treasurer monitors income and expenditure against budget headings agreed by the PCC (these were reviewed in late 2024).
- The Treasurer makes regular reports to the PCC on income and expenditure in the year to date, highlighting any unusual items.

3 Church collections

- Most regular giving is now handled by Parish Giving Scheme (PGS), which provides a secure and automated service. This scheme organises and makes regular claims from the bank accounts of regular givers, according to the agreements reached between PGS and the congregation member involved. These payments (including Gift Aid) are then sent to the PCC bank account. PGS is our preferred method for regular giving.
- Some regular givers are still using standing orders, but it is anticipated that these will slowly cease.
- Counting the weekly cash collection is the responsibility of the two Sides-people, who together count the collection, and record the total on a collection sheet. Two independent people must be present throughout when money is counted. The duties of the Sides-people are set out in a document which was prepared by the PCC Secretary on 27th November 2016 (copies are available).
- The Treasurer checks the collection sheet, reconciles it with cash and cheques received from the Sides-people, collects any other receipts in the Church safe or passed to him by the Vicar or others handling cash (see below under Minor Activities).

- As and when needed the Treasurer enters cash and cheques into the bank paying in book and visits the bank.
- The Treasurer receives and records the monies (cheques and cash) each week in MFA and also in the Gift-Aid claims spreadsheet.

4 Monthly collections

- At the end of each calendar month the bank sends a statement of account. This is reviewed and those who make their payments by standing order have their payments recorded in the Gift-Aid claims spreadsheet. A single total of all those is entered into MFA.
- In the middle of each month a report is downloaded from the PGS website. This scheme is run centrally by the Church-of-England, and collects offertories by direct debit, and then claims from HMRC (His Majesty's Revenue and Customs) gift-aid where the giver has completed a gift-aid declaration. The report shows the givers, the totals of money given, and the Gift-Aid received. This report is used to update MFA.
- At the end of each month a report is downloaded from SumUp (the organisation that handles our card payments). In conjunction with SumUp, the church uses the Givealittle service to facilitate card payments: we manage a number of "campaigns" within Givealittle, in order to categorise payments for different purposes (e.g. Offertory, Refreshments donations, Handyman Sale, etc.). The SumUp report is worked to give a total for each campaign which is then entered into the main accounts.

5 Gift-Aid claims

Some of the monies raised by cash collections at services, by standing orders, and card payments can result in a claim for Gift-Aid or the Gift-Aid Small Donations Scheme (GASDS). Twice a year the treasurer compiles a list of donors and the amount they have given, and also a total of monies received under GASDS. This is sent in a report to HMRC who may check the details, and then make a payment to the Parish.

6 Fund raising events

- At Church fund raising events the Treasurer supplies a float to each stall holder with a cash monitoring sheet which they are required to complete at the end of the event.
- Banking of the proceeds of fund-raising events, which usually contain a large amount (and weight) of small change, is normally undertaken by the Treasurer, or someone delegated by him.

7 Hire of Church Hall

- The Church Hall Manager is responsible for renting the Hall to “Regular” and “One-off” users at rates determined by the PCC.
- Invoices are issued by the Church Hall Treasurer for Regular Users and by the Church Hall Manager for One-off Users; payments are received by bank transfer or cheque (we no longer accept payment in cash, except in exceptional circumstances).
- The Church Hall Manager is responsible for raising invoices to One-off Users, who are then required to pay by bank transfer. Those who cannot or will not pay by transfer are asked to pay the cash in advance, direct to the Church Hall Manager.
- The Church Hall Treasurer is responsible for monitoring income and expenditure on the Church Hall account in MFA and using MFA to prepare any reports needed by the PCC.

8 Minor activities

A number of activities raise funds and involve some expenditure. These include the Parish Centre Café (refreshments) and the Fish and Chip Supper. In each case the general principle, in accordance with good accounting practice, is for the money collected to be passed to the Treasurer for banking. Card payments are recorded against the relevant ‘Campaign’.

Congregation members incurring expenses on behalf of the parish (purchase of small items: tea, coffee, altar requisites, cleaning materials and other consumables, etc.) are reimbursed via the treasurer on presentation of receipts (see also ‘Authorisation of Expenditure’).

9 Restricted and Designated Funds

By default, the PCC and Church Hall accounting is managed within a General fund. However, we also handle certain monies which are collected solely for a specific purpose: these are managed through a number of Restricted funds. We operate the following Restricted funds:

- ‘Education For Life’ and ‘Masiphumelele’. The proceeds of the annual events (Handyman sale, Summer Garden Party and Christmas Fair) are split 50/50 between these two funds.
- ‘Childrens Society’ used to allocate the collections at our annual Christingle service
- ‘ODBF Fees’ used to allocate the portion of fees from weddings and funerals due to the Diocesan Board of Finance.
- Restricted funds are also set up as needed to manage:
 - grant funding received for specific purposes
 - allocation of money collected for nominated charities at our Christmas services

At the direction of the PCC, we also operate Designated funds:

- Building Improvement fund (under control of the wardens and treasurer).
- Other designated funds as required from time to time, to ringfence certain money for particular purposes (e.g. a specific building or development project, or to allocate legacy money for a particular purpose).

10 Authorisation of Expenditure

Expenditure on Hall and Buildings

- Up to £100: action is taken by the person nominated to deal with the issue
- £100 to £250: authorised by the Wardens
- £250 to £500: authorised by Standing Committee
- over £500 a referral has to be made to the Standing Committee for decision or submission to the PCC

These amounts to be reviewed annually by PCC.

General outgoing payments

Whenever a payment (online) is made from the Church or Church Hall Account, the Treasurer has to be satisfied that it has been properly authorised. In all cases two 'signatories' (PCC members) must also give online approval. The Treasurer has arranged with the bank that two signatories are required to authorise any payment made using the bank's on-line service.

Where a cheque is issued two signatures are needed on the cheque.

Reimbursement of expenses is dependent on the presentation of receipts. Receipts given on paper are kept in a lever arch file, but receipts and invoices that arrive as e-mails are kept electronically in the Treasurer's file system. A monthly backup of that file system is made by the treasurer.

11 Budgeting

In the final quarter of each calendar year, the Finance team prepare a draft budget for the following year, using the agreed budget categories and best estimates for anticipated income/expenditure. This is presented to PCC for discussion and agreement before the end of the year. The budget may be reviewed with PCC in the light of further information and developments during the year.

12 Independent scrutiny and the End of Year process

Throughout the financial year the Treasurer maintains in MFA a record of individual items of income and expenditure against budget categories (income and expenditure accounts in MFA) agreed by the PCC. This is supported by computer or paper files to provide an audit trail. They detail sources of income and, in the case of payments, documentation showing where appropriate our order or authorisation, the supplier's invoice and where needed a remittance advice.

Each month, a member of the Finance Team (Anna Hall) receives copies of the bank statements (PCC and Church Hall accounts) and conducts a Bank Reconciliation in MFA, to ensure the transactions in MFA match the bank statements.

At the end of the year the Treasurer prepares a financial summary from MFA and adds detail to meet the requirements of the Charity Commission, agrees this with the PCC and submits it together with all supporting documentation to the Independent Examiner.

When the Independent Examiner is satisfied, the Report and Financial Statements are presented for approval at the APCM before forwarding by the PCC Secretary to the Diocese and the Charity Commission.

The Treasurer also makes an entry on the Parish Returns website of the receipts and payments for the year which is consistent with the documents sent to the Charity Commission.