

# Revised Financial Guidelines

Version 13: November 2024

# Foreword

As those appointed to be stewards of the financial resources entrusted to us as a Church, we each have the responsibility and duty to use these resources as wisely and appropriately as we can. We must always remember the purpose for which they were given and use them with the aim of fulfilling what we believe God is calling us to do as his Church here in Cromer.

Ultimately, the accountability, and the responsibility for managing these resources, rests with PCC but, in practice, much of this has to be delegated to others so as to ensure the smooth, efficient running of the Church and of the ministries we believe God calls us into.

What follows is PCC's attempt to clarify how we achieve that smooth and efficient running, while also fulfilling our responsibility to use our financial resources wisely and in a way that satisfies the demands of the legislation that applies to us, both as a Church and as a charity.

In an organisation as complex as the Church, there are always likely to be occasions that fall outside these guidelines or are not covered by them. In some of these cases it will be appropriate to bring matters to PCC for resolution. In others, Standing and Finance (S&F) Committee will be a more appropriate body and, occasionally, day-to-day decisions may need to be made by the Vicar and the Churchwardens (as the Bishop's officers in the parish). However the decision is made, it must always be consistent with the 'purpose and interests' of the PCC and with these guidelines, to ensure probity, transparency and the smooth and efficient operation of the Church as an organisation.

These guidelines do not set out to be prescriptive or to tie us down unnecessarily. Instead, their function is to help us all to be clear about how we handle our financial resources, including who has responsibility for what, and what the limits of that responsibility are.

This latest version, revised in the light of experience and our Vision, will continue to help us deal consistently, transparently and wisely with our financial resources, now and in the future.

Will Warren  
Vicar  
Cromer Church

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***Latest Revisions***

**v13** – Authority levels for Church wardens was increased to £1000 due to rise in inflation especially in building costs and repairs

**v12** – At the end of the budget holders section the note that all budget holders need to be communicants was explicitly added, as implied previously.

**v11** - In Budgetary Process included that Budget Line Managers' are to submit individual budgets to the Treasurer by the end of October

**v10** – In financial responsibility of budget holders added a bullet point about all donations to be banked regularly. In Financial authority for all budget holders all authority levels have been amended to allow for cost of living increases, also all individual pages of budget holder authorities have been removed as all same, reducing number of pages of document from 49 to 9. Other minor corrections included.

## Budget process

PCC will approve an annual budget before the start of each financial year, if possible. This will be a coherent plan demonstrating how the PCC's activities for the year - born out of prayer, vision prioritisation and discussion - will be supported financially. It is important that the budget is 'owned' by the PCC and, once approved, becomes the framework for the mission and ministry for the year.

PCC has decided that its budget should be objective and vision-driven. Funds are allocated to those with budget responsibility according to predetermined objectives instead of arbitrarily or based on past practice. It delegates financial responsibility with accountability.

PCC has adopted a process of zero-based budgeting in which all expenditure must be justified for each new period. Every activity within the church starts from a zero base and should be analysed for both its needs and costs. Each budget lead is cash limited.

The budget will be monitored by the Treasurer, and the Treasurer will provide regular reports to PCC. The July meeting each year will review actual income and expenditure against the budget, and those with budget responsibility must advise PCC of any potential underspends at the year end to allow for reallocation of funds if appropriate. Areas that may be 'overheating' should be identified early to avoid exceeding the cash limit.

The annual budgeting cycle starts with the October meeting of Fabric Leadership Team, which recommends bids for 'capital' projects to PCC at its November meeting. Budget Line Managers' are invited to build their individual budgets from a zero base and **submit these to the Treasurer by the end of October** so that a provisional total budget can be considered by Standing and Finance Committee prior to the November meeting of PCC.

The Financial year for the Cromer Church is from 1<sup>st</sup> January to 31<sup>st</sup> December.

## Budget holders

Name	Areas of budget responsibility
Vicar	Mission & Evangelism - Discipleship Mission & Evangelism - Mission Mission & Evangelism - Vision Church Running Expenses – Training Diocesan Share - Parish Share Diocese Fees - Fees Salaries, Wages & Honoraria - Staff Salaries Salaries, Wages & Honoraria - Clergy and Staff expenses Salaries, Wages & Honoraria - Organist Mission Giving & Donations - Donations Major Capital Expenditure – Projects (Church)
Churchwardens	Church Running Expenses - Health & Safety Church Running Expenses - IT Church Running Expenses - Cleaning Materials Church Running Expenses - Worship Church Running Expenses - Insurance Church Running Expenses - Organ Maintenance Church Running Expenses - PC/SM/PH Minor Repairs/Maintenance Church Utility Bills - PC/SM/PH Heat & Light Church Utility Bills - PC/SM/PH Rates Church Utility Bills - PC/SM/PH Water Cost of Trading - Cost of Trading
Bookstall Manager	Cost of Fundraising - Bookstall
Catering Manager	Cost of Fundraising - Cornerstone
Mission Leadership Team	Mission Giving & Donations - Partners Mission & Evangelism - Beachfest
Craft2share Lead People	Mission & Evangelism - Craft2Share
CC Toddlers Lead People	Mission & Evangelism - CC Toddlers
CC Kids Line Lead People	Mission & Evangelism - CC Kids
Youth Line Lead People	Mission & Evangelism - Youth
Meeting Point Lead People	Mission & Evangelism - Meeting Point
Mustard Seed Lead People	Mission & Evangelism - Mustard Seed
Open The Book Lead People	Mission & Evangelism - Open The Book
Blokes Brekkies (Men's Ministry) Lead People	Mission & Evangelism – Men's Ministry
Women's Ministry Lead People	Mission & Evangelism – Women's Ministry
Church Secretary	Church Running Expenses - Office Church Running Expenses - Stationery

Communications Leadership Team	Church Running Expenses - Communications
Safeguarding officers	Church Running Expenses - DBS
Fabric Leadership Team	Church Running Expenses - Meadow Close Maintenance Major Capital Expenditure - PC/SM/PH Major Repairs to Building Major Capital Expenditure - Projects (Lighting)
Treasurer	Church Running Expenses - Accountant Church Running Expenses - Bank Charges

It should be noted that all Budget holders are to be regular communicants and on the electoral roll at Cromer Church.

## Financial responsibilities of budget holders

- To be efficient and responsible stewards of church resources and ensure that items or services purchased are fit for purpose and represent best value.
- To ensure all financial practices comply with these Financial Guidelines and with Diocesan and Charity Commission guidelines.
- To take responsibility for and manage all expenditure in their area(s) of budget responsibility so that spending remains within the budget agreed by PCC.
- To take reasonable steps to ensure that income in their area(s) of responsibility reaches the levels agreed by PCC.
- To present expense claims using the approved forms, following the agreed procedures.
- To present all income and donations for banking regularly, following the agreed procedures. No expenses are to be taken from income or donations before it has been banked to enable all income and individual expenses to be accounted for separately.

## Financial authority for all budget holders

These Financial Authorities apply to all budget lines and funds

**The Budget Holder is authorised to approve** expenditure up to a maximum of £500 for 'one off' payments, within the annual budget agreed by PCC.

**The Budget Holder must get the agreement of one of the Churchwardens** for expenditure between £500 and £1000. Where no agreement can be reached, the proposal(s) should be referred to PCC.

**The Churchwardens are authorised to approve** expenditure up to a maximum of £1000 for 'one off' payments, with the annual budget agreed by PCC.

**The Budget Holder must prepare costed proposal(s) and take them to PCC with, wherever possible, at least two quotations for expenditure above £1000.**

## Guidelines for expenditure (including expenses)

- All proposed expenditure must be agreed by the Budget Holder and authorised as required by these guidelines, **before the expenditure takes place, or any financial commitment is entered into (e.g. by placing an order).**
- All claims must be supported by printed till or bank card receipts and should show a detailed breakdown of the expenditure incurred. All expenditure claims documentation must be able to stand up to scrutiny by the External Examiner.
- Only the church-approved claim form in Appendix A is to be used. Fully completed and authorised forms should be passed to the Treasurer by the 25<sup>th</sup> of the month and should include details of the payee's bank sort code and account number to facilitate payment. Where possible only one claim to submitted once a month to limit banking charges.
- Final invoices and claims for the year to be submitted to the Treasurer by 18<sup>th</sup> December to enable year end accounts to be prepared avoiding accruals.
- Mileage incurred on official duties must be clearly recorded and kept and be available in case of query.

## Guidelines for payments

- Online payments should be initiated and authorised by the Treasurer or an approved signatory in the Treasurer's absence, in line with Diocesan guidelines on best practice. (As NatWest operates on the authority of one signatory only, the Treasurer, or other approved signatory in his absence, **MUST** be present. Authorised bank cards should be held securely by the Treasurer for safekeeping and his card should likewise be held by one of the other approved signatories.
- Personal Identification Numbers (PINs) are the responsibility of the cardholder and must not be shared or written down and publicly displayed.
- Where payments are made by cheque, the cheque should be signed by the Treasurer and one other of the approved signatories

## Guidelines for the use of church debit cards

- Only authorised persons, approved by PCC, are to use the cards issued.
- Transactions using a debit card must be authorised in advance, following the procedures set out in these Guidelines.
- Personal Identification Numbers (PINs) are the responsibility of the cardholder and must not be shared or written down and publicly displayed.
- The cardholder must advise the Treasurer of the value of the debit and the name of the payee, by email, **by the end of the working week** on which the card is used.

- The cardholder must subsequently produce the invoice, printed till roll or bank card confirmation of the transaction, attached to an official claim form (Appendix A) indicating which budget line or fund the expenditure is to be charged to. The claim form must be clearly marked to show that the transaction has already been settled and to confirm that the normal authorisation procedure has been followed.

## **Expenditure committed in the PCC budget**

- Where a stated sum for a specific project or item of expenditure has been approved by the PCC by its inclusion in the annual budget, The Budget Holder is authorised to approve expenditure without seeking further approval from PCC, provided:
  - the recommended number of quotes has been obtained; and
  - the quote to be accepted is not more than the amount approved in the budget.
- Any underspend arising from this process (i.e. where the quote accepted is lower than the amount allocated in the budget) is returned as an unallocated sum to the relevant fund or budget line and cannot be allocated to another project or item of expenditure without following the procedures for spending set out in these Guidelines.



## Guidelines for tenders (Draft)

When contracts are to be put out to tender - whether formally or informally - PCC will take account of the following guidelines:

- **Tender documentation:** Documentation will contain sufficient detail to enable tenders to be properly constructed and considered on a like-for-like basis. Documents will indicate that the PCC is not bound to accept the lowest, or any, tender submitted.
- **Secrecy in tendering:** Arrangements should ensure secrecy in the tendering process, including during any site visits.
- **Tender return date:** Tender documents must stipulate a 'return by' date. If this is extended, it must be extended to all. If tenders have been received by the return date, no tender received after the return date can be considered.
- **Receiving tenders:** Tender documents should indicate a named person (not the budget holder) to whom questions and completed tenders should be directed. This includes informal tenders where replies are likely to be received by email. Questions received, and the answers given, should be recorded and issued to all tenderers unless the matter is of a minor nature and not relevant to the pricing.
- **Opening the tenders:** All tenders, including tenders received by email, are set aside until the return date has passed. They are then opened by two people and the details recorded, signed and dated, This ensures that the process is fair and transparent.
- **Validating the tenderers:** PCC may choose to consider whether the standard of previous work by the tenderer has been satisfactory and may take up references, including enquiries into H&S policy and financial standing.
- **Checking the tenders:** Tenders are checked against the specification and for arithmetic and other obvious errors. If errors are discovered, the tenderer should be given a chance to confirm the tender price or to correct the errors.
- **Reporting the outcome to PCC:** Details of the tenders should be reported to PCC in a way that maintains secrecy so that the decision about which tender to accept is made only on the basis of the information provided in the tender.
- **Informing tenderers of the outcome:** The successful tenderer is advised in writing that their tender has been accepted together with the terms and conditions of the contract. Unsuccessful tenderers should be thanked and advised of the value of tenders received, but not the names of the tenderers.
- **Very large or complex projects:** PCC will either use standard industry protocols or engage professional advisers to handle the tendering process on their behalf.

# Appendix A - General Expenses Claim Form

**Cromer Church  
General Expenses Claim Form  
(BACS/Debit card)**



<b>Name</b>		<b>Month</b>	
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Claim details	Fund details	Amount (£)
<i>Please attach all receipts</i>		<b>Total claim (£)</b>

<b>BACS Details</b> <i>where the Expenses are to be paid</i>	Name	Sort code	Account number
<b>Budget holder's authorisation</b>	Name and signature		

**Please Submit no more than one claim per month to limit bank charges.  
Completed form, with receipts, to be sent to the treasurer, via the office,  
by the 25<sup>th</sup> of the month .**