**Trustees’ Policy for Money Handling** 

**Purpose**

It is a legal obligation and the responsibility of the charity trustees to safeguard the charity’s assets.

**Church Name:**

**The PCC discussed the following factors in arriving at their money-handling policy:**

* A review of Charity Commission and Church Measurers legislation was made to determine how the risk of fraud within the church can be minimised and church assets safeguarded.
* It was agreed that internal financial controls be introduced.

Internal finance controls are essential checks and procedures that are to be followed by all persons handling money on the church’s behalf. Money has many formats. The formats include cash, cheques, bank transfers and online donations.

Persons who may handle money include ministers, paid staff and volunteers.

Internal financial controls do not just protect the church’s assets they also help the church make informed decisions about the church’s financial position, and they help the church to meet its legal duties for example, managing resources responsibly.

Using suitable internal financial controls helps the church at a practical level to:

* identify and manage risks with its finances and assets
* keep good quality accounting records
* prepare timely and relevant financial information
* make sure its financial reporting complies with the relevant legal requirements

Mismanaging our church’s finances or assets can damage:

* our church’s financial viability, with consequences for how it delivers its services
* our staff and volunteers’ morale
* our charity’s reputation
* public trust and confidence in charities.

This policy identifies the internal financial controls to be used for money handling. They are listed in the Appendix.

Before handling money within the church, a prospective handler must read the Appendix and agree to it by signing and dating a copy of the Appendix. The person is to receive a signed copy of the Appendix so that s/he can refer to it when handling money.

Training will be given by the Treasurer if necessary.

It is the responsibility of the Treasurer to keep a record of all copies of the signed Appendices and to ensure all persons handling money have read and agreed to follow the ticked internal controls listed in the Appendix.

It is the responsibility of the money handler and the individual that the person is accountable to, to ensure the ticked internal financial controls are followed.

If a person is found not to follow the internal financial controls as ticked in the Appendix then it is the responsibility of the individual who is responsible for the money handler to address any concerns that arise.

If the error is consistently repeated then the PCC is to be informed. It is then the PCC's responsibility to decide whether that person can continue handling money. The PCC’s decision is to be conveyed to the money handler in writing.

This policy was ratified and adopted by all members of the PCC, the Standing Committee and other committees or working parties set up by the PCC.

Signature:

Position:

Date:

**References:**

<https://www.gov.uk/government/publications/internal-financial-controls-for-charities-cc8/internal-financial-controls-for-charities>

[ACAT-New-Treasurers-Guide.pdf (parishresources.org.uk)](https://www.parishresources.org.uk/wp-content/uploads/ACAT-New-Treasurers-Guide.pdf)

**Trustees’ Policy for Money Handling** 

**Appendix – Internal Financial Controls for Money Handling**

**Name of Money Handler:**

**Date:**

|  |  |
| --- | --- |
| **Internal Financial Control** | **Tick the relevant rows for the money handler** |
| **General** |  |
| Ensure there is a supporting document for all income and expenditure transactions and that the documentation is filed. |  |
| Payments above the threshold of £xxx must be agreed by the entire PCC.  Payments above £yyy must be authorised by at least one trustee. |  |
| 4 signatories are available to sign cheques or payment instructions.  This internal control ensures there are at least two signatories available at any one time. |  |
| Competitive quotations from reputable suppliers must be obtained for all regular expenditures (e.g. printing, phones, maintenance) at least every three years. |  |
| **Cheques and Cash Collections** |  |
| Each cheque or payment instruction is to be signed by two signatories. |  |
| Blank cheques are never to be signed. |  |
| All cash collections and cheques are to be kept secure until they can be counted and banked.  If the cash and cheques relate to different cost centres then the income needs to be separated into different pots. |  |
| Cheques should be banked promptly and a list of the cheques banked at the same time must be kept. |  |
| Loose cash from collections must always be counted by two people not related to each other. |  |
| A Collection Record Sheet should be completed and signed by those counting the cash. |  |
| Cash should be banked promptly and intact without any deductions for expense payments |  |
| **Online banking** |  |
| Online banking payments should only be made using software that provides the facility for at least dual authorisation by Board-approved personnel.  In some circumstances, a supplementary list of payments made should be subsequently countersigned by a trustee. |  |
| **Planned Giving receipts** |  |
| Planned-giving receipts should be recorded on a control sheet, which is then reconciled with a register of donors committed to supporting the church financially on a regular basis. |  |
| A running control sheet showing the amount given per donor per month for the financial year will help in determining the amount of gift aid that can be claimed per donor. |  |
| **Expense claims** |  |
| All expense claims must be authorised by the person’s line manager, or the designated warden or trustee. |  |
| Expense-reimbursement claims are to be paid either by cheque or bank transfer. |  |
| If small expenses are paid in cash then a separate float should be kept and all payments recorded and supporting vouchers/receipts filed.  These payments should then be signed off by a trustee each time the cash float is topped up. |  |
| **Gift Aid claims** |  |
| Records must be kept to prove the validity of all Gift Aid claims e.g. bank statements, declarations, envelopes. |  |
| The tax on Gift Aid donations should be reclaimed regularly e.g. quarterly or half-yearly to help cash flow. |  |
| If gifts are given for a specific purpose, they are to be recorded in a restricted fund and only used for that purpose – including any Gift Aid tax recovered. |  |
| **PAYE** |  |
| All regular payments to individuals are subject to PAYE |  |
| All PAYE National Insurance, income tax and pension contributions must be paid by the deadlines set by HMRC and the pension provider. |  |
| Written records of the terms and conditions of employment or service must be available. |  |
| **Investments** |  |
| The Inventory (the list of parish property and equipment) must be physically checked and updated every year. |  |
| Investments in deposits or other financial products must always be approved by the trustees or in their absence the standing committee. |  |
| Transfers of investments must be authorised by the  trustees or their standing committee. |  |

**Handler agreement and signature**

I agree as a money handler to follow the above ticked internal financial controls.

Signed: