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**Partnership Guidelines**

**Section:** Finance

**Title:** Guidelines for the Partnership Finance Committee

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**Guidelines for Partnership Finance Committees**

**Purpose**

This document provides partnerships with information about how to set up and operate a Partnership Finance Committee. It is one of a series of documents to assist partnerships in establishing effective procedures.

**Background**

Parishes within the Diocese have previously worked together and set up their own *ad-hoc* inter-parish arrangements. This has worked well in the past, however following the consultation process which formed part of *Forward Together in Hope* a formal Partnership structure has been created to allow parishes to work closely together and to ensure consistency across the Diocese.

Whilst there is no legal requirement for a Partnership Finance Committee the framework will help parishes within a Partnership to work more closely together and be mindful of finances within the whole Partnership.

The Diocese is a Registered Charity and is therefore subject to, *inter alia*, the Charities Acts in general English law. The members of the Diocesan Board of Directors are also the Diocesan Trustees, and are required by the Charities Acts to ensure the prudent and efficient management of the charity’s assets. In particular, the Trustees must ensure that:

* *All assets are under the control of the Trustees.*
* *All assets are applied only for the objects specified in the governing document (in essence, these objects are the advancement of the Roman Catholic religion and the advancement of education in accordance with the principles and doctrine of the Roman Catholic religion).*
* *All monies are held in bank accounts operated in accordance with Internal Control procedures.*
* *Full and accurate accounting records are maintained.*

The Trustees meet these obligations by requiring parishes and partnerships to meet certain requirements with regard to the signing of cheques and other bank instructions, with regard to expenditure over specified limits, and with regard to reporting requirements.

**Composition of the Partnership Finance Committee**

Collaboration between priests and laity is essential, providing an ideal opportunity for lay people to contribute their particular gifts to the mission of the church while enabling priests to devote more time to pastoral and liturgical duties.

The Partnership Dean in consultation with parish priests appoints the members of the Finance Committee. The committee will comprise of the Partnership Dean, the parish priests and a lay representative from every parish in the partnership.

Members should be appointed for three years, to retire in rotation, and are eligible for reappointment.

If there is a need to replace the entire Committee in any one year, the Diocesan Financial Secretary must be consulted beforehand.

One of the members must be nominated as Chair. Another must be nominated as Secretary and keep a Minute Book.

**Duties and Role of the Partnership Finance Committee**

The overriding duty of the Partnership Finance Committee is to act as an advisory consultative body to the Partnership Dean, to assist him in administering all partnership and parish property in accordance with the wishes of the Diocesan Trustees.

The Partnership Finance Committee should:

* Uphold the correct management of all partnership funds, ensuring they are held in Trustee-mandated accounts.
* Ensure that Internal Controls specified by the Trustees are implemented.
* Ensure that books of account are maintained accurately and kept up-to-date.
* Ensure that Annual Financial Returns and other documents required by the Diocese are completed and submitted on time.
* Ensure that all financial records and Finance Committee minutes are available for inspection during a visitation by the Bishop and for auditors as required.
* Ensure that all persons employed in the partnership are so employed in accordance with Diocesan procedures.
* Ensure that the partnership is kept informed as to its financial situation.
* Ensure that physical parish property is well maintained and kept secure.
* Ensure that litigation is avoided. Where this appears impossible, consultation with the Diocesan Financial Secretary must be sought at an early stage.
* Be consulted about matters that must be referred to the Diocesan Financial Secretary by means of the Partnership Spending Approval Form (e.g. expenditure on a project costing £10,000 or more, the potential employment of staff).
* Be consulted about all other matters that must be referred to the Diocesan Financial Secretary, such as the lease, sale, demolition or structural alteration of any parish assets (including, but not only, buildings).
* Be consulted about any substantial non-routine partnership expenditure, even where this is below £10,000.
* Be consulted about expenditure on schools projects where the partnership has been asked to help pay the Governors’ 10% contribution.
* Be encouraged to comment upon possible economies and cost-savings to benefit the partnership.

Should it occur that the Finance Committee cannot persuade the Partnership Dean to incur what it considers to be very necessary expenditure (e.g. to comply with health and safety legislation) then the Secretary should consult with the Diocesan Financial Secretary.

**Model Constitution for Partnership Finance Committee**

1. **The Committee shall be constituted as follows:**
2. Ex-officio: the partnership dean, parish priest or priest in charge of every parish in the partnership.
3. A lay representative appointed by the parish priest from every parish within the partnership.
4. **Lay members:**
	1. Shall be appointed for three years, but be eligible for reappointment.
	2. May resign, but another person must be appointed for the remainder of his/her term.
	3. Shall include one who is appointed Chair.
	4. Shall include another who is appointed Secretary.
5. **Quorum:**

A quorum for meetings is two clergy plus 30% of the lay committee members

1. **Ordinary Meetings:**

There will be at least four ordinary meetings in the year:

* 1. To prepare the budget.
	2. To measure progress against budget (2 meetings).
	3. To approve the Annual Financial Return.
1. **Extraordinary Meetings:**
	1. An extraordinary meeting may be called by the partnership dean, parish priest, or by two other members.
	2. The business to be discussed at an extraordinary meeting must be declared in the notice calling the meeting.
	3. At least seven days’ notice must be given, unless a shorter time is agreed by all members of the Committee.

These guidelines have been produced by the Diocese of Hexham and Newcastle to offer ideas and support to partnerships as they get up and running. The guidelines will cover a range of topics and will be made available in electronic format only, accessible through the Partnership section of the diocesan website ([www.rcdhn.org.uk](http://www.rcdhn.org.uk)).

For further information please contact Andrea Emson on 0191 243 3300 or email andrea.emson@diocesehn.org.uk

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