



# Finance Policy

**Authorised :**

**Signed :** \_\_\_\_\_

**Date :** \_\_\_\_\_

**Name :** \_\_\_\_\_

**Position :** \_\_\_\_\_

## **Finance Policy**

### **Introduction**

This document sets out the scope and practices of Financial Management at Bethel Baptist Church.

It is the desire of the Church to bring Honour and Glory to God in all things, always recognising that any resources managed by the Church, whether monetary or material, belong to God and good stewardship is therefore a given.

### **Assets and Liabilities**

For the purposes of this policy assets are considered as :-

- The Church Building and its surrounding grounds
- Property such as the Manse
- Vehicles wholly owned by the Church
- Any monetary items currently in the possession of the Church.

Liabilities are considered as :-

- All costs associated with maintaining the Assets
- Costs associated with the employment of people working for and on behalf of the Church whether full or part time.
- Costs associated with the Ministries determined by the Church from time to time to deliver its function as a Christian organisation.

### **Financial Management**

The Church Accountant will have the responsibility for the day to day management of all finances, the provision of strategic and budgetary advice to the Church Leadership, the reporting mechanism to the Church Members and ensuring the overall accuracy and integrity of the Church Accounts.

Financial decisions will be taken by the Accountant and Church Leadership with reference to Church Members and in accordance with available funds, ensuring that all costs incurred will be met from Church resources.

Heads of Ministry will have authority to spend up to £1,000 within their available budget; Trustees will have authority to spend up to £5,000 in association with the Church Accountant.

Such costs will be deemed to include the total cost to be incurred in the duration of any appropriate contract.

## Finance Policy

Decisions on costs exceeding £5000 will be researched and discussed by the Church Leadership and presented to the Church Members for authorisation. Such expenditure will be deemed to be a 'project' and managed accordingly.

In exceptional circumstances the Church may look for additional, external investment to undertake specific tasks. These tasks will have been previously researched, costed and approved by the Church Members before being actioned.

Final authority for all Financial decisions rests with the Church Members.

### **Income**

Income is defined as all gifts and tithes of Members, friends and attendees at the Church. All gifts received from time to time, the outcomes from the submission of claims for Gift Aid and other specific streams such as grant funding. From time to time income will be received from external agencies for the usage of Church assets.

Income sources will be managed appropriately and promptly ensuring that measures of monetary security are maintained all times.

Church income will be considered to be for the purposes of supporting and developing the Ministry of the Church, the maintenance of its assets and the financial support of its employees.

The Church will also use its income to support external ministries and charities as determined by the Church Leadership and with the authority of the Church Members.

All associated funds will be retained in Financial Institutions regulated by the FCA.

### **Expenditure**

Church expenditure will include the maintenance of assets, financial support of employees, and the payment of all financial accounts incurred by the Church in its day to day operation.

All expenditure items will be processed with a minimum of delay, in line with the desires and constraints of the creditor.

Authority to proceed with purchases will be :-

- Up to £1000 Head of Ministry and within available budget.
- Up to £5000 Trustee in association with Church Accountant.
- Over £5000 Church Members meeting.

Methods of payment will include cash transaction, cheque and electronic media which may include Standing Orders and Direct Debits.

All items of expenditure will suitably documented and referred to the Church Accountant..

### **Investment**

It may be considered prudent to maintain a minimum reserve equivalent to 3 months total current expenditure, which will obviously vary from time to time.

## Finance Policy

The short-term investment of such funds that may be identified as 'Reserves' will be maintained in suitable Financial Institutions until such time as they are required to meet identified costs.

The use of 'Reserves' will be considered by the Church Leadership and Accountant.

The status of all such investments is reported to the Church Members Meeting.

### **Accountability**

All matters of Financial Management are reported to and discussed by the Church Leadership prior to reporting to the Church Membership.

Everyday decisions on income and expenditure management are taken by the Church Accountant and reported as necessary to the Church Leadership.

All expenditure related decision making is taken within the stated levels of approval or as discussed with the Church Accountant, Church Leadership and if necessary the Church Members before approval is deemed to be obtained.

Expenditure exceeding £5000 will be considered a 'Project'. All Projects will be detailed, costed, funded and authorised by the Church Leadership and Members before being actioned..

### **Employees**

All employees of the Church will be paid promptly and according to their agreed contractual terms.

Where appropriate salary increases are made in line with the recommendations of the Baptist Union stipend and / or the increases of the Consumer Price Index (CPI) for September each year.

Increases will be paid from the 1<sup>st</sup> January each year.

All necessary tax, NIC and pension contributions will be forwarded on time to the respective Governmental bodies and Agencies.

The Church Accountant will maintain suitable records for each Employee and will make all such records available for inspection and approval when required.

### **Budgets**

The production of budgets will be used to advise the Church Trustees, Heads of Ministry and Members of the state of the Church Accounts and will also be prepared for the purposes of strategic planning.

In addition to the overall Church Budget each Ministry will have an identified Budget under the control of the Head of Ministry who will report its status to the Church Accountant as required. Ministry budgets will be formulated from the resources contained within the Church Budget.

### **Electronic data processing**

The Church Accounts are managed electronically and therefore the Church has heavy reliance on available technology.

Online processing of income and expenditure and the general administration of the accounts is facilitated by the use of industry standard software packages and antivirus systems that provide necessary security.

All hardware platforms are password protected and access is restricted. Machines are stored in secure areas when not in use.

Access to these hardware platforms and systems is controlled by the Church Accountant.

Suitable measures of security e.g. passwords and methods of electronic data backup will ensure continuity, consistency and confidentiality. Methods of recovery will be identified and documented. Copies of secured data will be retained on and off site as necessary.

### **Integrity**

The Church will provide and maintain the highest level of integrity associated with maintaining its financial accounts and will seek to protect the privacy of any personal data it is required to retain, satisfying any GDP regulations that may apply from time to time.

### **Audit**

An Audit of the Church Financial Accounts will be conducted annually by suitably qualified personnel or when deemed necessary by the Trustees.

### **Presentation of the Accounts**

Presentation of the end of year Accounts will be made to Church Leaders and Members at the Annual General Meeting (AGM). The end of year Accounts will be subject to external audit and when completed will be reported to the Church Members Meeting and duly noted. .

Reference to the Accounts will be made to provide Financial updates to Church Core Team, Trustees and Members at regular intervals.

At all other times the Accounts will be made available for inspection when required.

The Church Accountant will respond to all enquiries for information from Trustees, Heads of Ministry or Members or any professional body in the course of its association with the Church and will report all such enquiries to the Trustees for their information and consideration.