

Shephed Word of Life Church – Financial Policy, Procedures and Guidelines

Policy

It is the policy of the church to operate its finances with openness and transparency. The Managing Trustees will always, as far as is reasonable, provide church Members with the information that they require to understand the operation of the church's finances.

Procedures and Guidelines

1. This describes the financial procedures to be followed by SWoLC.
2. They can only be amended by agreement of the Managing Trustees.
3. They are subservient to the SWoLC Constitution, specifically paragraphs 6, 8 & 12.

Principles

1. Stewardship– All we have is from the Lord and supplied through the sacrificial giving of Church Members and members of the congregation. Therefore, it is our duty to use it wisely and carefully and for the furtherance of our objectives. This includes getting good value for money, not incurring unnecessary expenditure, spending within our means, not accruing excessive reserves, staying out of debt and claiming available tax concessions.
2. Everything done in an orderly fashion (1 Cor 14:40)– This includes having proper processes and procedures and keeping precise, accurate and orderly records.
3. Obeying the authorities (Titus 3:1) – Keeping to the law, the requirements of HMRC and the Charity Commission, as far as they do not contradict the Bible.
4. Being above reproach – Ensuring everyone is protected from false accusations, that all of our financial transactions are auditable, and everything is examined by our Independent Examiners each year.
5. A good witness to the world – Exemplary in all our dealings with the world – including prompt payment of bills and being responsive and co-operative to authorities.
6. Confidentiality – Keeping personal financial information confidential and in line with GDPR regulations and guidelines

Finance Team Roles

1. This is a Summary of Roles in the Finance Team

ROLE	Occupant
Treasurer	David Bottomley
Assistant Treasurer	Chris Jones
Money Counter	Phil Cottrell
Money Depositor	Audrey Watkinson
Gift Aid Administrator	Phil Cottrell
Independent Examiner	Cound & Co
Robinsons Fund Administrator	Anna Wells

2. The Treasurer is appointed by the Church as required by the Constitution and Guidelines.
3. Other roles are selected by the Treasurer, in consultation with the Managing Trustees.

Shepshed Word of Life Church – Financial Policy, Procedures and Guidelines

Bank Accounts and Payments

1. The church's bank is the Co-operative Bank. There are three Community Direct accounts, one for the general fund, one for the benevolent fund and one for the Robinsons fund.
2. There is a separate account for reserve funds with the Charity Bank.
3. Each account shall have Authorised Signatories including the Treasurer and the Assistant Treasurer and at least two other members of the Finance Team. The Robinsons Fund Administrator is an Authorised Signatory for the Robinsons Fund. The Authorised Signatories, and any changes to them, must be agreed by the Managing Trustees.
4. Online banking facilities are used for the Co-operative Bank accounts. Two of the Authorised Signatories will be required to transfer money out of either of these funds, one of whom will normally be the Treasurer. The Charity Bank requires physical signatures, these being the Treasurer and Assistant Treasurer.
5. The Treasurer, plus one of the other Authorised Signatories, also have the authority to set up standing orders and direct debits online.
6. Cheques shall require two of the Authorised Signatories, one of whom will normally be the Treasurer. Cheques will normally be written by the Treasurer or Assistant Treasurer.
7. All payments will be made promptly and within the payment terms of any supplier.
8. The Treasurer and Robinsons Fund Administrator are responsible for the payment of bills and expenses.
9. Payment by cash should be avoided – as this provides no audit trail.

Budget

1. At the start of a new financial year, the Treasurer will prepare an annual budget by income and expenditure category, based on previous years' income and expenditure and known changes expected in the year ahead.
2. There will be a budget for Operating Expenditure, separately from Exceptional Expenditure.
3. Operating Expenditure is all the expenses required to run the church on a week-by-week basis, including routine property maintenance and repairs, ministry, regular gifts to missionary and other causes and general expenses. The budget for this is expected to balance to, or be less than, the budget for income.
4. The budget for regular gifts to missionary and other causes will target to be 20% of regular income. This calculation should exclude the equal income and expenditure for special collections.
5. Exceptional Expenditure includes a provision for large exceptional items of expenditure, such as large donations to special causes, costs related to a one-off project or initiative and contingency for unexpected significant expense (for example a new roof on a building). This expenditure would be expected to diminish reserves.
6. The amount and allocation of the Exceptional Expenditure budget must be agreed by the Managing Trustees before the start of the financial year, and ratified or amended at the AGM. It should not normally exceed the amount of money available to the church at the start of the year.
7. The Treasurer or Assistant Treasurer will track and report all expenditure against these budgets.

Shephed Word of Life Church – Financial Policy, Procedures and Guidelines

Financial Control

1. Regular and routine expenses, donations, standing orders, direct debits and liabilities, as defined in the budget, can automatically be paid without further authorisation.
2. Ad Hoc missionary expenditure within the annual amount in the missionary budget may be approved by the Elders. The Treasurer will track this and report this to the Managing Trustees.
3. Essential expenditure on repairs and maintenance related to Property, and Exceptional expenditure on Property within the agreed budget and related to the areas agreed within the budget, may be approved by the Deacon responsible for Property.
4. For other items of expenditure, not covered by 1-3 above
 - a. Any Church Member may spend up to £50 on behalf of the church without prior authorisation.
 - b. Items of expenditure between £50 and £500 must be approved by the Treasurer
 - c. Over this amount, they need to be approved by the Managing Trustees.
 - d. Significantly higher items of expenditure should also be approved by the Church Meeting.

Expenses

1. Any church member may claim expenses using the form provided, and pass this to the Treasurer.
2. All expenses must be accompanied by full receipts/invoices.
3. They will be paid promptly either by cheque or BACS transfer. Payments in cash should be avoided as this provides no audit trail.

Payment of Employees

1. The payroll calculation for all employees will be made monthly by our Payroll Providers using information provided by the Treasurer. The Treasurer is responsible for paying all monies due to the HMRC.
2. Payslips and P60s will be provided to all employees at the end of the financial year.
3. The remuneration of employees shall be reviewed annually by the (other) elders and the Treasurer. Normally, the minimum increase will be a cost-of-living increase.
4. Expenses incurred for employees shall be dealt with as described in Expenses above.
5. The Treasurer will keep a record of all employee expenses, pensions, salary, tax liabilities and payments and ensure all due monies are paid in a timely manner to each Employee and HMRC.
6. The Treasurer, as advised by the Independent Examiner, will ensure the church and the employees benefit from available tax efficiencies, including those available to Ministers of Religion.

Counting Money

1. Cash and cheque offerings can be made to the general fund, benevolent fund, missionary causes and other designated appeals, via the designated collection boxes. These will be emptied by the designated Money Counter and one other person each Sunday.

Shephed Word of Life Church – Financial Policy, Procedures and Guidelines

2. Envelopes marked as containing Gift Aided offerings will be passed unopened to the Gift Aid Administrator. The unique number printed on the outside of each envelope will be recorded by the Money Counter on the Weekly Offering slip.
3. The remaining cash will be counted by the Money Counter and one other person, and the amount recorded on the Weekly Offering Slip, along with any cheques. They will then sign the slip.
4. Other cash payments made from clubs and other activities shall be counted and recorded on a counting slip by the leaders of those groups. NB 2 persons are required where cash is being received, recorded and counted. Both persons should sign the counting slip. Such cash should be given to the Money Depositor periodically and be paid into the Church bank account.
5. All cash and cheques will be paid into the appropriate bank account by the Money Depositor.
6. The Money Depositor will keep a record of all receipts, and their designation, and send this to the Treasurer after the end of each month.
7. The Weekly Offering Slips and all payment books will be retained and given to the Treasurer at the end of the year for the annual independent examination.
8. A record of the amount of cash given outside the Gift Aid scheme will be maintained and given to the Gift Aid Administrator at the end of the financial year in order for them to make a claim to the Gift Aid Small Donation Scheme (GASDS)

Ledgers and Records

1. The Treasurer and Robinsons Fund Administrator will maintain accurate, secure and up-to-date records of all financial transactions.
2. These records will be categorised by fund, bank account and nominal and will separate Exceptional Expenditure from Operating Expenditure.
3. The Treasurer and Robinsons Fund Administrator will balance and reconcile these records against the relevant bank statements, for each bank account, on a monthly basis.
4. Records will be kept in a secure and safe place. Electronic data will be backed up.
5. Leaders of activities who receive and/or spend money will also maintain accurate records of all transactions and provide these to the Treasurer at the end of the financial year.

Financial Reporting

1. A financial report shall be prepared by the Treasurer and presented at least quarterly at a Managing Trustees Meeting. This will include a summary of expenditure and income, fund balances, offerings and exceptional items of expenditure.
2. An interim financial report should be presented to a Church Members' Meeting as close as possible to 6 months into the year.

Annual Accounts

1. The financial year will run from 1st April to 31st March
2. For each financial year, the Treasurer will prepare a Report and Financial Statements as required by the Charity Commission, including all funds and monies.

Shephed Word of Life Church – Financial Policy, Procedures and Guidelines

3. The Treasurer will provide all necessary information and records to the Independent Examiner, who will examine the accounts and once satisfied, provide a signed Independent Examiner's Report to the Managing Trustees as part of the Report and Financial Statements.
4. The Report and Financial Statements will be circulated to all Church Members in advance of the Annual General Meeting.
5. The Treasurer will present a summary of these accounts, and of the financial position of the church, at the Annual General Meeting, and take any questions from members.

Benevolent Fund

1. This is a separate fund for the relief of difficulty amongst members of the church or congregation or members of the public as agreed by the Treasurer and/or one other deacon nominated by the Elders.
2. Members may give to this fund at any time.
3. Counting of these offerings shall be as described above for Counting Money
4. Payments from the fund may be made in complete confidence. Those making a payment will make a private record of the date, recipient, amount and reason for the payment. This record will be kept and only required to be produced if there is a dispute or legitimate enquiry.
5. The fund is banked in a separate bank account in order to avoid any suggestion that Gift Aid is being used for personal gain. This account has the same signatories as the main bank account.
6. Receipts are not required for the re-imbusement of payments made from this fund.

Gift Aid

1. The Gift Aid Administrator shall administer a Gift Aid Scheme, claiming at least annually the rebate from HMRC.
2. This includes providing numbered envelopes to all who wish to take part in this using cash or cheques.
3. Names of who contributes to this scheme, and how much and often they contribute are entirely confidential to the Gift Aid Administrator and (for online payments only) to the Treasurer, and for the avoidance of doubt cannot be revealed to other members of the Finance team, other Managing Trustees or the Independent Examiner. Only in the case of a specific investigation and request by HMRC may they be revealed to a third-party.
4. The Gift Aid Administrator will provide to the Treasurer a total of the amount Gift-Aided after the end of the financial year.
5. The Gift Aid Administrator shall also administer a Gift Aid Small Donation Scheme, claiming annually the rebate for cash and cheque offerings from HMRC.

Financial Reserves

1. In order to allow for unexpected expenditure, a level of financial reserves should be kept if at all possible. This should be high enough to cover a reasonably likely event and expense (most likely related to the property or legal costs) and to ensure the Church can continue to pay the pastor and cover all essential expenses for at least 1 month.

Shepshed Word of Life Church – Financial Policy, Procedures and Guidelines

2. However, we live by faith and our desire would be for the money given to the work of the church and the Gospel is used rather than locked away.
3. The amount should be agreed by the Managing Trustees as part of the annual budget – a figure of around £10,000 being a reasonable starting point for that decision.

Contact details

David Bottomley is the person to contact with any questions relating to this policy.

Versions

The policy, procedures and guidelines should be reviewed annually.

Version	Prepared by	
1.0 03.12.03	Dave Bottomley	Agreed by Elders and Deacons
1.1 22.12.14	Dave Bottomley	Updated regarding property expenditure.
1.2 16.01.15	Dave Bottomley	Agreed by Elders and Deacons
1.3 16.09.22	Dave Bottomley	Updated by the Treasurer to reflect changes in people and practice
1.5 20.11.22	Dave Bottomley	Including amendments by Elders
1.6 Sept 2024	Richard Hassall	2 persons required where cash is being received