Churches Together South Tyneside

Finance Policy and Procedures

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Signed: Bernadette Askins

Name: Bernadette Askins

Position: Finance Committee, Chair

AMENDMENT RECORD

Page No.	Amendment No.	Reason For Change	Incorporated By	Date of Incorporation

Introduction

Churches Together South Tyneside exists to help people in South Tyneside who are experiencing difficult circumstances. Churches Together South Tyneside will follow Gospel teaching, by reaching out with kindness, compassion and offering a helping hand. We will actively engage local people to get involved and work with Churches Together South Tyneside to make it happen. Care of the other is core. Churches Together South Tyneside tries to bring about long term change by using its experience to influence policy.

The policies and procedures explained in this document have been developed so that we can manage our finances and resources effectively to enable us to succeed in delivering these aims.

All staff are expected to familiarise themselves with the sections of the manual that are relevant to their work, and to comply with the procedures. If for any reason procedures are not followed, the circumstances surrounding this must be reported to the CTST Chair / Project Lead as soon as possible.

This is a working document, and we welcome recommendations and feedback on the policies and procedures, for example if staff have suggestions from their experience for ways to make a processes easier, or more streamlined, please discuss these with the CTST Treasurer.

Financial Objectives

- Churches Together South Tyneside aims to achieve a small surplus of 5 -10% each year to be able to continue to provide a service to our beneficiaries
- Churches Together South Tyneside needs to cover core costs and the Happy at Home, Nurturing Dementia and Street Angels projects, and will seek to finance these through income streams that are as secure and long term as possible

General Points

The financial year runs from January 1st – December 31st

Accounts will be drawn up after each financial year within 3 months of the end of the year. These will be presented, after independent examination to the Annual General Meeting, having previously been approved at a meeting of the Board.

Churches Together South Tyneside is required to have an independent examination each year.

Review date

This Policy and Procedures were approved by the Board at their meeting on [ ] and will be reviewed every 3 years.

FINANCIAL RESPONSIBILITIES

Delegation of authority

The Board will appoint a Finance Committee, that will work with the CTST Treasurer to oversee the finances and report regularly to the Board.

The Board recognises that the CTST Treasurer has responsibility for management of the organisation's finances and implementation of organisational policies, but that accountability remains with the Board.

The Board are responsible for:

- approving the finance strategy, risk management policy and reserves policy
- approving Churches Together South Tyneside's financial policies and key financial procedures
- establishing financial management priorities, responsibilities and levels of delegated authority
- approving properly budgeted annual plans
- constantly monitoring the budgets and considering longer term forecasts
- approving the annual report and accounts
- appointing the independent examiner

The CTST Treasurer is responsible for:

- regularly reviewing and reporting on the organisation's financial activities, monitoring compliance with its' finance policy and reporting to the Board
- ensuring that all staff and volunteers understand their responsibilities under these procedures
- financial risk management.
- ensuring that finance systems and processes which support these policies are set up, documented and implemented
- ensuring that sufficient records are maintained to show and explain the organisations transactions so as to disclose accurately the financial position of Churches Together South Tyneside at any time
- presenting financial reports quarterly at Board meetings
- liaising with the independent examiner to produce the statutory accounts.

Reserves policy

Reserves are that part of a charity's unrestricted funds that are freely available to spend on any of the charity's purposes. Churches Together South Tyneside maintains free unrestricted reserves:

- to provide a level of working capital that protects the continuity of our core work
- to provide a level of funding for unexpected opportunities
- to provide cover for risks such as unforeseen expenditure or unanticipated loss of income.

The Board will review the above criteria with reference to the organisation's strategy and Annual Plan and determine the target level of free reserves to meet these.

The Board may at times designate funds from free reserves for significant project costs or replacement of major assets.

Conflict of interest policy

Trustees have a legal duty to act in Churches Together South Tyneside 's best interests when making decisions, and to declare a conflict of interest immediately they are aware that there is a possibility that their personal or business interests could influence their decision making. Churches Together South Tyneside expects a similar obligation from staff and volunteers.

Segregation of Duties Policy

To reduce the risk of errors and fraud, the processes in finance will be designed such that no individual is in a position to oversee a transaction through all its stages from start to finish. The stages are as follows:

- Initiating/authorising transaction
- Pay the transaction
- Recording and reconciling accounting records

For example, a person who requests a purchase cannot authorise it, pay for it and record it in the cashbook, without another person being involved as a check and balance.

EXERCISING BUDGETARY CONTROL AND MONITORING

Reporting and monitoring income and expenditure

The CTST Treasurer will produce regular reports which provide clear financial information to underpin decision making and support the Board to discharge their responsibilities and staff to manage their work.

Reports to each Board meeting will include:

- Quarterly income and expenditure statements
- Consideration of monitoring of grants, both short term and long term
- Look ahead to ensure future projects are financially evaluated

Project Leads are expected to manage their projects within the approved budget and to notify the CTST Treasurer immediately if they foresee any significant differences in income or expenditure.

Controls on expenditure

The aim of this policy is to ensure that expenditure is only incurred where it is:

- in pursuance of Churches Together South Tyneside 's charitable purposes
- an effective use of Churches Together South Tyneside 's resources
- in compliance with any requirements relating to funding.

Staff need to be aware that Churches Together South Tyneside is committed to expenditure when an order is placed, or contract is signed, not when the payment is made, so it is vital that orders are made responsibly, and within the approved budget and authority levels.

Any spending beyond the budget must be authorised by the Treasurer.

Invoices

All invoices will be authorised in line with the delegated authorities.

All invoices should be sent when received to the relevant treasurer for payment.

The person who requested the goods or services is responsible for checking the quality of what has been received and that the invoice is accurate.

Once an invoice has been authorised, suppliers will be paid according to their payment terms, or if no terms stated within 30 days.

CONTROLS ON THE FINANCIAL ASSETS/RECORD KEEPING

Money is one of Churches Together South Tyneside 's main assets. Our policies and procedures are set up to ensure that it is safeguarded and only used for genuine expenditure.

Bank account policies

Bank accounts in Churches Together South Tyneside's name must only be used for its' business, they must not be used to receive or transfer money for the private benefit of individuals.

The opening or closing of bank accounts, and the approval/removal of signatories on bank accounts is determined by the Board and recorded in the minutes.

Cheques must be authorised by two signatories. Online payments, standing orders, direct debits and other withdrawals are regulated by bank rules.

The CTST Treasurer is responsible for keeping records of all bank accounts.

The CTST Treasurer is responsible for ensuring that the bank mandate is kept up to date.

Bank account procedures

Making Payments

There will be separate mandates for the Churches Together South Tyneside account and each of the individual project accounts

Signatories to the bank accounts can sign cheques and authorise online payments, standing orders and direct debits

Churches Together South Tyneside account signatories include:

- Treasurer of CTST
- Chair of CTST
- 4 members of the Board of trustees

Happy at Home signatories include:

- The Project Treasurer
- The Treasurer of CTST

- The project coordinators have 'read only' access to the bank accounts.

No person can authorise any payment involving themselves or any related party.

The use of multiple payments to circumvent the authorised signing limits is not allowed.

Treasurers are responsible for keeping documents, setting up payments by direct debit or standing order, and for monitoring arrangements so that Churches Together South Tyneside can ensure that they are cancelled when the organisations/projects stop using the goods or services being supplied.

Credit and debit card policy

Churches Together South Tyneside will issue credit or debit cards to employees where there is an operational requirement. This will be authorised in each case by the management committee of each project.

These cards will only be used by the named cardholder for the purchase of goods or services on behalf of Churches Together South Tyneside or the project.

The cardholder will be responsible for ensuring that the card is kept in a safe place at all times, and that the PIN is protected.

There will be set limits for single transactions and monthly spend for each card.

Claims for the purchase of any items that do not comply with Churches Together South Tyneside's expenditure policies will be rejected and the cardholder will reimburse Churches Together South Tyneside for such expenditure.

Cash handling policy

Cash is the asset most obviously at risk of misappropriation and fraud. In order to ensure the security of our cash and the protection of our staff, our procedures are set up with the following criteria:

Cash received is counted by at least two unrelated people.

Cash received may be used as a float. If not, it is paid into the bank as soon as possible.

The use of cash for payments is kept to a minimum and is properly controlled.

All cash is securely locked up.

Cash handling procedures

Income in Person

Any cash/cheques and income received through the post are passed to the CTST Treasurer with the relevant paperwork

Fundraising events/public collections etc

- Petty cash is handled by a designated person

Petty cash

Petty cash will be used to pay for small expenses up to £300, where payments through other means are not practical or appropriate.

Any payments from petty cash must be properly documented with receipts or vouchers.

Accounting records policy

All accounts files will be kept for the statutory period of six years from the end of the accounting period in which they were generated and then securely disposed of

Bank reconciliations

Bank reconciliations will be carried out promptly after receiving each bank statement.

CONTROLS ON HUMAN RESOURCES COSTS

People are Churches Together South Tyneside ’s most valued asset, and where it spends most money. We therefore have these policies and procedures to ensure that this money is spent effectively. They focus on the financial aspects of interactions with staff. All other matters regarding employment are the responsibility of the Board and the project management committees and are covered in the employment manual

Staff recruitment

If a vacancy arises, due consideration will be given to whether replacing that person is the most effective way to deliver the work. Recruitment of any replacement must be approved by the project management committee and by CTST Treasurer to confirm that there is sufficient funding available.

Recruitment of new posts must be approved by the Board and by the CTST Treasurer to confirm that funding is available.

Churches Together South Tyneside pays all staff according to the pay policy, and the salary will be determined by the job when the staff member commences employment.

Staff salaries

Staff salaries will be similar to posts in similar organisations in the sector

Staff will be paid on a monthly basis on the 15th of each month. Payments will be by bank transfer and payslips will be emailed.

Any payments to staff outside normal payroll or expenses cycle will be made only in exceptional circumstances and must be approved by the Treasurer of the particular project.

The CTST Treasurer is responsible for ensuring that all payroll deductions are paid to the appropriate bodies each month.

Salary reviews

Pay scales will be reviewed annually by the Board at Q4 meeting in line with the pay policy and to coincide with the planning process. The recommendations for salaries will be included into the budget, and any increases will be paid from the start of the financial year

The Board will set the remuneration for the chief executive

Casual staff and consultancy

There may be situations where Churches Together South Tyneside would consider contracting work out rather than employing a new member of staff, for example for short term projects or if the work requires specialist skills.

The factors that will be taken into account include:

impact on Churches Together South Tyneside resources of undertaking project

availability of skills required to complete the project

value for money.

All proposals for working with casual staff or consultants must be approved in compliance with the procedures on exercising budgetary control and procurement prior to any appointment.

There must always be a written agreement, approved by the Board with contractors and consultants, covering the following matters:

project plan, specifying outcomes

arrangements for payment

- project management
- insurance
- variations to the contract
- resolution of disputes
- termination.

Starters and leavers

The Project Coordinator is responsible for informing the CTST Treasurer of any starters, leavers (or other changes to staff conditions that impact on salaries) prior to the monthly cut-off date of 10th in order to ensure that all staff are paid correctly.

Starters

- As part of their induction, staff joining Churches Together South Tyneside will be given a copy of this manual and the Project Coordinator will discuss the relevant sections with them
- New staff are responsible for giving the CTST Treasurer their P45, and any other financial information required for the purposes of paying their salary.

Leavers

- Staff leaving Churches Together South Tyneside should comply with notice requirements in their contract.
- Expense claims should be submitted no later than 30 days after leaving the organisation.
- Staff should ensure that any accrued annual leave is taken prior to leaving Churches Together South Tyneside. However, under exceptional circumstances they are entitled to payment in lieu of outstanding annual leave entitlement.
- A P45 will be issued with the final payslip and any monies owed to Churches Together South Tyneside at the time of termination will be deducted from the last month's pay.

Reimbursement of expenses

Churches Together South Tyneside wants to ensure that staff, trustees and volunteers are not out-of-pocket for the work they do for us, while also looking to get the best use of limited funds.

HM Revenue & Customs expenses and benefits rules recognise that reimbursement of standard business expenses (such as travel) are not taxable. Churches Together South Tyneside 's policy is guided by these rules and we do not pay expenses that will give rise to tax or National Insurance.

In order to comply, any amounts claimed must be for actual costs incurred by staff 'wholly, exclusively and necessarily in the performance of the duties of their employment', and that adequate records are submitted with each claim.

General rules

- Expenditure incurred by staff, trustees or volunteers of Churches Together South Tyneside should be necessary to achieve our goals and represent good value to the organisations that fund us.

Each staff member is responsible for familiarising themselves with these rules and understanding the limits of their authority, as Churches Together South Tyneside may not reimburse any expenses considered unreasonable or outside this guidance.

All expenses should be itemised, with supporting receipts attached on the appropriate claim form.

Churches Together South Tyneside may decline to reimburse an expense claimed with no supporting receipt.

Eligible expenses

The specific rules for eligible expenses that may be claimed by staff/trustees/volunteers are listed and described below:

- Public transport fares
- Use of personal vehicles
- Taxis
- Subsistence
- Overnight accommodation

Public transport fares

Expenses associated with public transport such as trains, buses are eligible for expenses claims.

Staff are expected to make use of any special reduced fare arrangements, such as cheap day and period returns, where possible.

Use of personal vehicle

Staff may use their own vehicles for business travel if they wish, at their own risk. Where practicable staff should travel together to minimise costs. Any member of staff using his or her vehicle for business purposes must have a full UK driving licence and the vehicle must have an in-date MOT certificate, be fully taxed vehicle and insured for business use. A mileage allowance may be claimed by staff using their own vehicle for business travel. Current mileage allowance rates are as follows:

Car or van	45p per mile (up to [10,000 miles, 25p] thereafter)
Motorcycle	24p per mile
Bicycle	20p per mile
Passenger on business travel (car or van only)	45p per mile (paid to driver)

All mileage must be claimed on the mileage Claim Form CTSTFIN1005 – Mileage Claim Form (Multi Project), Parking fees, congestion charges and toll charges will be met by Churches Together South Tyneside, but not parking fines except in exceptional circumstances.

Taxis

The cost of travel by taxi will be reimbursed in the following circumstances:

- There is no reasonable or practical alternative to getting to the destination.
- The staff member has been required to work so early or late, that public transport is not reliably available, or the individual's safety is compromised.
- A 'heavy load' is being transported, which would be unreasonable to carry on public transport.
- The individual has a disability, or is accompanying someone with a disability, such that public transport is not appropriate.

Subsistence

The reasonable cost of meals purchased while staff are working at a temporary workplace or while travelling within the UK will be reimbursed by Churches Together South Tyneside.

Overnight accommodation

Reasonable costs for overnight accommodation will be reimbursed where it is necessary for Churches Together South Tyneside staff to perform their duties away from their usual workplace.

Making claims

- All claims for travel and subsistence expenses, from trustees, staff and volunteers, must be completed on the appropriate form, ie Churches Together, Happy at Home, Street Angels, Nurturing Dementia Expense Form.
- Claims by trustees should be agreed by the CTST Chair of Churches Together South Tyneside.
- Claims should be submitted monthly or may be submitted more frequently if the total claim has reached £250.

Expenses and Mileage Claim Forms are held in the Financial Procedure Section as follows:

CTSTFIN1002 – Churches Together in South Tyneside Expense Claim Form

CTSTFIN1003 – Happy at Home Expense Claim Form

CTSTFIN1004 – Street Angels Expense Claim Form

CTSTFIN1005 – Mileage Claim Form (Multi Project),

CONTROLS ON PHYSICAL ASSETS

Churches Together South Tyneside 's physical assets represent a significant cost and all staff are expected to behave responsibly in using them in order to protect our resources. Our policies are designed to support that behaviour.

Fixed assets

Fixed assets are items, for example office equipment, computers or vehicles, owned by Churches Together South Tyneside for use in our work (not as an investment), which have a life of more than 12 months, and a value on acquisition of over £500.

The CTST Treasurer is responsible for maintaining a fixed asset register detailing:

- a description of the asset (including identifier as appropriate)
- date of acquisition (purchase or donation to Churches Together South Tyneside)
- value at acquisition
- location or staff member holding asset (if appropriate).

The register will be updated immediately when new purchases or disposals are made.

The Project Coordinator of each project is responsible for ensuring that fixed asset inspections are carried out every 24 months to check that the assets exist, are in good condition and are being used effectively.

The disposal or scrapping of a fixed asset must be authorised by the CTST Treasurer. If computer equipment is disposed of, licences for software must be legally transferred to the new owner. Computers which are disposed of must be returned to factory settings.

Where projects close, assets will be redeployed. Where there are specific funder rules regarding treatment of project assets, these will be complied with eg handing the assets back to the funder.

Documents relating to the ownership of any fixed assets will be held securely by the Project Coordinator of each Project.

For the purposes of depreciation, the anticipated useful life of Churches Together South Tyneside 's assets are as follows:

Type of fixed asset	**Anticipated useful life**
Computer equipment	3 years
Office equipment	7 years
Furniture	7 years
Vehicles	5 years

Insurance

Churches Together South Tyneside maintains appropriate insurance cover at all times, both to cover our legal obligation and to underpin our duty to protect our staff, assets and resources. This will include:

- employers' liability insurance to cover both staff and volunteers

- public liability insurance
- assets

The Executive Lead is responsible for providing its insurer with a detailed and accurate schedule of activities and inclusions to be covered.

The Executive Lead is responsible for ensuring all insurance policies are current and appropriate documentation maintained.