

Tabor Baptist Church
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Tabor Baptist Church: Financial Policy

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Duties (financial, review and audit)

1. Policy on Segregation of Duties

- a. Due to the size of Tabor Baptist Church and the number of officers (7) and treasurers (2), it is not possible (without becoming overly burdensome) to segregate duties, so that “no single individual has sole responsibility for any single transaction from authorisation to completion and review.”
- b. In order to ensure transparency and financial scrutiny, a second person will be nominated to have access to online banking, paper statements, cheque stubs, paying books (and other items as needed) for the purposes of “internal audit function” on a quarterly basis. See **Policy on Internal Audit Function**.
- c. This nominated person (or the deputy treasurer) will be authorised to undertake the work of the treasurer in their absence (including but not limited to illness, death or being outside of the country)
 1. Checks will continue to be made as per the **Policy on Internal Audit Function**, nominating another person as required.

2. Policy on Review of Finances

- a. The treasurer (or in his absence the deputy treasurer or other nominated person) shall share with all trustees (deacons and elders) the finances at the start of each meeting. This brief update should include:
 1. Monies in each account
 2. Brief comparison to previous month
 3. Any upcoming large credits or debits
 4. Any unexpected payments
 5. Any discrepancies in the accounts identified by internal audit as per the **Policy on Internal Audit Function**
- b. Further detailed discussion of finances can take place with the deacons and/or officers as appropriate.
- c. In addition, the finances shall continue to be reviewed on an annual basis at the Annual General Meeting (with any discussion and matters arising as needed).

3. Policy on Internal Audit

Due to the size of Tabor Baptist Church it is not possible (without becoming overly burdensome) to establish an audit committee. However, a similar role will be fulfilled by the person nominated to undertake “internal audit function” as per the **Policy on Segregation of Duties** and the **Policy on Internal Audit Function**

4. Policy on Communication of Financial Information to Trustees

- a. As detailed above under 2.a.
- b. Dissemination of this material is not considered necessary prior to Officers meeting (due to the small size of the charity)
- c. Decisions on spending will continue to be made in a collective matter (either majority vote of deacons, officers or both) and recorded in the minutes; or as per the **Policy on Reimbursement of Expenses**.

Practical Tasks

5. Policy on Training (online banking)

- a. The treasurer shall train such persons who are authorised by the officers as required with regards to:
 1. Policy on using online banking
 2. Policy on storing financial data
 3. Policy on debit cards

6. Policy on Storing Financial Data, Privacy and Confidentiality

- a. It is necessary to store financial data on computer, including but not limited to accounting software, scanned copies of bank statements, copies of invoices, copies of letters received, etc.
 1. All such data should either be password protected or contained with an encrypted file vault/portion of a hard drive
 - a. Where possible, all passwords should be strong passwords (a minimum of 12 characters, with at least two numbers and one symbol)
 - b. The passwords for individual files or encrypted file vaults/portions of a hard drive should not be stored in any easily accessible location
 - c. Passwords, may be stored in a locked safe or secure password manager
 2. Whilst it is permissible to email invoices, no other data should be transmitted or stored in this manner; with the exception of publicly available financial documents (e.g. annual charity account filing, meeting minutes, various policies)
- b. It is necessary to store financial data in hardcopy, including but not limited to bank statements, invoices, letters received, etc
- c. All stored data (whether electronic or hard copy) will necessarily be kept private and confidential and will only be disclosed to third parties in the following situations:
 1. Fulfilling the duties established in this financial policy
 - a. With respect to fulfilling the obligations of internal audit, anti-fraud measures and reporting crime:
 1. The provisions of the Policy on Segregation of Duties shall apply (specifically 1.b and 1.c)
 2. The provisions of the Policy on Review of Finances shall apply (specifically 2.a.5 and 2.b)
 3. The provisions of the Policy on Public Collections shall apply (specifically 11.d and 11.e)
 4. The provisions of the Policy on Debit Cards shall apply (specifically 13.h)
 5. The provisions of the Policy on Direct Debits, Standing Order and BACS payments shall apply (specifically 14.b)
 6. The provisions of the Policy on Reimbursements of Expenses shall apply (specifically 16.d and 16.e)
 7. The provisions of the Policy on Internal Audit Function shall apply
 8. The provisions of the Policy on Reporting Known or Suspected Crime shall apply
 - b. With respect to the Policy for Wages and Salaries
 1. In submitting tax and pension information/payments (specifically as per 9.e.2, 9.f and 9.g)
 2. Verifying account details with the bank (as requested as part of anti-fraud / proof of identity measures)
 3. Undertaking external audit of accounts (either at the request of the membership or mandated by external body (e.g. Charity commission or as below 6.b.4)
 4. Discharging any legal obligation or request by any statutory body that has the authority to enquire (for example but not limited to the police, courts, banks, FCA, etc)
- d. In particular, information on individuals regular giving or donations received will not be disclosed to third parties, save for the discharging of the duties listed above (6.c)
 - a. However, totals of aggregate giving will be presented at church meetings, officer meetings, the AGM and listed on the annual charity return. (Individual giving will not be disclosed.)
 - b. Members of the church are entitled to a report/details of their own individual giving/donations (on request), but all other details of donations or giving from other members will be kept confidential

Paying Wages, Speakers, Hospitality and the Benevolent fund

7. Policy on Acceptance of Hospitality by Trustees

- a. Trustees shall not accept any hospitality or gifts from any person/client they are engaging for a present/ possible/future event or service, unless agreed by majority vote of the officers and recorded in a register or meeting minutes.
 1. Where expenses are incurred in relation to the above, they shall be invoiced for and reimbursed as per the **Policy on Reimbursement of Expenses**.
- b. Trustees may offer hospitality to visiting preachers or missionary speakers attending Tabor Baptist Church, because:
 1. Such people do not gain financially from trustees
 2. Such people are already coming at the request of one of the trustees, church subcommittees or member of the church; and will be given a reimbursement for mileage, gift for speaking or gift for the work as per the the **policy on Paying Visiting Preachers & Missionary Speakers**

8. Policy on Paying Visiting Preachers & Missionary Speakers

- a. All visiting preachers shall be offered the sum of **£-redacted** per church service
 1. Visiting preachers are not obliged to accept this payment (some decline it)
 2. This does not include any members of Tabor Baptist Church, which shall not be defined as “visiting preachers”
 3. Members of Tabor Baptist Church that preach at Sunday Services or other events connected with Tabor Baptist Church shall not be reimbursed
- b. All visiting missionary speakers will be given a gift for their particular work. This gift shall comprise:
 1. Donations given to the collection plate from the church members/congregation who attend that meeting
 2. A donation of **£-redacted** given by Tabor Baptist Church towards the mission work
 3. For ease of money handling, donations from 8.b.1 and 8.b.2 will be combined together and a single cheque written to the missionary speaker, with the money from 8.b.1 being banked into the main account
- c. Other special guests may be offered a different sum of money as determined by the elders for special events (e.g. Men/Ladies Meeting, Autumn Supper, Quiz and Curry Night, etc)
 1. This should be recorded in the meeting minutes (for transparency)
- d. Such visiting preachers, missionary speakers or special guests may be offered hospitality by one of the trustees (meal and/or accommodation), but:
 1. No additional payment will be given beyond what is detailed here (except as per provisions 8.c and 8.c.1)

9. Policy on Benevolent fund

- a. Members of the church notify the Elders of any members or adherents who are in financial hardship
- b. Elders visit person concerned to ascertain details of current financial situation
- c. If elders are satisfied regarding the above, a single gift of up to £500 can be authorised
 1. A minimum of two elders must agree
 2. The decision and amount (but not the recipient) should be minuted at the next Officers Meeting
 3. The gift will be paid from the main business account
 4. The gift will be allocated anonymously in the accounting under the category 'Benevolent Fund' (previously recorded as 'hardship gift' and will be changed accordingly.)
 5. These (anonymous) figures will be published as part of the normal accounts in line with appropriate legislation on charity accounting and in accordance with the Policy on Internal Audit Function

10. Policy for Wages and Salaries

- a. The pastor shall be paid on the 7th of each month at the rate agreed by all church members at the AGM
 1. The pastor shall absent himself from any discussion thereof (whether at the AGM or during a church officers meeting)
 2. Consideration shall be given at each AGM to the pastor's current salary and whether any increase is due
- b. The pastor shall also receive a supplementary fuel payment of **£-redacted** each month in reimbursement/ recognition of the mileage accrued in the discharge of his duties

- c. The pastor shall be considered an employee of Tabor Baptist Church (which is the employer) and will receive a contract
 - 1. This contract shall be amended by the church officers on an annual basis only in regard to 9.a.2
 - 2. The pastor shall have no authority to set his own remuneration and shall absent himself from any discussion thereof (as per 9.a.1)
- d. No other person shall draw a regular wage/salary, except as from time to time this policy shall be updated to reflect (e.g. the addition of a Assistant Pastor) and as duly authorised by the church members at the AGM or other special meeting and in accordance with the Constitution
- e. Any such person receiving a wage/salary from Tabor Baptist Church will:
 - 1. Receive at least minimum wage
 - 2. Draw a monthly wage as detailed by the tax software provided by HMRC (or approved alternative) (basic pay minus NI and tax contributions)
- f. Tabor Baptist Church will pay the following for all employees receiving a wage/salary:
 - 1. All National Insurance and HMRC tax payments as determined by the tax software provided by HMRC (or approved alternative). This will be paid on a quarterly basis in arrears.
 - 2. Pension contributions either into any nominated private scheme or NEST Government Pension Scheme (as determined by the employee. Employees have a right to opt-out of the NEST scheme).
- g. Tabor Baptist Church will make monthly submissions using the tax software provided by HMRC (or approved alternative) to notify HMRC for the purposes of 9.e.2 and 9.f.1
- h. Deductions will not be made to the monthly salary
- i. Expenses (apart from the fuel supplement in 9.b) will not be reimbursed as part of the monthly salary
 - 1. Instead, expenses will be paid on an ad-hoc basis direct to the employee via BACS as per the **Policy on Reimbursements of Expenses**

Donations and Collections

11. Policy on Donations

- a. All donations will be received (whether by cheque/cash/standing order, whether eligible for Gift Aid, or whether given anonymously to the collection box or collection plate), except for the following list (which would not be in the interests of the charity), including, but not limited to:
 1. Where provided/sourced through criminal activity
 2. Provided by organisations known to be hostile to, contrary to Scripture or anti-Christian, or not in accordance with the Basis of Faith (as laid down in the constitution)
 3. Provided by the National Lottery
- b. Where donations are given for a specific purpose (excepting for a particular missionary speaker as per 8.b.1-3) they shall as far as is practical be set aside and used only (in part or whole) for their stated purpose
 1. Donations may be declined if given for a purpose/need that does not exist or is not consistent with our mission statement or (in exceptional circumstances) as directed by the church officers/trustees
 - i. E.g. A donation is given for equipment that is not needed
 - ii. E.g. A donation is given for equipment that cannot be integrated into the church or would cause problems with pre-existing equipment
 - iii. E.g. A donation is given to replace equipment that does not need to be replaced
- c. Where it is not possible or practical to allocate a donation to a specific purpose, the donation shall be returned to the giver.
 1. If it is not possible or practical to return the donation to the giver or the donation is anonymous, the donation shall be placed into the general fund and spent accordingly

12. Policy on Public Collections

- a. All collections should be checked on a regular basis
 1. The collection box shall be checked each Sunday at the end of each service
 2. The collection plate shall be checked after each Missionary meeting or other ad-hoc events
- b. At least two unrelated people should record all monies received
 1. All monies received shall be recorded into a book (specifically given for this purpose) specifying the date collected, amount collected, names of persons checking and countersigned by all persons
- c. Cash collected is banked by the treasurer/deputy/nominated person as soon as possible without deduction of expenses
- d. The value of banked monies will be checked against the values recording in the collecting book (to ensure they tally) as part of the quarterly internal financial audit
- e. Any discrepancies will be highlighted as per the **Policy on Reporting Known or Suspected Crime**

Banking

13. Policy on Banking

- a. Cheques and cash should be banked regularly and promptly (next available working day)
- b. Cheques and cash not banked on the day of receipt should be placed in a safe or locked cash box
- c. Funds should be banked gross without deduction for costs or expenses

14. Policy on Debit Cards

- a. Debit Cards shall be issued to the treasurer and other persons as nominated/agreed by the officers and recorded in the minutes.
- b. Payments made by debit card shall be in accordance with the **Policy for Expenses/reimbursement** and the **Policy on Controls of Purchases & Payments**
- c. Payments shall not exceed £500 unless previously authorised by the officers and recorded in the minutes
 1. This does not include those payments already authorised at an officers meeting (and recorded in the minutes) or as agreed by the church at the AGM (and recorded in the minutes) and for which payment by debit card is an alternative method of payment in these circumstances
- d. Debit cards shall be kept only by the person to whom they are issued, with the same level of protection and care as any other banking cards they carry
 1. Pin numbers shall not be written down (unless recorded in a secure password management program, which itself is accessed by a strong password)
 2. Loss or theft of the card shall be reported immediately to the treasurer (or his deputy if they are not contactable) and the issuing bank
- e. Debit cards may be used in any establishment or on any website to allow the treasurer or person holding the card to discharge their duties
 1. I.e. There shall be no prohibition on the use of debit cards provided that use is in accordance with the above specified policies.
- f. Debit cards shall be cancelled and destroyed if:
 1. They are lost or stolen
 2. The individual ceases to be an employee or an officer of Tabor Baptist Church
 3. The individual is no longer nominated by the officers to use a debit card (i.e. the authority for its use is withdrawn)
 4. The individual is found to have used the debit card not in accordance with the policies above. (This will also trigger the **reporting policy**).
- g. Payments made by debit card must be supported by a receipt and/or invoice, which are to be forwarded to the treasurer in a timely manner and are to be recorded and analysed in accounting records
- h. All debit card statements will be sent directly to the treasurer (or where this is not possible the original will be forwarded to the treasurer) and not the individual card holder
 1. Statements will be used to record and analyse transactions in the accounting records and matched again supporting invoices/receipts as per the **Policy on Internal Financial Audit**. Any discrepancies will be handled as per the **Policy on Discrepancies**.
 2. All debit card transactions will be reviewed on a monthly basis as per the **Policy on Internal Financial Audit**.
- i. This policy shall be communicated to all persons issued with a debit card

15. Policy on Direct Debits, Standing Order and BACS payments

- a. Direct debits, standing orders and BACS payments shall be setup by the treasurer, deputy treasurer (or other nominated person) in accordance with the **Policy on Reimbursements of Expenses**
 1. Such payments may be setup by one person only
 2. Such payments will be checked as per the **Policy on Internal Financial Audit**
- b. At present it is not proposed to use the dual checks available within our banking products*, as this would place an undue burden on the treasurer, deputy and other nominated person to work such a system
 1. Instead, the **Policy on Internal Financial Audit** will ensure that such payments are used in an appropriate manner
 2. Any discrepancies will be handled as per the **Policy on Reporting Known or Suspected Crime**

* Our bank does offer the option of "Dual Approval" for payments and "Dual Control" for setting up payments or change in payee.

Purchases, Payments, Reimbursements and Internal Audit

16. Policy on Controls of Purchases & Payments

- a. The officers have authorised that each deacon may approve up to £100 spending within their department each month, without requesting separate approval each time
 1. Payments exceeding this £100 limit (whether per item or cumulative spend) must be approved by majority of/at least 3 officers and recorded in the meeting minutes
 - i. The treasurer may authorise/pay cumulative payments exceeding £100 if priorly authorised by the officers (as above)
- b. The following payments that are already authorised (by contract or agreed decision at AGM) are excepted:
 1. Pastor's Salary (plus fuel expenses)
 2. Missionary Giving
 3. Utility bills (gas, electric, water)
 4. Work arising from contractors engaged by Tabor Baptist Church
 5. Website Hosting costs
 6. Accounting Costs (including software subscription)
(See separate document Standing Orders, Direct Debits and Recurring Payments for full list.)
- c. It is likely that the majority of orders/payments will be within a spending plan or budget already authorised at an officers meeting and recorded in the relevant minutes (this decision may be at diaconate, elder or combined level).
 1. However, additional spending outside an agreed spending plan or budget must be further authorised in similar manner.

17. Policy on Reimbursements of Expenses

- a. All claims for expenses shall:
 1. Be submitted in a timely manner (i.e. within one month)
 - i. If claiming for small amounts under £10, then multiple claims may be aggregated and presented for reimbursement no later than one year after the first invoice/receipt
 2. Be accompanied by an invoice/receipt
 - i. Any claim missing an invoice/receipt will not be reimbursed
 1. Except where the invoice/receipt has been lost or stolen and then only at the discretion of/if approved by the majority of officers
 - ii. This invoice/receipt may be a hard copy or an appropriate electronic document (whether PDF copy of original invoice or copy of email acting as invoice)
 3. Be accompanied by a signed and dated declaration stating "that the claim is accurate and incurred in connection with the business of the charity" from the person requesting payment of an expense
 4. Be in accordance with the **Policy on Controls of Purchases & Payments** (and conditions laid down therein)
- b. Submitted claims will be paid within a timely manner by direct BACS transfer
 - i. Payments will only be made by cheque if there is some practical or overriding reason why BACS transfer cannot be made (since BACS transfer provides instant payment, a clear audit trail and a greatly reduced administrative burden on payer/payee)
 - ii. Any claim submitted by the deputy treasurer or appointed person must be paid by the treasurer and not said recipients
 - iii. Any claim submitted by the treasurer shall preferably be reimbursed by the deputy treasurer or appointed person
 - a. A claim submitted by the treasurer may be reimbursed by the treasurer directly *only* if prior approval has been given by the church officers and recorded in the meeting minutes or if the expenses slip has been countersigned by another church officer (preferably the deputy treasurer).
- c. No claim shall be reimbursed in cash, with the sole exception of money withdrawn from the church account for the purposes of buying materials for Operation ShoeBox (usually max **£-redacted**)
- d. All such expense claims will be checked as per the **Policy on Internal Audit Function**
- e. Any problems identified with any claims shall be handled as per the **Policy on Reporting Known or Suspected Crime**
- f. This policy shall be articulated/distributed to:
 1. All members at the AGM [22.03.16] and shall only need to be further articulated/distributed if there is any change to the policy
 2. To all incoming officers at the next officers meeting
 3. To any church member or other persons showing sufficient cause to ask for a copy of this policy

18. Policy on Internal Audit Function

- a. This policy originates from 1.b, 1.c, 2.a.5 and 3; and is an extension of policies 11, 13-16
- b. This policy is enacted to prevent fraud, misappropriation of funds or other financial crime by one or other persons within Tabor Baptist Church
- c. Internal Audit will be undertaken on a quarterly basis
- d. With respect to donations/public collections:
 - 1. The provisions of the **Policy on Public Collections** shall apply
 - i. Specifically with regard to cross checking the figures recorded as per 11.b.1 with the monthly account statements to verify they match (as per 10.d)
- e. With respect to reimbursement of invoices:
 - 1. The provisions of the **Policy on Reimbursements of Expenses** shall apply
 - i. Specifically with regard to checking that all expense payments made are accompanied by an appropriate invoice/receipt (as per 16.a.2) and a signed declaration form (as per 16.a.3)
 - ii. Specifically checking that reimbursements are in accordance with 16.b
 - 2. The provisions of the **Controls of Purchases & Payments** shall apply
 - i. Specifically with regard to checking that all expense payments are duly authorised by the officers (as per 15.a and 15.c)
- f. With respect to regular payments by standing order, direct debits or BACS payment:
 - 1. The provisions of the **Controls of Purchases & Payments** shall apply
 - i. Specifically with regard to checking the payments are duly authorised (as per 15.b)
 - ii. Specifically to check that such payments match the accounting records (as per 14.b)
- g. With respect to debit card payments:
 - 1. The provisions of the **Controls of Purchases & Payments** shall apply
 - i. Specifically with regard to checking statements to analyse transactions against accounting records and matching them against supporting invoices/receipts (as per 13.h.1 and 13.h.2)
 - ii. Checking that all expense payments are duly authorised by the officers (as per 15.a and 15.c)
- h. Any discrepancies shall trigger the provisions of the **Policy on Reporting Known or Suspected Crime**
 - 1. Specifically with regard to 18.a.1 and 18.a.2

Financial Crime

19. Policy on Reporting Known or Suspected Crime

- a. If the treasurer, the deputy treasurer or other person appointed by the officers to examine the accounts, identifies any transaction that does not match paper records or looks suspicious, they should:
 1. First be notified directly to the treasurer (or in his absence the deputy treasurer)
 - i. If any suspicious or non matching records are found by any appointed person, they should first speak with the treasurer (to see if there has been a simple administrative or other error which can if jointly agreed be resolved therewith)
 2. Notified by the treasurer, deputy treasurer or appointed person directly to the trustees, at the earliest opportunity and not wait until the next scheduled meeting, if:
 - i. The matter cannot be initially resolved
 - ii. The treasurer, deputy treasurer or appointed person thinks the non matching records cannot be explained by simple error or are more widespread/persistent
 - iii. The treasurer, deputy treasurer or appointed person thinks the non matching records are suspicious or possibly fraudulent
 - iv. It is thought that the discrepancy might involve financial impropriety by the treasurer, deputy treasurer or appointed person
- b. Discussion and investigation of such matters must be appropriately documented (including resolution and need for further action) by the trustees
 1. All discrepancies highlighted must be discussed with all the trustees (even if resolved as per 18.1.i)
 2. Resolved matters may wait until the next scheduled meeting
- c. For discrepancies that cannot be resolved at trustee level, consider the option of obtaining external investigation/examination of the accounts from an independent examiner to see if the issue can be resolved
- d. Any discrepancies that cannot be resolved by the trustees and an independent examiner should then be reported to the police and Charity Commission as per the guidance "Reporting serious incidents"