



Stour Valley Vineyard Church Financial Policy

1 Introduction

1.1 Financial Records will be kept so that Stour Valley Vineyard Church (SVV) can:

- a) Meet its legal and statutory obligations such as those of the Charity Commissioners, Her Majesty's Revenue and Customs (HMRC) and common law.
- b) Enable the Trustees to be in proper financial control of SVV.
- c) Enable SVV to meet the contractual obligations and requirements of funders.

1.2 SVV will keep proper books of account, which will include:

- a) A cashbook analysing all the transactions in SVV's bank accounts.
- b) Relevant HMRC taxation records in accordance with current legislation and reporting requirements.

1.3 The financial year will end on the 31st December each year.

1.4 Accounts will be drawn up after each financial year in accordance with the relevant legal requirements.

2 Banking

2.1 SVV will bank with CAF bank and can pay money in at any HSBC high Street Branch. Accounts will be held in the name of SVV. The accounts to be maintained are as listed in Appendix:

2.2 The bank mandate (the list of people who can sign cheques/authorise electronic payments on SVV's behalf) will always be approved and minuted by the Trustees.

2.3 SVV will require the bank to provide monthly statements and these will be reconciled with the cash book no less frequently than every month.

2.4 SVV will not use any other bank or financial institution or use overdraft facilities or take out a loan without the agreement of the Trustees.

3 Receipts (Income)

All monies received will be recorded promptly via donation forms and will be witnessed and signed, then banked without delay. SVV will maintain files and documentation to back this up.

4 Payments (Expenditure)

The aim is to ensure that all expenditure can be demonstrated to be related to SVV's operations and is properly authorised. Whilst an approved budget sets out the planned level of expenditure within the year, signatories should not incur expenses which are outside of their authorised level of expenditure, as set out in Appendix.

By cheque/electronic payment

- 4.1 The Finance Administrator will be responsible for holding the cheque book (both unused and partly used).
- 4.2 Payment by cheque requires 2 signatures and similarly electronic payments require creation and authorisation by 2 separate individuals.
- 4.3 The individuals named in the Appendix are the cheque signatories.
- 4.4 Payment limits for cheque signatories are as set out in the Appendix.
- 4.5 The individuals named in the Appendix are authorised to process electronic payments.
- 4.6 Payment limits for authorisation of electronic payments are as set out in the Appendix.
- 4.7 Blank cheques will never be signed.
- 4.8 The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed. Supporting documentation will always be presented to the signatory when a request is made to approve a cheque or an online transaction.
- 4.9 No cheques should be signed, or online transaction approved without original documentation.

By Mastercard debit cards

- 4.10 The individuals named in Appendix X5 have been issued with Mastercard debit cards.
- 4.11 Payment limits for Mastercard debit cards are set out in Appendix A5.

Capital Expenditure

- 4.12 Payments under £1,000 can be approved by a Senior Pastor. Any expenditure of £1,000 and over must be authorised by a Senior Pastor plus another Trustee.

5 Payment documentation

- 5.1 Every payment from SVV's bank accounts will be evidenced by an original invoice (never against a supplier's statement or demand). That original invoice will be retained by SVV and filed. The signatory should ensure that it is referenced with:

Cheque no./Online transaction identifier

Date

Amount

Who signed (cheque) or who created/authorised

- 5.2 In exceptional circumstances where an original invoice cannot be supplied, other evidence will be accepted.
- 5.3 Mastercard Debit Cards. All payments must be registered on the CAFcard payment record on the shared drive. Receipts must be uploaded to the shared drive or handed to the Finance Administrator weekly.
- 5.4 Wages and salaries. All payroll amendments should be signed off by a Trustee after having been approved by a Senior Pastor. There will be a clear trail to show the authority and reason for every such payment; e.g. a payment requisition asking for a payment to an employee, HMRC, etc. All employees will be paid within the PAYE National Insurance regulations.
- 5.5 All staff appointments/departures will be authorised by the Trustees, minuting the dates and salary level. Similarly, all changes in hours and variable payments such as overtime, etc. will be authorised by the Trustees.
- 5.6 Expenses/allowances. Staff expenses must be approved by a line manager. SVV will, if asked, reimburse expenditure paid for personally by staff, providing:
- Fares are evidenced by tickets
 - Other expenditure is evidenced with original receipts
 - Car mileage is based on the HMRC rates
 - The expenses are within budget (unless agreed in advance)

6 Contracts

Authorisation levels for contracts are as follows:

Contracts under 12 months or less than £1,000 can be signed by a Senior Pastor.

Contracts over 12 months or for £1,000 or more should be signed by two Trustees.

7 Reserves

The Trustees, after due consideration, consider that reserves of 3-6 months expenses should ideally be available. Such reserves would be general reserves, however there may be in addition to these allocated funds set aside by the Trustees for a specific future project or ministry plan. This sum has been arrived at after taking into account the following elements and contingencies:

- Fluctuations of income versus expenses – unforeseen expenses and the nature and timing of capital expenditure.
- A period of decline or delay in income.
- Restructuring of the charity in the event of consistent reduced income flows.
- To fund new income generating initiatives, where such need or opportunities exist.
- To remove the risk of insolvency.
- Long term planning and opportunity taking.
- The efficient running of the charity with medium and long-term downturns i.e. avoiding the need for short term decisions.

Trustees should consider it imprudent to liquidate fixed assets to generate reserves.

8 Account reconciliation

Banks statements are to be reconciled to the charity's accounting software on a regular basis (no less frequently than monthly). Any identified differences are to be investigated and explained.

9 Management accounts and procedures

Trustees are to be provided with an income statement and balance sheet and ministry heads with the necessary expense report against budget.

10 Other undertakings

10.1 Any orders placed or undertakings given, the financial consequences of which are, prima facie, likely to exceed £1,000, must be authorised and minuted by the Trustees. In exceptional circumstances such undertakings can be made with both Senior Pastors' approval who will then provide full details to the next meeting of Trustees. (This covers such items as new service contracts, office equipment-purchase and hire).

10.2 All fundraising and grant applications above £5000 undertaken on behalf of the organisation will be done in the name of SVV with the prior approval of the Trustees or in urgent situations the approval of the Senior Pastor who will provide full details to the next Trustees meeting.

11 Other rules

SVV will adhere to good practice in relation to its finances at all times e.g. when relevant it will set up and maintain a fixed asset register (deminimis £1,000) stating the date of purchase, cost, serial numbers and location. Additionally, SVV will maintain a property record of items of significant value, with an appropriate record of their use.

This policy has been agreed by the Trustees on 19th January 2022