

# **Grace Church Hammersmith**

## **Financial policy and procedures**

### **Approval & revision history:**

Revisions:

First approved by trustees: 30 January 2024

Reviewed 8 November 2024

## Contents

1	3
2	4
3	5
4	5
5	6
6	<b>Error! Bookmark not defined.</b>
7	8
8	9
9	9
10	12

# 1 Scope

To set out the financial protocols and procedures for Grace Church Hammersmith and how they relate to all areas of the church. The financial Protocols focus on these main areas:

- Purchasing goods and services
- Claiming expenses
- Budgeting
- Finance Monitoring and auditing
- In service collections

The trustees are responsible for overseeing the implementation of and compliance with these policies. Day-to-day responsibility is delegated to the Treasurer and Finance Administrator.

## 2 Ordering/Purchasing goods and services

### 2.1 Order Placement

- 2.1.1 Expenditure is committed from the moment an order for goods/services is completed. Therefore, it is important that any orders are placed properly, are within agreed budgets, and are authorised by the appropriate person(s).

### 2.2 Orders below £1,000

- 2.2.1 Budget holders shall have delegated authority from the Trustee with oversight for finance ('Treasurer') to place orders (or authorise another individual to place an order) of less than £500 as long as the goods/services in question are covered within the agreed budget.
- 2.2.2 If the expenditure will be for £500 or more, any individual shall check with the Finance administrator or the Treasurer before ordering to ensure there are no cash flow issues and that the goods/services in question is within the agreed budget.
- 2.2.3 Any proposed expenditure below £500 that is not specified within an agreed budget must be discussed in advance with the Treasurer and authorisation obtained before any order is placed.
- 2.2.4 Any proposed expenditure above £500 that is not specified within an agreed budget must be discussed in advance with the Treasurer, who will obtain agreement from the Trustees before authorising the expenditure.

### 2.3 Orders of £1,000 or more

- 2.3.1 Orders for goods or services costing £1,000 or more, even if in a budget, require 3 competitive tenders in the case of services, or 3 price comparisons in the case of the supply of goods and must be discussed with the Treasurer who will obtain agreement from the Trustees before authorising the expenditure and before the order is placed. Unless there are compelling reasons to do otherwise, the lowest price shall be chosen.
- 2.3.2 Wherever possible, suppliers must be asked to invoice Grace Church Hammersmith and then the bill can be settled by the Finance administrator directly with the supplier. Where invoicing in this way is not possible, then the person making the payment must obtain written evidence of payment in the form of an invoice or receipt that can accompany a claim to the Finance administrator for reimbursement of the expense (see Section 3)
- 2.3.3 Agreements with suppliers for Direct Debits or Standing Orders must not be entered into without approval by the Finance administrator and Treasurer. Any such Direct Debit or Standing Order shall be signed by at least one of the authorised signatories (see Appendix 1)

### 3 Banking arrangements

#### 3.1 Authorised Signatories & banking arrangements

- 3.1.1 A full list of budget holders and authorising persons/signatories is attached as Appendix 1.
- 3.1.2 Grace Church Hammersmith must open a current account, which should be used for all financial transactions according to the provisions of this policy. Grace Church Hammersmith may also open further current accounts for specific purposes or funds, but subject to approval by the trustees.
- 3.1.3 Grace Church Hammersmith may also open deposit or call accounts if sufficient financial reserves have been accumulated.
- 3.1.4 Signing arrangements in this document shall also apply to any further accounts opened by Grace Church Hammersmith.
- 3.1.5 Grace Church Hammersmith may not enter into loan or overdraft facility without approval by the trustees.

#### 3.2 Bank Card

- 3.2.1 Any Bank Card issued for Grace Church Hammersmith shall be held by the Treasurer and Finance Administrator, and not given to any other person. The only persons authorised to make any expenditure using the Bank Card are the Treasurer and the Finance administrator. In all cases any such expenditure must be authorised by under the same arrangements as can be found in section 2.
- 3.2.2 Any further cards issued to office bearers shall be expressly approved by the trustees.

### 4 Claims for Reimbursement of Expenditure and other Expenses

#### 4.1 Submission of a claim

- 4.1.1 All claims for reimbursement of expenditure and other expenses by an individual must be made using the Grace Church Hammersmith Expenses Claim Form (ADDENDUM A). This can be obtained from and submitted to the Finance administrator electronically (treasurer@gracechurchhammersmith.org), or as a hard copy.
- 4.1.2 All claims must be accompanied by the relevant proof of purchase. If the claim is submitted electronically then proof of purchase may be scanned and emailed to the Finance administrator or given as hard copies at the earliest convenience.

- 4.1.3 If proof of purchase is not available, then adequate reason must be given before reimbursement may be authorised. In any event, reimbursement will not be made without a receipt for amounts of £20 or more. If this causes hardship, then an appeal may be made to the Trustees to allow an exception.

## 4.2 Claim Approval

- 4.2.1 All claims must be approved by two authorised signatories (this will usually be the Finance administrator and the Treasurer).
- 4.2.2 If the claimant is either the Finance administrator or Treasurer (or a family member thereof) then reimbursement must be authorised by another authorised signatory in their place.

## 4.3 Claim Payment

- 4.3.1 All payments by Grace Church Hammersmith shall be made by bank transfer whenever possible, or otherwise by cheque duly signed by the appropriate number of authorised signatories.
- 4.3.2 Claims for reimbursement must be made within 30 days of expenditure unless agreed otherwise.

## 4.4 Expense Claims for External Conferences, Events and Visits

- 4.4.1 Approval for church officers, such as the Minister to attend relevant conferences and other external events or visits shall be sought in advance from two of the signatories listed in appendix 1, where the conference booking or other relevant cost exceeds £100. In such cases, a subsistence allowance shall also apply. This shall cover the reasonable cost of accommodation, as applicable and where not already provided, together with the reasonable cost of those meals not covered by the conference or event booking.
- 4.4.2 The trustees may, from time to time on advice of the Treasurer, adopt limits or guidelines regarding any such expenses, including but not limited to accommodation, car rental, other travel and subsistence allowances.
- 4.4.3 Travel insurance: Members, office bearers or staff members travelling on Grace Church Hammersmith business are responsible for ensuring they have appropriate travel insurance for the nature of the trip (covering “business” travel), and must speak to the Treasurer in advance of a trip about this. Grace Church Hammersmith pays for appropriate travel insurance when members or staff are travelling for Grace Church Hammersmith purposes.

# 5 Budgeting

## 5.1 Financial Cycle

5.1.1 Grace Church Hammersmith financial year runs from 1 January through 31 December.

## 5.2 Budget Generation

5.2.1 12 monthly Expenditure and Income budgets will be prepared in time for final approval by the Trustees prior to the start of the financial year on 1 January.

5.2.2 Budget holders, trustees and other relevant persons will be sent a Budget Request Form by the Treasurer/Finance administrator 2 MONTHS BEFORE START OF FINANCIAL YEAR.

5.2.3 Budget Request forms are to be completed and returned 1 MONTH BEFORE START OF FINANCIAL YEAR.

5.2.4 Budget Request forms shall be analysed and collated by the Finance administrator and treasurer to generate a draft budget. The draft budget will be communicated to the Trustees for their approval before the start of the financial year.

**Table 1: Budget approval cycle**

DATE	BUDGET ACTION	PERSON(S) RESPONSIBLE
2 months before start of financial year	Blank Budget request forms sent out	Finance Elder/Finance administrator
1 month before start of financial year	Completed Budget Requests returned	Budget Holders, Elders, any other relevant persons
2 weeks before start of financial year	Draft Budget prepared and sent to Trustees	Finance Elder/Finance administrator
End of the month of the previous (current) financial year]	Deadline for approval of Budget by Trustees	Trustees

## 6 Fixed assets

### 6.1 General fixed assets

6.1.1 Only fixed assets costing more than £500 will be capitalised.

6.1.2 The Finance administrator must maintain a fixed asset register for such assets.

6.1.3 Assets should be depreciated over a straight line.

### 6.2 Computer equipment

6.2.1 Grace Church Hammersmith should provide the minister with a suitable laptop in order to perform his duties. This shall remain the property of Grace Church Hammersmith, but shall be available for the exclusive use of the minister.

- 6.2.2 Similarly, for the avoidance of doubt, Grace Church Hammersmith will pay reasonable mobile phone costs for the minister.

## 7 In Service collections

### 7.1 Purpose

- 7.1.1 Grace Church Hammersmith may opt to have a collection each week as part of the service. This collection, and associated gift aid, will be used to support various causes as agreed by the trustees.

### 7.2 Collection of monies

- 7.2.1 Monies shall be collected during the service.
- 7.2.2 After the service, the collection shall be counted by two people together. (This may include the person who has agreed to deposit the monies into the Grace Church Hammersmith bank account)
- 7.2.3 Once the collection has been counted, the total amount shall be recorded and signed against by both counters.
- 7.2.4 The counting sheet shall be filed by the Finance administrator. [ADDENDUM B]
- 7.2.5 The Finance administrator or agreed deputy shall then deposit the monies into the Grace Church Hammersmith bank account.
- 7.2.6 The amount paid into the account will be recorded as a line on the Grace Church Hammersmith finance spreadsheet / accounting records.
- 7.2.7 Other expenses should not be paid out of this cash before it is deposited in the bank.

### 7.3 Distribution of monies

- 7.3.1 The causes to be supported will be agreed by the trustees and taken down into the meeting minutes. This information will then be shared with the Finance administrator to ensure that the relevant payments can be made.
- 7.3.2 The Finance administrator will arrange payment of the monies to the approved cause and confirm back to the Treasurer that this payment has been made.



## 8 Gift Aid & HMRC

- 8.1.1 Grace Church Hammersmith should register for Gift Aid.
- 8.1.2 The Finance administrator is responsible for preparing Gift Aid claims.
- 8.1.3 The Treasurer is the “authorised official” for HMRC purposes and must authorise claims and correspond with HMRC.

## 9 Finance monitoring and auditing

### 9.1 Finance Monitoring

- 9.1.1 Each month, the Finance administrator will produce a spreadsheet showing monthly management accounts and email a copy to the Treasurer for information and analysis. The Finance administrator shall also provide the Treasurer with the monthly bank statement for the Treasurer to check, initial and return to the Finance administrator so he can retain as a correct record.
- 9.1.2 Every three months, Budget holders, and Trustees will receive three-monthly summary reports of expenditure (and income where relevant) against budget.

### 9.2 Independent scrutiny

- 9.2.1 Annual accounts will be submitted for independent examination, as required under the charity regulations. The Finance administrator and Treasurer will work with the independent examiner to produce draft accounts for consideration by Trustees in February and final accounts to be signed off by the end of April.

**Table 2: Account review and approval process.**

DATE	ACTION	PERSON(S) RESPONSIBLE
2 months after end of financial year	Final Management accounts to Treasurer	Finance administrator, Treasurer
3 months after end of financial year	Trustees approve draft accounts	Finance administrator, All Trustees
5 months after end of financial year	External Examiner reports on accounts to Finance administrator and all Trustees	External Examiner, Finance administrator, All Trustees.
6 months after end of financial year] (Charity Commission is deadline is 10 months after year-end)	Final Accounts agreed, signed by trustees and lodged with Charity Commission	Trustees



## **APPENDIX 1**

### **Grace Church Hammersmith Authorised Signatories and Budget Holders as at January 2022**

#### **Authorised Signatories for Bank Account and Expense Claims**

Pau Ping Sze To (Finance administrator and Treasurer)

Richard Linnell (Trustee)

#### **Budget Holders:**

Rob Ilderton

Paul Levy

## **10 ADDENDA**

ADDENDUM A

**EXPENSE CLAIM FORM**

## Grace Church Hammersmith

### Expense claim form

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

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

Please attach supporting documents to this claim, numbering each with the corresponding number in the table below:

Reference	Date	Description	Supplier	Amount
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
TOTAL:				

I confirm that these expenses were incurred wholly, exclusively and necessarily on behalf of [CHURCH NAME].

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

\_\_\_\_\_

Approved by: Name: \_\_\_\_\_

Signature: \_\_\_\_\_

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

\_\_\_\_\_

*Office use:*      *Date paid:* \_\_\_\_\_

**COUNTING SHEET FORM**

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

Bank deposit number: \_\_\_\_\_

## Grace Church Hammersmith

### Record of offering collection or event sales / donations

**Cash:**

		Quantity	Total
Notes:	<b>£50</b>		
	<b>£20</b>		
	<b>£10</b>		
	<b>£5</b>		
<b>TOTAL NOTES:</b>			
Coins	<b>£2</b>		
	<b>£1</b>		
	<b>50p</b>		
	<b>20p</b>		
	<b>10p</b>		
	<b>5p</b>		
	<b>2p</b>		
	<b>1p</b>		
<b>TOTAL COINS:</b>			
<b>TOTAL CASH DEPOSITED:</b>			

**Cheques:**

Name	Cheque no.	Received for purpose:	Amount
<b>TOTAL CHEQUES:</b>			

**DEPOSIT SUMMARY**



**DEPOSIT TOTAL:** £ \_\_\_\_\_

**Verified by:** Name: \_\_\_\_\_ Signature: \_\_\_\_\_