

Congo Church Association (“CCA”)

Financial Management & Accounting

Policy and Procedures

Amended & Approved by the Board on	Due for review on
17 th September 2024	January 2025

Financial management is more than just ensuring there is sufficient cash and keeping to budget.

Financial management involves:

- ✓ Setting financial objectives
- ✓ Planning and acquiring funds
- ✓ Ensuring funds are being effectively managed
- ✓ Management and financial accounting
- ✓ Formulating strategy
- ✓ Planning and controlling activities
- ✓ Decision-taking
- ✓ Optimising use of resources
- ✓ Disclosure to other interested parties external to the Charity
- ✓ Disclosure to employees
- ✓ Safeguarding assets.

Clear procedures are needed to ensure that the Trustees of the Charity have the tools and skills to ensure effective financial management takes place.

The role of the Treasurer or Chair is often crucial in discussion with key funding bodies, suppliers, commissioners of services, auditors *etc.* However, legally the Trustees are collectively/jointly responsible for ensuring that the charity's resources are properly managed and accounted for and must not assume the Treasurer and/or Chair will do everything. The following policies and procedures enable the Trustees to delegate financial management to the Treasurer.

Definitions:

The Charity: Congo Church Association

Committee: The Committee is the Board of Trustees of the Charity.

Financial Year: The Charity's financial year ends on 30 June.

Treasurer: The Treasurer is the member of the Committee who leads the strategic and operational responsibility for the financial management of the Charity.

Finance Officer: The Finance Officer is the person who has the day-to-day responsibility for the administration of the Charity's financial transactions.

It may be the case from time-to-time that the Treasurer and the Finance Officer are the same person. For that reason, these policies and procedures are constructed in a way which does not require or imply that one role acts as a monitor/validator of the other. Segregation of duties regarding approval and authorisation remains paramount. All payments to be signed off by two Trustees except where under £250 – see below.

Authorised Person: Authorised persons are those persons authorised by the Board of Trustees to approve financial instruments (cheques, purchase orders, invoices, etc) on its behalf.

Income Policy & Procedures

Purpose:

To safeguard, monitor and control income including grants, donations & contribution in the form of BACS, cheques & cash.

To outline the structure of authorisation for dealing with income, credit-control and cash management.

Invoices:

Invoices should be issued whenever it is appropriate.

Invoices should include the following details:

- ✓ The Charity's logo;
- ✓ A statement that the Charity is a registered charity, and its charity number;
- ✓ The name and address of the person or organisation being invoiced;
- ✓ The date of the invoice, which must be the date it is posted to the accounts;
- ✓ The nature of the services and/or goods being charged for;
- ✓ The purchase order number (where available) and/or any other appropriate identification information provided by the person or organisation being invoiced;
- ✓ If the invoice is to a funding body it should state the funding period to which it relates;
- ✓ The invoice total;
- ✓ The Charity's payment instruction & terms of payment.

Where acceptable to the person/organisation to which it is addressed, the invoice may be sent electronically in PDF format. Otherwise the invoice shall be printed and sent by post.

Outstanding invoices:

The Treasurer will review the outstanding invoices every month.

If an invoice hasn't been paid within 28 days of being issued, then a second invoice should be issued. The second invoice should be a copy of the first, but with "REMINDER" added to it.

Any invoice which remains unpaid for more than 56 days must be brought to the attention of the Board to determine what further action should be taken.

Unless there are extenuating circumstances, debtors with invoices more than 56 days overdue will not be allowed any further credit (*eg*: the provision of goods or services, or access to any of the Charity's facilities or resources) until the outstanding debt has been repaid in full.

Bad debts will be formally written off annually by the Board as part of the preparation for the audited/examined accounts.

Recording Payments:

Payment by BACS:

Where payments are made directly into the bank account via the BACS payment system the Finance Officer will check for such direct payments each time a bank statement is received, or on-line as circumstances require.

When payment by cheque or cash is received:

When cheques or cash arrive the Finance Officer will ensure that cheques are properly signed and made payable to the Charity and will record their arrival in the accounts;

Cheques and cash received should be banked as soon as reasonably possible. Any cheques or cash not banked immediately must be locked away in the safe overnight or until it is banked. A maximum of £250 cash may be held overnight.

Cash in Transit:

All persons carrying cash to or from the bank are instructed to put their personal safety first in the event of any attempt to steal the money.

In the event of losses of cash in transit, the Treasurer must be informed immediately and take the appropriate action.

The times and days of taking cash for banking should be varied and an innocuous plain bag or briefcase must be used for carrying the money. If the amount of cash (*ie*: excluding cheques) being banked is greater than £250 then two people should take the cash to the bank.

Purchasing Policy and Procedures:

Purpose:

To ensure that all expenditure is properly authorised and provide a standardised procedure for dealing with expenditure items.

Orders – Goods and Services:

The value of an order/purchase to be shown along with delivery charges where appropriate and both inclusive of VAT.

All purchases must be authorised by the Board. For any purchase over £1000 in value, at least 3 quotes must be obtained in order to ensure a competitive price is paid unless the Board explicitly waives this requirement and records in the minutes of the Board meeting the justification for the waiver.

In the event of any shortfall in delivery or the return of goods for any reason, the relevant credit-note must be received from the supplier before payment is made.

Payments by Cheque and Other Instruments (*eg*: On-Line BACS, Direct Debit):

Where appropriate, authorised persons who are not Trustees may be established by resolution of the Board. The resolution must state the reason for the authorisation and the date on which it will expire.

Where a cheque or any other form of payment is being made to an authorised person that person may not be a signatory on the cheque or other instruction for or authorisation of payment;

In accordance with the Charity Commission guidelines all cheques and other instructions to the bank, including instructions made on-line (*eg*: for BACS payments) are to be signed by two authorised persons;

All cheques or other instructions to the bank – including instructions made on-line (*eg*: for BACS payments) – must be authorised by the Board of Trustees unless the purpose for which the payment is being made has already been approved by the Board. The authorisation of the payment can be made by written resolution, including by e-mail where appropriate (*ie*: the authorisation does NOT necessarily require the convening of a Board meeting).

The Treasurer may authorise the payment of a grant or other expenditure already authorised by the Board to be made by him/herself or another Trustee personally using Worldremit or other similar

body, but only where absolutely necessary and payment to a bank account is not reasonably possible. The person making that payment may then be reimbursed by the Charity provided that (s)he should not be one of the persons initiating or authorising reimbursement and the transaction is reported to the Board prior to reimbursement taking place.

Cash Policy and Procedure:

Purpose:

To ensure all cash is properly handled including storage, payments and record keeping.

To establish accountability for the proper handling of cash.

Policy:

The Charity will avoid the use of cash wherever possible

All cash must be kept in a secure place.

All cash received shall be paid into the bank as soon as reasonably possible

Accounting and Audit Procedure:

Purpose:

To ensure that the Charity meets the statutory accounting requirements of the Charities Commission

To provide accurate and useful data for the Board and staff.

Procedure:

The Charity's accounts will be managed electronically using appropriate software approved by The Board and the Charity's Auditor/Examiner;

The Trustees shall adopt and amend where appropriate a sum of cash to keep as a reserve;

The Board of Trustees appoints the Auditor/Examiner at the AGM, or at other times when circumstances require;

The Treasurer, in conjunction with the Finance Officer where appropriate, will ensure that all financial records, supporting documentation and reconciliations are accurately maintained, up to date and easily retrievable for analysis and examination purposes;

The Treasurer will prepare timely and accurate year-end accounts in the appropriate format with the required supporting working papers and relevant reconciliations.

The Treasurer will meet with the Auditor/Examiner to ensure that audit/examination queries are resolved and that accounts are completed and signed within six months of the year end.

The Treasurer will ensure that the audited/examined accounts are filed with:

the Charity Commission within 10 months of the year-end.

Grant Management and Expenditure:

The Board shall agree, in principle, the total grants budget and apportionment for the year, based on the residue of General Fund at 30th June each year.

Dioceses and Provincial Departments shall apply for Project Grants, annually or otherwise as the Board shall decide.

Applications will include narrative information on the nature of the project; the need, purpose and explanation of who will benefit as appropriate; and financial information or budget for the project. If the CCA grant will not be sufficient to complete the Project, the application should include an explanation of how the shortfall will be met.

Grants shall be approved by 2 Trustees.

Reports with both narrative and financial information will be required from recipients. No further grant shall be made unless such a report has been received.

The Treasurer shall inform recipients when funds are transferred; and recipients shall acknowledge receipt.

Large grants and restricted funds:

On occasion, CCA is able to make grants which fall outside the normal pattern of Project grants made from General Funds. This may happen, for instance, on receipt of a legacy, or particular fund-raising event. The same general principles for application and reporting shall apply, no matter what the size of the grant, **so long as it is over £100**.

A significant number of donors give for specific purposes, often in response to particular requests from DRC. Reporting on these Restricted Funds is required where they are to be spent on a particular purpose **and where the amount involved is more than £100**; and copies sent to the donor.

Where the Restricted Fund is in support of an institution or diocese, for use in their General Funds, acknowledgement of receipt is sufficient.