

Finance

Central Baptist Church Invercargill Finance Policy

Date approved: March 2021

Review date: March 2024

Rationale :

To ensure the wise and ethical handling of the financial resources of ICBC. The overriding principle is that financial matters are to be managed prudently and responsibly, and with full public disclosure.

Policy:

1) Oversight Responsibilities

- a) The Elders are ultimately responsible for the financial health of ICBC.
- b) The Elders will delegate financial planning and oversight to the Financial Administrator and Lead Pastor.
- c) The Elders may direct the Support Ministry Team Leader and Lead Pastor about financial priorities in relation to budget setting.
- d) The Elders may request financial advice from suitably qualified persons or form a financial advisory group which reports directly to the Elders.
- e) The Elders will review this Finance Policy at least every three years.

2) Reporting

- a) The Financial Administrator will provide monthly reports, with explanations on variance from the budget, to the Elders.
- b) The Elders via the Lead Pastor will report to the church at least three-monthly on the financial situation of the church.
- c) A financial report for the year to date will be presented to the church at the Annual General Meeting.
- d) Reviewed annual accounts will be independently prepared and then made available to church partners on request.

3) Budget Preparation

- a) An annual budget will be prepared consistent with the Church mission and Strategic Plan.
- b) The Church will create financial budgets that are realistic, include all relevant and anticipated revenue, expenditure, capital items and cash flows.

- c) The budget will be presented for final approval by the Church partners at the Annual General Meeting of the church.

4) Expenditure

- a) Ministry leaders will only spend what is their allocated ministry area budgeted amount.
- b) Ministry leaders may re-allocate expenditure within their budgets as needed.
- c) All expenditure must be approved by the appropriate ministry leader.
- d) Authorisation of payments must be by two people. Those with such authorisation will not exceed six, and will include the Support Team Leader, but will not include the Lead Pastor. Elders must approve those authorised to make payments.

5) Funding

- a) The Church, and any associated trusts or ministries, may not apply for or accept funding from the proceeds of gambling or the sale of alcohol.
- b) Any funding applications from sources outside the budget must be pre-approved by the Lead Pastor.

6) Contracts and Financial Liabilities

- a) No contract or any potential financial liability may be entered into by any person on behalf of the church, except with the approval of the Lead Pastor in consultation with the Elders.
- b) Any borrowing of funds which has not been approved in the Annual Budget must be approved by the church partners at a church meeting before committing to the borrowing.

7) Reserves and Investment

- a) Subject to annual review, reserves should have end-of-year minimum balances as follows:
 - i) General reserves: \$15,000.
 - ii) Immediately available money (savings/on call): \$20,000.
- b) Excess funds may be invested. Any investment should be of low risk and structured to ensure funds are available to meet ICBC's needs.
- c) Investments will be made with the church's bank and/or Christian Savings. Investment in any other institution must be approved by the Elders.

8) Offerings

- a) Money from offerings must be counted and recorded on site by two people (who are not related by marriage or business and are approved by the ministry leadership team) and held on-site until banked.

9) Purchase of Capital Items

- a) **Purpose:** To have a planned approach and transparent process for purchasing capital items; which is defined as:
 - i) Any single item to the value of \$500.00 or more.
 - ii) Any bulk purchase of multiple items that totals \$500.00 or more, even though the individual item is of a lesser value.
- b) A long-term capital items purchase plan will be maintained and updated annually by the Support Ministry Leader, in consultation with the Ministry Leaders, and any relevant team(s); e.g. IT team, sound team, building team.
- c) Expected capital purchases for the upcoming year will be shown in the budget.
- d) A capital replacement account will be maintained; and added to each year according to the budget.
- e) All capital purchases will come from this account.
- f) When capital items need to be purchased;
 - (1) The Support Team Leader must submit a Request to Purchase Form to the Lead Pastor
 - (2) The Request to Purchase Form should include two or three recent quotes, and if applicable, a recommendation summary (which may include contrary views) from the relevant team.
- g) The Request to Purchase Form must be approved by the Lead Pastor.
- h) The Lead Pastor must seek approval from elders prior to purchase of any unexpected capital expenditure over \$4000.

10) Use of Church Corporate Credit Cards

- a) The corporate credit cards must only be used for Church-related business expenditure and charges must only be incurred where the card-holder has an appropriate and available budget provision for the expenditure. All expenditure must fall within the requirements of current

ICBC Financial policy. The cards are not to be used for any item of personal expenditure.

- b)** The cards are not to be used for cash advance withdrawals. This option is disabled on the ICBC corporate credit card.
- c)** The card-holder is responsible for the use of the card.
- d)** Each month, within 1 week of receipt of the credit card statement, the card-holder is to account for all expenditure on their credit card statement. A narration is required for each item together with clear detail of what budget category the expenditure is to be coded to. The credit card statement is to be signed off by the card-holder below a statement confirming that *“All items are valid Ministry related expenditure and authorised for payment”*.
- e)** A GST tax invoice is expected to be obtained in support of all credit card expenditure. The invoices must be forwarded to the church office together with the signed off credit card statement on which the charge appears.
- f)** The credit card is to be returned to the Church at the time that employment with the Church ceases, or at any other time on request of the Support Team Leader and/or Lead Pastor.
- g)** Church corporate credit cards can be issued to staff, at the discretion of the Lead Pastor and Support Ministry Leader. The staff member must sign the policy form for credit cards and adhere to the policies.
- h)** All of the Church’s corporate credit cards have a maximum \$1500 credit limit with the exception of Lead and Support ministries where the credit limit is \$2000.