

Financial Approval Policy

This document describes the financial approval policy for Northchurch Baptist Church (NBC) through the lifecycle of purchasing through invoicing to payment

What is approval?

If you are approving an invoice or expenses claim or other transaction you (or the committee of which you are a part) are asserting that:

- the cost is one that the NBC can legally pay (it is in accordance with our policies and our vision)
- the records are in order to enable the treasurer and coordinator to record the transaction appropriately
- you are permitted by this policy to approve it
- private benefit has been considered
- the claim is for the correct thing (e.g. for expenses are there other things on the receipt/discounts applied that have been ignored; the total payment is equal to the items listed; also considered here is whether amounts quoted include or exclude VAT and delivery)
- the expenditure is genuine. Ask yourself
 - Have the goods been received
 - Has an error been made on how the payments should be made
 - Might the invoice or just the payment details be fraudulent

Budgetary Authority

Individual budget holders have responsibility for ensuring that any charges to their budgets are appropriate. This presupposes that they have been informed or asked for authority before any purchase is set in train. Any purchase, however small, should receive the same consideration – is it necessary, appropriate and proportionate? Does it fit with NBC’s Strategic Aims? This means that any significant expenditure should have an accompanying rationale or business case. Sizable purchases by a charity must be seen to be fair and prudent. It is expected by the charity commission that three quotes will be obtained for the same specification before a purchase is made.

The following are the limits set for approval of expenditure by budget holders:

Up to £250	Individual budget holder can approve on their own authority subject to budgetary constraints ie are there available funds?
£250 - £1000	Budget holder should obtain approval from the Treasurer or the Operations Manager subject to budgetary constraints ie are there available funds?
Greater than £1000	Budget holder should obtain approval from the Treasurer and the Operations Manager who will contact the Leadership if they deem it appropriate to do so
Greater than £5,000	Leaders will seek approval from members at the next available Members’ Meeting

Non-budget holders

Prior approval is not required if the individual is purchasing an item within their approval limit, e.g. £50 for employed staff. This applies to both expenditure that is invoiced to NBC or claimed back through an expense claim. If an individual wishes to make a purchase above their limit, prior approval must be obtained from an individual with sufficient approval authority.

Approval levels

Volunteers (including ministry trainees or interns)

- Have no standing approval authority unless otherwise appointed by Leaders or the Finance Team

Delegated Authority

Leaders may grant an individual or sub-committee authority for a particular budget/project as they see fit, eg Buildings Development Feasibility Study. They may not grant general self-approval other than by updating this policy. This is a formal action and must be minuted.

Fellowship fund

The fellowship fund operates under delegated authority. Gifts or expenditure over £100 need to be authorised by two leaders.

Self-Funding Events

Requests for pre-funding for these types of events should be accompanied by a proposal for anticipated costs. This proposal should include details of any potential risks of a shortfall and with estimated costs. Any request for pre-funding should, where possible, be within the same financial year as the event itself. All requestors should, as far as they are able, seek to minimise any deficit which NBC might need to cover.

Treasurer/Finance team

The Finance Team do not normally approve transactions in the context of this policy – but do not be surprised if they ask further questions when asked to sign a cheque, make the actual payment or handle the accounting. This is a necessary part of ensuring comprehensive accountability in the money being spent for and on behalf of NBC Members.

Volunteers

Volunteers can only receive reimbursement of money spent on church items, e.g. food, visual aids, etc. If in doubt, please talk to the Treasurer or Operations Manager.

Approval Process for online payments

1. Administrator receives payment request, checks that the payment is within any budget restrictions and keys in payment details on Bankline (including requesting bank details for new payees);
2. Administrator notifies the selected authoriser that they have keyed in the payment and provides the relevant paperwork for them to review (it would also be useful to include the deadline for carrying out the authorisation to avoid having to rekey in the details);

3. Authoriser reviews paperwork and if the online details are consistent and no budget issues then payment is authorised. If changes required Administrator notified to amend the keyed in payment;
4. Payment details saved on Dropbox (new online payment folder) including reference details;
5. Hardcopy of any paperwork provided to Treasurer together with the payment reference, date paid and expense code noted on the front page.

DOCUMENT CONTROL

DOCUMENT OWNER

Role	Name	Title	Email
Author	Anna FitzPatrick	Operations Manager	Anna.FitzPatrick@northchurch.com
Reviewer 1	Alison Leonard-Morgan	Treasurer	
Reviewer 2	Peter Janes	Trustee	
Owner (Individual or Committee)	Finance Team	Finance Team	

REVISION HISTORY

The document owner or delegate reviews this procedure at least annually and approves changes in accordance with NBC policies, Baptist Union guidelines and Advisory documents provided by the Charity Commission.

Date	Version	Author	Details (include significant changes)
Oct 2019	Draft	Anna FitzPatrick	Draft
Nov 2019	Final	Anna FitzPatrick	Initial publication
Dec 2019	Final v1.1	Anna FitzPatrick	Upper limit of £5,000 – Leaders to seek approval from members.