



# PILGRIM UNITING CHURCH

*We are called by God to be a prophetic witness in the city of Adelaide so that  
new life and vitality will be generated in our city and its people.  
We celebrate in our unity and diversity, our shared beliefs and past experiences,  
and value worship, teaching, creativity and justice.*

## Finance Policy and Procedure Manual

### Table of Contents

|   |    |
|---|----|
| Finance Policy and Procedure Manual.....            | 1  |
| Introduction .....                                  | 2  |
| Finance Authorisation Policy (FIN-01).....          | 3  |
| Policy .....  | 3  |
| Procedures.....                                     | 3  |
| Petty Cash Policy (FIN-02).....                     | 4  |
| Policy .....  | 4  |
| Procedures.....                                     | 4  |
| Reimbursement Policy (FIN-03).....                  | 5  |
| Policy .....  | 5  |
| Procedures.....                                     | 5  |
| Bank Account / Investment Policy (FIN-04).....      | 7  |
| Policy .....  | 7  |
| Procedures.....                                     | 7  |
| Purchasing Policy (FIN-05) .....                    | 10 |
| Policy .....  | 10 |
| Procedures.....                                     | 10 |
| Use of Operational Debit Card Policy (FIN-06) ..... | 12 |
| Policy .....  | 12 |
| Procedures.....                                     | 12 |
| Electronic Transactions Policy (FIN-07) .....       | 13 |
| Policy .....  | 13 |
| Procedures.....                                     | 13 |

## Introduction

The Pilgrim Uniting Church *Financial Policy and Procedure Manual* provides the policies and procedures for finance transactions which must be followed by all staff and volunteers. It also provides guidelines Pilgrim Uniting Church will use to administer these policies, with the procedures to follow.

Pilgrim Uniting Church will keep all financial policies current and relevant. From time to time it will be necessary to modify and amend some sections of the policies and procedures, or to add new procedures.

Any suggestions, recommendations or feedback on the policies and procedures in this manual are welcome.

These policies and procedures apply to all employees and volunteers.

## Responsibilities

1. Pilgrim Church Council is accountable for the management of all Church finances but has delegated some responsibilities to specific committees and/or individuals.
2. Operations Committee provides oversight and guides development of the operations in relation to financial issues.
3. The Treasurer is responsible for advising all committees and/or individuals with interests in specific account lines how much they have been allocated in the Budget, who their Account Line Manager is and how they can access the allocated funds.
4. The Business Manager is responsible for ensuring that committees and/or individuals with interests in specific account lines are provided with information about the status of their individual budgets on request.
5. The Business Manager is also responsible for monitoring compliance with all financial policies and the associated procedures.

### Note:

In relation to financial matters, the term 'committee' applies to any group recognised by the Church Council, whether it be a formal committee, a task group or a special interest group that has been allocated funds in the Budget. The convenor of any committee is deemed to be the Account Line Manager for authorising expenditure from that account line.

Policies Approved 14 February 2018

Procedures Approved 6 February 2018

**Policies and Procedures reviewed/edited January 2020**

**Changes Approved 12 February 2020**

**Changes Approved 11 February 2020**

Chair, Church Council

Chair, Operations Committee

To be reviewed: February 2022

## **Finance Authorisation Policy (FIN-01)**

Policy Date: February 2020

### **POLICY**

All finance transactions as noted in this policy are to be authorised by the noted authorised person prior to the transaction being undertaken.

This policy is to be read in conjunction with other specific finance policies where relevant.

### **PROCEDURES**

Those with interests in any account line work through the Account Line Manager for the relevant account line(s). The Account Line Manager is the person who authorises any expenditure and negotiates with the Business Manager to ensure that there is appropriate documentation for all expenditure from that account line.

Verbal authorisation from the Account Line Manager can be given for organising small purchases (up to \$100).

No authority is required for recurring expenditure included in the Budget (e.g. stipends, wages, utilities, insurance and minor maintenance).

Any proposed expenditure that is not covered by an account line in the Budget must first be approved by Church Council on the basis of need and appropriateness. The Business Manager will then determine the most appropriate account line(s) and/or Reserves to draw on to accommodate this expenditure and the timing of such expenditure. The Business Manager may prepare a business case to help Church Council assess the project.

### **Other Relevant Policies**

Petty Cash Policy (FIN-02)

Reimbursement Policy (FIN-03)

Purchasing Policy (FIN-05)

Use of Operational Debit Card Policy (FIN-06)

Electronic Transactions Policy (FIN-07)

## **Petty Cash Policy (FIN-02)**

Policy Date: February 2020

### **POLICY**

Petty Cash should be used to pay for small one-off operational expenses up to \$100 to cover expenses for which it is not feasible, or for which it is unreasonably inconvenient, to use normal purchasing methods.

The approved Petty Cash limit should not be evaded through splitting items into smaller amounts.

### **PROCEDURES**

#### **Issuing Petty Cash**

Petty cash vouchers must be completed before any cash is taken from the Petty Cash float.

A maximum of \$100 can be disbursed at any one time.

All Petty Cash vouchers issued must be approved by the Office Administrator or Business Manager.

All payments or reimbursements from Petty Cash require supporting documentation such as receipts, tax invoices, etc., and the documentation relating to each item must be sufficient to clearly establish the nature of the expenditure.

All completed vouchers must have the following details included:

- Issue date of voucher
- Name of person for whom the voucher is issued
- Amount of monies disbursed
- Details of expense
- Invoice or receipt

#### **Reconciling Petty Cash**

The Office Administrator will reconcile the Petty Cash float at least monthly.

All petty cash expenditure must be entered into the financial system once the petty cash has been reconciled.

The balance of monies and vouchers must equal the petty cash float amount before reimbursement can be made.

Reimbursement of petty cash will be authorised by the Business Manager.

## Reimbursement Policy (FIN-03)

Policy Date: February 2020

### POLICY

This policy provides guidelines for reimbursement for the purchase of goods, services, equipment and assets for the ministry and mission of Pilgrim.

Expenses incurred by staff and volunteers in the course of Pilgrim business will be reimbursed so long as such expenses are reasonable and authorised.

Reimbursement of reasonable but unauthorised expenses may be made on an *ex gratia* basis at the discretion of the Business Manager in exceptional circumstances only.

Where items to be purchased are less than \$100, then the Petty Cash Policy can be used.

### PROCEDURES

#### Prohibited Reimbursements

In general, Pilgrim will not reimburse staff or volunteers for:

- Unauthorised expenses
- Expenses claimed by an employee as a tax deduction
- Expenses normally recoverable from a third party
- Claims for purchases that are required to be made under a Pilgrim purchase order
- Expenses that are not incurred for business purposes
- Parking, traffic or other fines and penalties

#### Travel Expenses

Ministers in placement will be reimbursed for travel at the rate(s) specified by the UCA Synod of SA each year.

Other employees or volunteers using their own vehicle for work-related travel will be reimbursed by way of an all-inclusive mileage allowance, as shall be determined from time to time.

#### Provision of Hospitality

Employees and volunteers will be reimbursed for hospitality expenses incurred in the course of Pilgrim business, as appropriate.

Appropriate hospitality charges include events hosted or sponsored for the purpose of promoting Pilgrim's ministry and mission or enhancing its image, and include meals that are related to the transaction of Pilgrim business.

#### Reimbursement Claims

Staff and volunteers incurring authorised expenditure must receive, retain and produce receipts, tax invoices or other evidence of such expenditure and have their claims authorised by the appropriate Account Line Manager.

All reimbursement must be authorised within the following guidelines:

| Items Purchased                  | Persons Authorised   | Alternative Authorisation                                  |
|----------------------------------|----------------------|--|
| Operational Stock                | Office Administrator | Treasurer<br>Business Manager                              |
| Spare parts,<br>components, etc. | Office Administrator | Caretaker<br>Business Manager<br>Chair, Property Committee |
| Equipment                        | Business Manager     | Treasurer<br>Chair, Property Committee                     |
| Assets                           | Business Manager     | Treasurer<br>Chair, Property Committee                     |

#### Other Relevant Policies

Petty Cash Policy (FIN-02)

Purchasing Policy (FIN-05)

## Bank Account / Investment Policy (FIN-04)

Policy Date: February 2020

### POLICY

This policy sets out the requirements for use of bank accounts, including opening, closing authorisation, variations to terms and conditions, reconciliation of bank accounts and bank account transactions.

It also provides guidelines for the management of the cash assets not required for current operating expenses so as to maximise the earnings of such assets while retaining security and minimising risks.

Pilgrim's investment plan will conform to the following principles:

- Priorities set in the Ministry and Mission Strategic Plan are adhered to.
- Investments are made with low to medium risk ventures; that is, investments that provide for security of capital over the medium to long term.
- Pilgrim will only invest with reputable, established, proven, financial institutions.
- Pilgrim will adhere to the Ethical Investment Policy of the Uniting Church SA which adopts a 'negative filter' and excludes investments in companies which have substantial interests in the production of armaments, gambling, tobacco, alcohol, uranium and pornography or have unacceptable environmental, social or governance practices. This includes excluding companies which extract coal for the production of energy.
- Pilgrim aspires to adopting a 'positive filter' by investing in companies that have a positive social and environmental impact.

### PROCEDURES

#### Bank Account Authorisations

For monies withdrawn from any bank account, whether by cheque, EFT or other online payment method, there must be **TWO** persons independently authorising each payment.

The authorised persons for bank account payments are:

Business Manager (Rebecca Foster)

Office Administrator (Julie Bradley)

Treasurer (Di Russell)

Chair, Operations Committee / Church Council (Susan Miller)

Cynthia Randell (Church Council Member)

Each payment made must be supported by invoice, receipt or other appropriate documentation.

The transfer of monies from one Pilgrim account to another (e.g. UC Invest to Westpac; Westpac to Westpac) is managed by the Business Manager.

### **Opening Bank Accounts and Variations to Bank Account Terms and Conditions**

Any new bank accounts to be opened for Pilgrim Uniting Church must have the authorisation of the Treasurer.

Any other variations to banking arrangements can be made or varied by the Business Manager.

The Business Manager is responsible for updating the financial system and/or bank account register with the new information.

### **Closing Bank Accounts**

Where it is decided that a bank account is no longer necessary, the Business Manager will authorise the closure of the bank account.

The Business Manager will then be required to complete the following:

- ensure all transactions with respect to the account (including cheques drawn) have been completed;
- lodge with the bank a letter, signed by **TWO** authorised signatories advising of the closure of the account;
- meet the bank's requirements with respect to account closure; and
- update the financial system and bank account register.

### **Bank Account Transactions**

All deposits received must be banked within five working days unless public holidays make this impractical.

Undocumented direct deposits will be investigated fully by the Business Manager, by month end or as part of the month end processes, to determine the source of the deposit. Where the source cannot be identified, the deposit will be allocated to miscellaneous income.

Cheques outstanding for more than twelve months, in line with bank policy, will be reallocated back to Pilgrim Uniting Church through the financial system

Where a payment stop on a cheque is required, this will be authorised by the Business Manager who will be responsible for carrying out the following duties in regards to payment stop on a cheque:

- ensuring the cheque has not already been presented at the bank;
- getting authorisation to action the stop payment using appropriate forms from the bank;
- ensuring the bank receives notification of the stop payment notice;
- receiving confirmation of action from the bank of the stop payment; and
- ensuring the details of the stop payment are recorded appropriately.



## **Investments**

All interest and other earnings from investments are to be deposited into the related Pilgrim operating account (i.e. UC Invest interest to the UC Invest operating account and Westpac interest to the Westpac operating account) and thus become part of the annual operating budget.

Where the investment is in shares rather than term deposits in financial institutions, Pilgrim will retain an independent investment consultant to provide advice about investment opportunities and maintain a portfolio of investments. To facilitate this, the assets set aside for this purpose may be managed by the Pilgrim Foundation Inc.

Pilgrim's Business Manager will meet biannually with the investment consultant employed by the Pilgrim Foundation Inc. to discuss the performance of the investment portfolio managed by the Pilgrim Foundation on behalf of Pilgrim Uniting Church. The Business Manager will report to the Operations Committee and the Church Council.

The Business Manager will receive information about and keep track of the progress of all investments, and report on the progress of the investments to Operations Committee and the Church Council as part of the regular reporting cycle.

The Investment Plan will be reviewed as required, in line with cash requirements, but at least every 6 months as part of the strategic planning for the Business Plan developed by the Operations Committee and Pilgrim's Strategic Plan.

## Purchasing Policy (FIN-05)

Policy Date: February 2020

### POLICY

This policy provides guidelines for the purchase of goods, services, equipment and assets for the ministry and mission of Pilgrim.

This policy must be used for all purchases over \$100.

Where items to be purchased are less than \$100, then the petty cash policy can be used.

### PROCEDURES

#### Request for Purchases

For items or services over the value of \$5,000 three quotations must be obtained.

Once the purchase has been approved, the Business Manager needs to be consulted to ensure management of cash flow. The Office Administrator can then organise an official Purchase Order (if required) for the item(s) to be purchased or the work to be done.

All purchases must be authorised within the following guidelines:

| Items Purchased                  | Persons Authorised   | Alternative Authorisation                                  |
|----------------------------------|----------------------|--|
| Operational Stock                | Office Administrator | Treasurer<br>Business Manager                              |
| Spare parts,<br>components, etc. | Office Administrator | Caretaker<br>Business Manager<br>Chair, Property Committee |
| Equipment                        | Business Manager     | Treasurer<br>Chair, Property Committee                     |
| Assets                           | Business Manager     | Treasurer<br>Chair, Property Committee                     |
| Unbudgeted items or<br>projects  | Church Council       |  |

The Office Administrator will check receipt of purchases against the purchase order when received and, in consultation with the Business Manager, will organise payment.

### **Equipment Asset Purchases**

The Business Manager ensures all equipment and asset purchases are entered into a recording system with the following details included:

- Date of purchase
- Supplier
- Make, model, serial number
- Warranty/guarantee information
- Where item(s) located

### **Other Relevant Policies**

Petty Cash Policy (FIN-02)

Use of Operational Debit Card Policy (FIN-06)

## **Use of Operational Debit Card Policy (FIN-06)**

Policy Date: February 2020

### **POLICY**

This policy provides guidelines for the issue and use of operational debit cards. The former policy was entitled *Financial Transactions Cards Policy*.

### **PROCEDURES**

An employee will only be issued a debit card once the Debit Card Authorisation Form has been completed.

The operational debit card can only be used for small value purchases (expenses or equipment) up to the value of \$500 after determining that there are sufficient funds on the card for the intended purchase unless otherwise approved by the Business Manager.

Where an operational debit card is lost or stolen, then the owner of this card is to notify the Office Administrator who is responsible for notifying the issuing agency and ensuring the card is cancelled.

The operational debit card is not to be used for personal expenses.

All operational debit cards are to be returned when requested by the Business Manager or where they are no longer an employee of Pilgrim.

### **Other Relevant Policies**

Purchasing Policy (FIN-05)

## Electronic Transactions Policy (FIN-07)

Policy Date: February 2020

### POLICY

This policy provides guidelines for all electronic financial transactions undertaken on behalf of Pilgrim.

The objective of this policy is to ensure that use of electronic funds transfers and receipts are started, carried out, and approved in a secure manner.

It is the policy of Pilgrim Uniting Church that all payments and receipts should be made by EFT where appropriate.

### PROCEDURES

#### Electronic Funds Transfer (EFT)

All EFT payments must have **TWO** persons independently authorising each payment and be appropriately recorded (i.e. entered into MYOB).

All EFT receipts must be reconciled to the correct account lines by month end or as part of month end processes. Undocumented EFT receipts will be investigated fully by the Business Manager, by month end or as part of the month end processes, to determine the source of the deposit. Where the source cannot be identified, the deposit will be allocated to miscellaneous income.

#### Electronic Purchases

All electronic purchases by any authorised employee must adhere to the Purchasing Policy (FIN-05) in this manual.

Where an electronic purchase is being considered, the person authorising this transaction must ensure that the internet sales site is secure and safe and be able to demonstrate that this has been reviewed.

All electronic purchases undertaken using Pilgrim's debit cards must adhere to the Use of Operational Debit Card Policy (FIN-06) in this manual.

#### Other Relevant Policies

Information Technology Security Policy (yet to be developed)

All other finance policies (FIN-01 to FIN-06) in this manual

Donations Policy (FIN-08)

