

# Financial Controls Policy



Adoption Date	22 May 2014
This Review	13 April 2017
Next Review	April 2020
Revision Number	2

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## 1 REVIEW POLICY

This policy shall be reviewed every three years.

## 2 PURPOSE

This policy document sets out procedures and policies to ensure that the parish's receipts and payments are properly processed and recorded so as to ensure that its financial affairs are properly administered, and seen to be properly administered.

## 3 CONTENT

### 3.1 Offertories

- 3.1.1 When the offertory is collected via collection bags during church, the sides-persons shall either place the offertory straight into a secure bag as per 3.1.2 or place it in a visible place at the front of the church immediately after the collection (during the service) and then straight after the service ends, place the offertory into a secure bag as per 3.1.2.
- 3.1.2 A secure bag and supply of tags shall be provided for the offertory at every service. A minimum of two unrelated persons shall, as per 3.1.1, take charge of the offertory, place it in the secure bag, record the tag number on the slip of paper, sign and counter-sign the slip (recording details of the service including attendance numbers) and seal the offertory money with the slip in the bag using the numbered tag.
- 3.1.3 A person nominated by the Wardens shall take the sealed bag and see it placed into the safe at the Factory after each service.
- 3.1.4 The money counting team of at least three unrelated people is to be comprised of people approved by the wardens. It shall work on a roster basis with the combination of people changing each week. Count-sheets shall be retained and made available to the auditor.
- 3.1.5 Neither ministry staff nor Treasurer are permitted to count or have custody of the offertory (unless transporting it to the Factory it in a sealed secure bag). The Treasurer shall not count the offertory, or have custody of it prior to counting. This is because it is preferable that the same person not be responsible for dealing with both the physical receipt of cash and the subsequent recording and reporting of it. Ministry staff shall not be involved with the handling of money to avoid any suggestion that they are administering the church finances for their own personal benefit.
- 3.1.6 The total offertory and attendance numbers for each service shall be entered in the service register and one of the persons completing the count sheet shall sign the register.
- 3.1.7 The offertories shall be held in the safe at the Factory until they are banked without deductions for expenses.
- 3.1.8 All offertories shall be banked promptly by two people approved by the wardens, at least one of whom was not involved in the counting of the offertories.

### 3.2 Other Receipts

- 3.2.1 All other money received other than by electronic bank transfer shall be receipted and banked promptly without deduction for expenses.

### 3.3 Expenditure Approval

- 3.3.1 The Parish Wardens must approve all expenditure including committing the Parish to expenditure (refer Attachment A).
- 3.3.2 The Parish Wardens will give standing approval to the following expenditure items:
- Items contained the Schedule of Approved Expenditure Items maintained by the Parish Wardens readily available to all who would rely on it (e.g. staff, Parish Councillors, the Auditor, etc).
  - Budgeted items under \$250 at the discretion of a staff member to whom the Parish Wardens, in writing, have explicitly given such discretionary authority and a notation of that discretion authority added to the Schedule of Approved Expenditure
  - Expenditure associated with specific ministry events sanctioned by the Senior Minister where the expenditure will be completely recouped through receipts in the course of that event
- 3.3.3 No accounts are to be set up with vendors without the Parish Wardens' specific approval
- 3.3.4 For items that are not covered by the standing approval, or other prior approval by the Wardens as in the case of a project, an email shall be sent to the required Parish Wardens (see 3.3.5) stating why the expenditure is required and requesting approval of the proposed expenditure. To facilitate payment should the proposed expenditure be approved this email should also contain as many of the details outlined in 3.4.2 as possible.
- 3.3.5 For expenditure under \$3,000, expenditure and commitment approval can be given by one Parish Warden. For

expenditure exceeding \$3,000 but less than \$5,000, expenditure and commitment approval must be given by two Parish Wardens. All other expenditure and commitments exceeding \$5,000 must be submitted to Parish Council for approval.

- 3.3.6 A copy of all emails requesting expenditure and commitment approval and subsequent Warden(s) approval must be attached to the payment voucher together with the relevant invoice.
- 3.3.7 If requests, approvals and invoices are also kept electronically they must be kept as PDF files in an appropriate location as specified by the Parish's electronic filing protocols and standards.
- 3.3.8 For all expenditure that exceeds \$1,000, at least two quotes must be obtained prior to seeking Warden/Parish Council approval and these must be referred to in the email requesting approval of the expenditure and attached (as a PDF file) if provided written form.

### **3.4 Payments**

- 3.4.1 Bank accounts must only be opened and signatories added and changed with the authority of Parish Council. Arrangements with banks and other financial institutions shall require 2 signatories for all transactions. Parish Council approves the following persons as cheque signatories:

- The Parish Wardens
- The Treasurer

The people appointed as signatories for payments shall be unrelated persons, and typically are the Parish Wardens and Treasurer.

- 3.4.2 When a payment has been set up (as Electronic Funds Transfer or cheque) an email will be sent to the cheque signatories, or those authorised to make transactions on the church's behalf via internet banking, requesting approval of the transaction.

This email must include:

- a copy of the previous email (with documentation) giving approval for the expenditure
- The relevant payee details for making the payment (e.g. payee name, BSB, account number, reference, etc).
- If payment is requested to be by cheque, why that is necessary given payment by EFT is preferred.
- In the case of payment for goods and services –
  - The relevant invoice or supporting documentation must be attached
  - assurance must be given that
    - the goods/services are as ordered/required
    - were received, and
    - the amount shown is the correct amount to be paid
  - A description of what the goods/services are for must be given, including the applicable budget line where known.
- In the case of payroll payments –
  - Assurance must be given that
    - payments are based on appointments made by the Senior Minister and Wardens at pay rates approved by the Parish Council,
    - payments are supported by records of hours worked, leave taken, etc, where appropriate, and
    - payments have resulted in appropriate PAYG payments.

- 3.4.3 Before effecting a payment via Electronic Funds Transfer or cheque, both signatories shall review the supporting documentation and ensure that there is evidence of prior authorisation for the payment.
- 3.4.4 When the payment is effected, the cheque number or other reference number for the transaction shall be included in an email to the Parish Bookkeeper giving notification that the payment has been effected.
- 3.4.5 As cheques are written they shall be crossed "not negotiable" (if not pre-printed). Blank cheques shall not be signed. Cancelled cheques shall be mutilated to prevent re-use and made available for inspection by the auditor.
- 3.4.6 Petty cash payments shall only be made from a cash float maintained on the imprest system (a signed voucher for every payment and the total of the vouchers and cash on hand must always equal the imprest amount). Reimbursements of petty cash shall be made against an itemised list of payments supported by signed vouchers.
- 3.4.7 The Parish Wardens may authorise church debit cards for easier purchase of low cost items or online purchases where necessary. Such debit cards may be held by the Facilities Manager and/or Administrative Assistant(s) and only used personally by those named on the cards. PINs for church debit cards must be kept secret by the holders. Church debit cards may only be used to purchase items that have standing approval from the Parish Wardens (see 3.3.2). Receipts for all debit card transactions must be forwarded promptly to the Parish Bookkeeper for monthly reconciliation.

### **3.5 Internet Banking**

- 3.5.1 Parish Council authorises internet banking access with Commonwealth Bank of Australia. The following persons are authorised to have access to internet banking and to make transactions:

- The Treasurer
- The Parish Wardens

- The Parish bookkeeper (to access accounts, set up transactions, but not approve transactions)

Commonly those authorised to approve Electronic Funds Transfers will be the same as the cheque signatories.

3.5.2 All transactions require the authorisation of two persons. Authorised users undertake not to divulge their password to other persons, and to change their password periodically.

### 3.6 Keeping Books of Account

3.6.1 Parish Council has determined that its financial records will be maintained using MYOB. Day to day transactions will be entered into the system by the Parish Bookkeeper and then reconciled on a monthly basis.

3.6.2 Every month the Treasurer will present to the Parish Wardens for review the following:

- Profit and Loss account for the month and year to date with comparisons to last year and budget
- Balance sheet
- Bank reconciliation and copy of month end bank statement
- A listing of bank receipts and payments for the month

3.6.3 Every month the Treasurer will present to the Parish Council for review the following:

- Profit and Loss account for the month and year to date with comparisons to last year and budget

### 3.7 Business Activity Statements (BAS)

3.7.1 The Treasurer will prepare and lodge the BAS for the Parish by the due date and is authorised to pay any amount due to the Australian Taxation Office. The BAS and supporting documentation may be submitted to the Parish Wardens for review when completed although this is not to impact lodgement by the due date and payment of any amount due.

### 3.8 Other Statutory Lodgements

3.8.1 The Parish Wardens will ensure that all other statutory lodgements and payments including PAYG Withholding, Superannuation, Fringe Benefits Tax and Workers Compensation are lodged and remitted as required.

## 4 REVISION AND REVIEW HISTORY

Revision Number	Date	Changes/Comments
1	22 May 2014	Initial adoption
2	13 April 2017	Removal of names Incorporation of expenditure approval policy Establishment of electronic payment approval procedure to replace physical voucher procedure Small adjustment to procedure for offertory collection (allowing the option of not placing the offertory at the front of church during the service)

# Attachment A

