

Port Talbot Ministry Area

Finance Policy

This policy was adopted by the Ministry Area Council (MAC)

On 24/05/2022

Signed Tudy Knowles, **Lay Chair**

Definitions

Port Talbot Ministry Area (MA) is a rectorial benefice within the Diocese of Llandaff in the Church in Wales. It is a registered charity in England and Wales number 1130785

The Ministry Area Council (MAC) is the body of the trustees of the registered charity.

The Ministry Area Leader (MAL) is the priest in charge of the benefice.

Introduction

The MAC will work in line with the Constitution of the Church in Wales and the Charities Act 2011 as amended from time to time.

The Constitution provides that:

"All Ministry Area finances (except special trusts which otherwise provide, the incumbent's discretionary fund and in a Ministry Area annexed to a Cathedral property and accounts relating to the Dean and Chapter) shall be under the control of the Council." *Chapter IV: III (8(4))*

As a responsible body of trustees the MAC recognises that internal financial controls are essential checks and procedures that will help them to

- meet their legal duties to safeguard the charity's assets
- administer the charity's finances and assets in a way that identifies and manages risk; and
- ensure the quality of financial reporting by keeping adequate accounting records and preparing timely and relevant financial information.

Internal financial controls reduce, but do not eliminate, the risk of losses through theft and fraud, bad decisions, human error, breaches of controls, or other unforeseen circumstances but they do reduce the risk of those things happening.

Policy

In order to fulfil its obligation, the MAC will

- teach regularly about Christian discipleship and generous giving.
- hold all funds in the name of Port Talbot Ministry Area.
- appoint a Treasurer at the first meeting of the new MAC after the Annual Vestry.
- prepare an annual budget and make proper and realistic estimates for each area of church activity and explore the availability of grants to further the work of the MAC and authorise the Ministry Area Leader (MAL), vicars in the MA, or the MA Treasurer to apply for such grants in the name of the MAC
- carry out a review to determine the arrangements for raising the monies required.
- carry out a review of expected sources of income and the actual income received.
- provide at each MAC meeting details of the current financial position and performance in relation to the budget.
- set up a Finance Committee to scrutinise and oversee the financial work of the MA.
- communicate regularly to the congregations of each church an account of the state of the MA finances.
- prepare an Annual Report to include the Financial Statement required by law and publish such

accounts and Report as is required by The Constitution of the Church in Wales and the Charities Act 2011.

- appoint an appropriate person to inspect the annual accounts as required by the Charities Act 2011.
- authorise signatories for all bank accounts and investments, and persons to count, record and deposit income with the bank.
- allocate spending limits, to be reviewed annually:
- make regulations in respect of receiving, counting and banking of cash and cheques.
- ensure proper records are maintained.
- allocate donations, bequests and gifts in accordance with the wishes of the donor.
- have a Reserves Policy.
- agree a protocol for donations and bequests that are non-specific.
- attend training to assist them in their duties.

Income

- All income (and any associated tax refunds) with no specific purpose other than to benefit the charity will be allocated to the general fund that provides for the necessary expenditure to maintain the ministry and mission of the Church.
- Monies in respect of particular charitable collections or mission giving shall be held in a restricted fund for the purposes for which they were collected or donated.
- The Ministry Area will allocate donations, bequests and gifts in accordance with the wishes of the donor, where those wishes conform to the policies of the MAC. Where there is a conflict in the wishes of the donor and the policies of the MAC the donor will be advised of the conflict and a resolution sought. Where the donor feels unable to accept the policies of the MAC the gift will be refused and where necessary returned.

Reserves Policy

- The MAC will make every reasonable effort to maintain reserves that will cover basic costs of the expenditure of the charity together with staffing costs and possible redundancy payments for a period of three months.
- Money should only be kept in reserve for specific reasons. The Bible clearly indicates that we should not hoard, but it is also clear that sensible planning for known events and responsibility for others is important.
- The MAC accepts that the implementation of this Reserves Policy may not always be possible but will endeavour to be prudent and will always use wisely the finances at its disposal for the good of the Church in the Diocese (through prompt payment of the Share) and the Ministry Area

The Finance Committee

The MAL and MA Treasurer shall be ex-officio members of the finance committee. Five other trustees shall be appointed annually to the Finance Committee by the MAC.

The Finance Committee will:

- receive from the MA Treasurer detailed analysis of income and expenditure for all funds at its meetings.
- prepare the annual budget and make proper and realistic estimates for each area of church activity and carry out a review of expected sources of income and the actual income received.
- make recommendations in respect of funding necessary major building works that are identified by the architect or MAC itself.
- shall provide the MAC with the necessary financial information and guidance to enable the MAC to execute its responsibilities in regard to financial management of the MA's assets.
- circulate the draft minutes of the committee immediately after each meeting to the MAC Secretary for distribution to the MAC.

Church Treasurers

- The MAC may agree to delegate day to day oversight of church finances to a church committee

- who shall appoint a church treasurer.
- The church treasurer shall provide any and all financial information requested by the MAC, MAL, or MA Treasurer in a timely manner.
- The church committee shall understand that the ultimate responsibility for all finances of the MA remains with the MAC.

Financial Controls

Authorised spending limits

The controls for each spending limit are set out below, the cash value of each limit is set out in Appendix 1.

- **Basic limit**
The MAL, a vicar in the MA, or Lay Chair
- **Lower limit**
The MAL, a vicar in the MA, or Lay Chair and the MA Treasurer
- **Middle limit**
The agreement of at least four of the following officers:
The MAL, vicars in the MA, Lay Chair, MA Treasurer, MA Wardens
- **Upper limit**
The agreement of a majority of MAC

Bank Signatories

- All bank accounts which hold funds of the MA shall have at least two members of the MAC as signatories. In addition the MAC may allow others to be authorised as signatories such as a church treasurer.

Internet Banking

- The MAC may authorize such persons as it deems appropriate to use internet banking on behalf of the MA. The Secretary of the MAC shall maintain the list of such persons and the account(s) for which they have been authorized to use internet banking.

Online payments

- The MAC may authorize such persons as it deems appropriate to make online payments on behalf of the MA. Payments over the basic limit shall require two authorised signatories to agree to the payment prior to the payment being arranged. This may be via the bank dual authorisation system, MyFundAccounting dual authorisation system or by clear evidence of two signatories agreeing to the payment. This dual authorisation only relates to the processing of the payment, all other financial controls of this policy must also be met.

High value and long-term Contracts

- Where contracts exceed the upper spending limit or will last for more than 3 years agreement of the majority of the MAC is required.
- Signatories to such contracts shall include either the Lay Chair or MAL and two other MAC members.

Cheques, Direct Debits and small value Contracts

- A minimum of two authorised signatories are necessary to sign cheques, direct debit mandates and small value contracts.

Bank Debit cards

- The MAC may agree to the issuing of a debit card for the MAL
- The MAC may agree to the issuing of a debit card for the MA Treasurer

Equipment Hire

- The MAC agrees to persons signing short term hire agreements where such equipment is required and is in line with the appropriate financial controls of this policy.

Receiving, Counting and Banking of cash and cheque

- All monies received in church through the week must be kept securely in the safe of that church until they are counted and prepared for banking as instructed below. They shall be clearly marked as to where the money has come from and the amount.
- All monies received in church through the week should be counted by two people who are not related, and the appropriate form(s) completed and provided to the appropriate treasurer. This process shall be carried out as soon as is possible after receiving the income.
- Once counted and the appropriate form(s) completed, monies should be banked as soon as is practicable.
- Cash donations or weekly offering envelopes received in the course of home visits must be handed to the appropriate treasurer at the latest by the Sunday following.
- It is noted that cash and cheques held at the Rectory, Vicarage or Treasurer in anticipation of banking are covered by the Church's Insurance Policy with EIG.

Exceptional circumstances

Exceptional circumstances are those where government regulations in force at the time prevent the meeting or gathering of people in groups for the sake of public health.

In these circumstances, where donations are received at the Rectory, cheques may be deposited by electronic means, and the cheques given to the treasurer clearly marked as deposited with the date and time on the rear of the cheque. Cash should be placed in an envelope and clearly marked with the name of the donor, the date received and the purpose for which it has been given. It may also be necessary for the treasurer alone, or someone else authorised by the MAC, to prepare the donations for banking.

Teaching about Christian discipleship and giving

It is the responsibility of all MAC members to raise awareness amongst the congregations of the Ministry Area not only about giving because of need to pay bills, but about giving as a generous response to the love of God and to further the mission of the church throughout the Ministry Area. Clergy and lay members of the MAC shall plan and assist in promoting good stewardship and will lead by example by making their regular Direct Giving through Standing Order or Gift Direct. No-one can promote a policy that they do not themselves uphold in their own lives. The MAC will expect the clergy to teach about giving in Church but accept that they may also be asked to help in the promotion of the message of generous giving.

Appendix 1

Basic limit	up to £500
Lower limit	between £500 and £1,000
Middle limit	between £1,000 and £3,000
Upper limit	over £3,000
