



FINANCE POLICY

Approved By:	Board of Directors
Approval Date:	17.11.2020
Next review Date:	19.05.2022
Policy Holder:	IBTC

1. Introduction

As a registered charity and non-profit company limited by guarantee it is imperative that we adopt rigorous financial controls and procedures throughout the International Bible Training College¹, which will enable us to fulfil the expectations of the Charity Commission, Companies House, HM Revenue & Customs, and our supporters to ensure financial viability for the future of the college. This policy has been designed to be flexible enough to allow the college to develop.

2. Location of the policy

The college will ensure that the policy is available to all students, staff and volunteers and will also be on the IBTC website: www.ibti.org.uk.

3. Purpose

This policy has been adopted in an attempt to safeguard the assets of IBTC so far as possible and to provide clear procedures for controlling the finances of the college. They may not be exhaustive. Vigilance is needed at all times from all concerned with finance, both staff and trustees/directors, and any matters of concern should be discussed with the Operations Director who will liaison with the Board of Directors/Trustees² if required.

4. Responsibility for Implementing this Policy

Both the IBTC Board and Staff share responsibility for implementing this policy and the sound management of the college's assets as a whole. The Operations Director is delegated with the task of reporting to the Board on the financial position of the college and issues relating to this policy. All directors/trustees and paid or unpaid staff are required to abide by these policies and procedures. Where specific responsibilities are allocated, these are stated within the policies and procedures.

¹International Bible Training College a company limited by Guarantee registered in England and Wales. Company Number 10716786, Charity Number 1173899, Operating as: International Bible Training Institute. In this document referred to as 'IBTC'.

² Referred to as 'the Board' throughout this document.



5. Board of Directors/Trustees (IBTC Board)

The IBTC Board is responsible for:

- Safeguarding the assets of the IBTC
- Preventing fraud
- Avoiding mistakes
- Keeping financial records in accordance with the governing document and relevant legislation (Charity Commission, Companies House and HM Revenue & Customs)
- Preparing Annual Accounts in accordance with the governing document and relevant legislation

The IBTC Board's role is fulfilled by authorizing the Operations Director and the Finance Manager to act on their behalf.

6. General Information and Bank Account

- The IBTC's financial year runs from 1st October to the 30th September.
- Name of Bank: **HSBC**
- Name of Auditor: **Baldwin Scofield Chartered Accountants**

6.1. Bank Accounts

- All bank accounts must be in the name of the college.
- No account may ever be opened in the name of an individual(s).
- New accounts may only be opened by a decision of the Board, which must be minuted.
- Changes to the bank mandate may only be made by a decision of the Board, which must be minuted.
- For Internet Bank Transfers see section 9.2. below.
- Signatories to the accounts are:

Director – John Whyte

Director – Gillian Saunders

Director – Bernard Lewis

7. Financial Reports

- A monthly Management Accounts Report and Cash Flow Report will be prepared for regular Management Team Meetings. The report will consist of:
 - Balance Sheet
 - Monthly Transactions with relevant details.
- Twice in a financial year, a Board meeting is convened for which a report will be prepared consisting of:
 - Audited Income and Expenditure Accounts
 - Balance Sheet and Budget
 - Notes to the accounts and commentary
- Reports to the Board will be disseminated 10 days in advance of each meeting to enable Board members to scrutinise them in readiness for discussion at the next meeting.
- All reports will be prepared by the Finance Manager and the Operations Director.

7.1. Audit

An annual audit will be carried out by Baldwin Scofield Chartered Accountants (qualified auditors), appointed by the Board, in accordance with the requirements of the Charity Commission, Companies House and HM Revenue & Customs Acts. The auditor's report will be discussed and approved by the Board.

8. Authorisation of Expenditure

- Authorisation to sign a contract, legal agreement or lease committing the IBTC to over £1,000 expenditure must be agreed by the Board.
- The Operations Director can authorise expenditure of up to £1,000 independently.
- Commitments to urgent expenditure between £1,000 and £5,000 can be made by the Operations Director, provided that permission is obtained from the Board, or in their absence, the chair of the Board, who will make a decision on behalf of the Board.
- Before committing IBTC to any expenditure, staff need to obtain authorisation from the Finance Manager in liaison with the Operations Director.
- To prevent conflict of interest, no director/trustee or staff member may solely authorise payment to themselves, their partner or relatives.

9. Payments

9.1. Card Payments

- Staff or Board members may be provided a credit card with limited allowance after approval by the Board.
- The card issued must display the name of the College (in full or abbreviated) as well as the user's name (full or initial and full surname)
- Provision of a card can be withdrawn by the Board or by the Operations Director at any time.
- If a card user ceases in their role with the IBTC, their card will be retrieved, cancelled and destroyed with immediate effect.
- All card statements are downloaded from the HSBC website by the Finance Department.
- All expenses incurred using a card must go through the usual authorisation processes.
- There will be a regular review of card use to ensure proper practice.

9.2. Internet Bank Transfers

- Internet banking transactions can only be actioned by the authorised personnel (Operations Director and Finance Manager).
- The Operations Director and Finance Manager have previously been authorised to do so through a written mandate from the Board to the bank in question.

9.3. Cheque Payments

- Blank cheques must never be signed by two signatories.
- Cheque payments must be authorised/signed by two of the signatories.

- Both of the signatories are authorised by the bank following a written mandate from the IBTC Board.
- The signatories are responsible for examining the cheque for accuracy and completeness.

9.4. Regular Bank Payments

- There will be a regular review to ensure no redundant regular payments (standing orders or direct debits) are being made. If any redundant payments have been made, then a refund will be requested from the payee.
- Direct debits and standing orders will be authorised by the Operations Director or the Finance Manager.

9.5. Cash Payments

- A petty cash float for the use of IBTC of up to £900 will be held within the locked petty cash box in the Finance Manager's office or in the safe in the Operations Director's office.
- Payments from petty cash will be effectuated according to the Petty Cash Procedure.

10. Income

10.1. Students' Contributions (Payments)

The IBTC does not charge students for tuition and operates through staff and lecturers offering their services free of charge. The IBTC's main source of income is made up of the students' contributions towards board and lodging which is carried through according to the process laid out in the respective procedures.

10.2. Donations (Regular and One-off Supporters)

All donations (cash, cheques etc.) will be banked intact regularly. Receipts and thank you notes will be issued.³

10.2.1. Donations and Gift Aid

The IBTC is aware of and will ensure that all fundraising activities are carried out in line with its legal responsibilities and the Charity Commissions best practice guidance.

A Donations and Gift Aid procedure is in place to outline what must happen to ensure that money raised is managed securely and transparently.

The college will make use of tax relief schemes and where donations fall within the Gift Aid scheme, declarations will be sought and returns submitted in line with legislation to increase the IBTC's income.

³ See finance policy procedures 6.1.2

11. Annual Budget

Annual estimates of income and expenditures need to be made and reported to the Board by the Finance Manager and the Operations Director. The estimates shall show the actual expenditure and income for the preceding financial year and project accordingly revised estimates for the current year and the estimated income and expenditure for the ensuing year.

12. Accounting and other Financial Records

The IBTC has robust procedures in place to ensure that all legal and statutory responsibilities are upheld. The IBTC maintains a computerised accounting system which records:

- Cheques and cash received and banked.
- Cheque payments, Internet Banking Transfers and other amounts paid from the bank accounts.

Additionally:

- Every transaction will be entered into the appropriate system and will include:
 - The date of the transaction
 - The name of the person or organisation money was received from or paid to and the full amount
 - A brief description of why the money was received or paid
- All documents relating to receipts and payments will be scanned, photocopied and/or printed and stored in the designated file for future reference.
- A regular backup copy will be taken on the designated Finance Department external hard drive (Seagate).
- As bank statements are issued, transactions will be reconciled against the statements by the Operations Director and Finance Manager.
- Chief responsibility for the maintenance of records will rest with the Finance Manager and Operations Director.
- All IBTC financial records shall be treated confidentially.
- All IBTC financial records will be kept for seven years in accordance with the United Kingdom Government Legal Guidelines.

13. Reimbursement of Expenses

- All expenses will be authorised and reimbursed in line with IBTC Expenses Reimbursement Procedure.

14. Staff Payroll

- Under usual circumstances, the IBTC staff consists of voluntary workers and volunteers. Occasionally, for specific services, sessional employees may be recruited by the IBTC. Should this be the case, all employees (including sessional and part time employees) must be asked to complete the relevant PAYE form/s before they receive any payment.
- All employed staff changes and changes to terms and conditions of employment need to be approved by the Board and will be processed by the Human Resources Manager.
- Payroll and all calculations will be made, considered and approved by the Board.

- The IBTC does not issue loans or salary advances. In exceptional circumstances, the Board may meet to discuss requests.

15. Insurance

- Appropriate Insurance policies will be maintained to cover:
 - Employer's Liability
 - Public Liability
 - Contents
 - Professional Indemnity
 - Trustees' and Directors' Indemnity
 - Buildings
- An inventory of all physical assets of the organisation will be kept and regularly updated (electronic equipment, musical instruments, etc.)
- Breaches of Insurance Guidelines
 - As Staff is generally all unpaid, the use of IBTC property such as vehicles, office equipment, accommodation etc. are appropriated to the user to be carefully and respectfully handled. Where equipment or other property has been entrusted to staff and cannot be returned in a reasonable condition, whether or not it is covered by insurance, the staff member to whom the equipment was issued will be liable for the cost of repairing or replacing the items when the damage is due to negligence and/or reckless behaviour.
 - Where driving offences lead to penalties or fines by using IBTC vehicles in an improper manner or without due care and attention, these need to be paid in full by the individual in question.

16. Other Undertakings

- All fund raising and grant applications undertaken on behalf of IBTC will be done in the name of the college with prior approval of the Operations Director, the Board, or, in urgent situations, the approval of the Chair, who will provide full details at the next Board Meeting.
- The Board is responsible for the overall management and distribution of assets in agreement with Charity Commission, Companies House and HM Revenue & Customs legislation in the unlikely event that the IBTC would cease to operate.

17. Confidentiality and Data Protection

- The Operations Director and Finance Manager will ensure that IBTC complies with the Data Protection Act.
- The confidentiality of students' and voluntary workers' financial circumstances will be respected at all times.
- Board members, voluntary workers, volunteers and employees will at all times act in the best interest of the organisation and if they experience a conflict of interest they must follow the Conflict of Interest Policy.

18. Policy Revisions

This policy will be reviewed every two years and amended as necessary, or earlier in accordance with any forthcoming legislation or changes to the operations or premises of the organisation. All staff should pass suggestions or recommendations for the revision of any aspect of the policy through normal channels.