

**[Your Church Name
Here]**

**FINANCE
PROCEDURE
DOCUMENT**

[Date]

Contents:

A. Offerings	page 2
B. Gift Aid	page 7
C. Payments - Invoices	page 11
- Petty Cash	
- Credit Card	
D. Restricted Funds	page 13
Appendices	pages 14-18

A. Offerings

Offerings Procedure

1. Counting

1.1. Counting Team

It's good practice to have a minimum of two people counting the offering – referred to on the offering sheet as 'counters'.

Each week on a Sunday the counting team check all the offerings. The cash/cheques donated by the congregation in the offering are manually recorded on the 'counting sheet' (see Appendix 1).

Names of regular givers are already entered on the sheet but only represent those donors who usually give by cheque or cash – the majority now donate by standing order.

The counting team also complete the 'weekly banking report' boxes – Appendix 3

Monies identified as for **[Name Any Funds/Projects Your Church Receive Money for Here]** are entered onto the Offering sheets.

Highlight Here if Money for a Different Fund is Processed in a Different Way and Explain How to Handle Cheques for Said Fund

1.2 Finance Officer

1.2.1 The Finance Officer role is to do a final check whilst also preparing the banking and to ensure that the counting team have enough copies of the Counting Sheet, Cash Allocation Sheet, Weekly Banking Report, money bags and blank envelopes in the counting team box stored in the **[Location of Your Church Counting Tools]**.

1.2.2 Preparation of banking records:

Sort brown offering envelopes into alphabetical order and check there is no money that has been accidentally left in the envelopes.

Check all cheques are signed, dated appropriately and payable to '**[Name that the Cheques Should be Made Payable to Here]**' or '**[Insert Other Names Cheques Can Acceptably be Made Payable to Here]**', as the bank will also accept this.

Check the entries on the offering sheet ensuring that the totals match the entries in the weekly banking report.

N.B. The Spreadsheet Cell References Below Are An Example

Count the main cash and confirm the cash totals match with those already written in F1 of the weekly banking report. The counting team should have also completed the cash allocation sheet (Appendix 2) – ensure this is written up correctly. This is needed for the Gift Aid Small Donations Scheme. The anonymous cash total in this form should have been entered into F9.

Using the envelopes and the 'cheques-in list' from the offering sheet check down the manual entries in the 'counting sheet' from 1.1, prepared on Sunday by the counting team. Ensure the amounts from the cheques and the envelopes are against the correct names and the correct columns. Be careful of common surnames.

Ensure correct totals at bottom of the counting sheets and correct grand totals and that these are correctly transferred to the offerings analysis totals F5 – F7 of the 'weekly banking report'.

Ensure F1:F4 = F10 (i.e., receipts) and ensure F5:F9 = F11 (i.e. analysis) and ensure F10 = F11.

Having confirmed that the cheque totals are correct, write up the individual cheque entries in the large main account paying in book, using the worksheet from 1.4. Enter surname and initials for clarity.

If there is a total in F6, write up the paying in book for the **[Fund A]** account with any cheques/cash designated for this (i.e., from F6). Put these cheques/cash and paying in book in the yellow banking bag. Also enter this total into line F13.

If there is a total in F7, write up the paying in book for the **[Fund B]** account with any cheques/cash designated for this (i.e., from F7). Put these cheques/cash and paying in book in the orange banking bag. Also enter this total into line F14.

Complete the cash entries in the Main **[Your Church Name/Church Trust Name Here]** paying in book. The total paid in should match F5+F9. This total should be entered into line F12. Put the cheques and cash – notes and bagged coins - with the

paying in book, into the blue banking bag. As soon as convenient take banking to bank.

Write the relevant paying in slip numbers into lines F12-F14 at the bottom of the Weekly Banking Report. Produce totals in F15. Ensure F15=F11. Stamp the Weekly Banking Report as 'approved' with the correct date and sign.

The offering sheets are then passed to Easy Books for processing in Sage.

1.3 Easy Books

1.3.1 Easy Books post the bank receipts into Sage as follows:

Click on 'bank' at left, then click on 'Main Account' then 'Receipt' at the top. Using the lower 'Office Use' section from the 'Weekly Banking Report', enter the details into Sage, as in the example below. Ensure the total matches that in F15. Save the entry and then note down the Sage posting number(s) in the last column of lines F12-F14 weekly banking report.

[illegible]

1.3.2 Giving Spreadsheet

From the completed counting sheet, enter the amounts into the main giving Excel spreadsheet. This is structured so that all the names are only typed once on the first worksheet - Annual totals. Then for each two-month period there is a worksheet (e.g., Offerings Apr-May; Offerings Jun-July).

A two-month period has been set up as a convenient interval for the gift-aid claims. For December, a single month would be set up to enable better year-end analysis for the accountants. For March also, a single month would be set up to enable total giving in the financial year to be calculated. These totals are used in annual giving letters.

The names are obtained by a link through from the Annual total's worksheet, and then the amounts given for each week are entered into the appropriate week's column, alongside the relevant name, using the counting sheet completed manually by the counting team. Each of these two-month worksheets usually has 1 column for each Sunday (i.e., Offerings).

If a donation is received from a new donor, enter their line first into the Annual total's front worksheet, then insert a line into the current 2-month worksheet and pull the name through via an Excel link. (This keeps the order correct in the master sheet, Annual Totals). N.B. on the current 2-month worksheet enter the new donor's house number and postcode, if known, as this is needed for Gift Aid, if applicable.

The anonymous cash total from the cash allocation sheet should now be entered into the last row, entitled GASDS cash. This will be totalled through the year and used for the Gift Aid Small Donation scheme claim – the maximum yearly total allowed is £8000.

Once all amounts are entered ensure the weekly total at the bottom matches the weekly totals from the manual counting sheet.

Staple all weekly offering papers together and file in the lever arch for the year.

At the end of each calendar month, enter the standing order amounts from the relevant bank statements, into two separate columns entitled Offerings, Standing Orders and **[Fund A]** Standing Orders. Over 80% of offerings in a month come in via standing order or direct credit, so this is a detailed exercise. Ensure these are all entered correctly by balancing the bank statement income totals, less other income separately recorded, against what you have just entered this SO column.

Over the two-month period the total for each person is automatically totalled and shown in the total column. This worksheet will form the basis for producing the gift aid claim. Totals for each two-month period are then picked up by an Excel link into the annual total front worksheet – this will be used for year-end confirmation letters to each donor of the amount given.

Month-end. At the end of each 2-month period, the 'date of last donation' column needs to be completed. This is used for gift-aid claims. Work down the list entering the date of the latest donation recorded in the worksheet, against each donor name line. For donations made in the Sunday offerings this will be from the relevant weekly column date.

If the donation has come in via standing order, enter the date the latest standing order was received, by working down the bank statements. Care needs to be taken, in cases where donations are made both on a Sunday collection and by standing order, to ensure the latest donation date is recorded.

B. Gift Aid

1. Gift Aid Procedure

1.1 Gift Aid declarations

When new members go through the church membership course and wish to make regular donations towards the work of the church, they will be given a Standing Order form and a Gift Aid Declaration form.

As new members complete Gift Aid declarations ensure these are filed alphabetically in the Gift Aid Forms lever arch file. Enter the donor's details into the Excel spreadsheet. At least once each year, check this list against the church members' database and amend paper declarations and spreadsheet with new addresses etc where needed.

1.2 Giving Spreadsheet

Each week the amounts received in the Sunday offering are manually recorded on the counting sheet as outlined in the Offerings procedure. From this completed sheet the amounts are then entered into the main giving excel spreadsheet.

Over the two-month period the total for each person is automatically totalled and shown in the total column. This worksheet forms the basis for producing the Gift Aid claim. At the end of each calendar month, the standing order amounts from the **[Your Church Name/Your Church Trust Name Here]** main account and the **[Fund A]** account are entered into the worksheet. In addition, the last donation date for the period should be entered into the final column.

1.3 Produce Gift Aid claim

The following instruction prepares a spreadsheet suitable for the HMRC online Gift Aid donations schedule:

When all weekly manual and standing order, amounts have been entered into the giving spreadsheet, copy the relevant two-month worksheet into a new file worksheet which will become the basis of the gift aid claim. This step is necessary because there are many regular donors who, for various reasons, cannot be included in the gift aid claims – these must be excluded.

With this new worksheet open, insert 2 columns at the left of Column A and

- Copy all the entries from the new columns C&D (i.e., what was A&B)
- Paste – special – values – into the new columns A&B. This copies the actual names so that the link to the main giving spreadsheet is not kept – if this step is not done, it causes problems when emailing this new file to auditors at year end.
- Now delete the old columns which are no longer needed i.e., columns C&D

With the Gift Aid list (from Section 1) also in front of you, work down the worksheet deleting lines relating to those donors who have **not** signed gift aid forms (e.g., not taxpayers), or have informed us that they are **no longer** taxpayers.

Also delete lines relating to donors who have given through alternative charitable giving schemes e.g., Charitable Giving / Payroll Giving, or, where amounts are from Limited Companies – currently Factotem, GRF Enterprise, Xibo, SPM Technical Consulting - and are highlighted in yellow on the main giving spreadsheet.

Also delete lines where amounts are zero in this worksheet.

Insert a new first worksheet at the front of the current worksheet. Rename this as 'claim'. This will become the source worksheet for the HMRC claim schedule. The original worksheet needs to be retained as evidence of the detail of the donations.

Copy the first 5 columns (first name, last name, house no, postcode, total) **from** the worksheet that you have been working on and paste them into the first 5 columns of the 'claim' sheet **NB** Paste special / values to ensure the actual results of links/ formulas are copied over.

Insert 3 new columns after column D, (i.e., between 'postcode' and 'total') to be titled as follows:

Aggregated (col E)

Sponsored (col F)

Donation Date (col G) (format this column as dd/mm/yyyy)

Leave column E and F blank

Copy the data **from** the 'last donation' column **to** the 'Donation Date' (column G) in the front 'claim' worksheet (ensure correct line-up against the correct names).

Work down this 'claim' worksheet tidying up the names e.g., ensure it shows first name only (not joint), then surname of the person on gift aid register list. This is

often the husband's name, or the name of the one who pays more tax perhaps due to one party not employed / self-employed, where a married couple have donated together.

There are also some couples who wish to maintain separate claims – e.g., **[Examples of Couples from Your Church Family who Wish to Maintain Separate Claims]**

Format column H (i.e., total field – to show 2 dec places)

Insert all borders and ensure correct total at end.

Sort the completed claim sheet into alphabetical surname, then first name.

Work down the finished claim sheet checking against the most recent previous claim. This may highlight any errors – e.g., exclusions missed, missing postcodes etc.

Open an HMRC blank spreadsheet template and save this as the year and month which it relates to - this must be saved in Open Document format (ods) not Excel.

Copy the data only (i.e., not headings) **from** columns A-H (in the finished claim sheet from 3.9), **to** the relevant columns in the HMRC file. The field 'Total donations' is completed automatically. Ensure this is the total figure you were expecting from the prepared sheet.

Complete the 'earliest donation' date box – line 13 of the HMRC template – with the start date of the claim. Remember to save.

To print the document, first set print area to limit it just to the relevant info, as the file is too large.

Submission to HMRC - follow the procedures set up by HMRC for online claiming of Gift Aid. Log in at <https://online.hmrc.gov.uk> and upload the document.

1.4 Produce Gift Aid letters

At the end of each tax year the information held in the Gift Aid folder should be used to produce letters for all donors, giving details of the amount donated in the tax year. This is helpful for tax purposes.

Note that, for personal reasons, not all donors wish to receive this letter. This should be checked with the Church Administrator before letters are sent out.

1.5 Gift Aid Small Donation Scheme

The anonymous cash totals from 1.7 of the Offerings Procedure are entered into the giving spreadsheet.

Only enter totals which are correctly counted, noted, and signed for.

[*If Your Church is a Larger Church*] We can only claim on donations up to £8000/year which may well be reached within the year, so it is wise to consider which weeks to include.

Set up a spreadsheet for this and bring through the relevant figures each week from the main giving spreadsheet.

Once the total nears £8000, stop the addition and at submit the HMRC GASDS claim via the HMRC website.

C. Payments

1. Invoices

Invoices which arrive through the post or via the email should be prepared for payment as follows:

Check the details of the invoice and, where appropriate, attach the delivery note.

Complete a blue payment form (Appendix 4) with the date, amount, payee coding and purpose. Also tick which account the payment is coming from and whether it's an online payment or DD. If the payment is being made by cheque enter the cheque number. Once complete attach this to the invoice.

Invoices should then be placed in the 'To be Paid' file and passed to the Administrator for payment. Note, some invoices are recurring payments paid by direct debit. These still need a blue form attaching but should not be passed to the Administrator for payment.

Once payment has been paid the file is returned and the bank payment slips should be attached to the payment and the invoice stamped 'Paid'. Check that the Administrator has initialled the 'Authorised' box on the blue form.

Once processed all invoices, whether paid by DD, cheque or online, should be put in the file for Easy Books.

NB Payments over £ **[Insert Amount Here]** require authorisation by the Administrator and a Pastor, payments over £ **[Insert Amount Here]** must be authorised by the Trustees.

2. Petty Cash

Petty cash payment are made using a pink petty cash form (Appendix 5) which identifies the date and purpose of the payment and requires signatures from the person receiving the payment and a signature of authorisation, usually the Administrator.

Payments are recorded in the Petty Cash book, held in the **[Location of Petty cash Book]**.

The petty cash is held in the safe in the **[Location of Petty cash Book]** and is checked to the Petty Cash book record on a weekly basis.

The petty cash float is topped up by a member of staff withdrawing money from their personal account and then payment being reimbursed by the Administrator through an online payment. This activity is recorded on a pink slip as a Deposit and this is attached to the bank payment record.

3. Credit Card Payments

Much of the expenditure of the church on an everyday basis is done using a credit card.

[Your Church/Church Trust Name Here] credit card holders are:

[Credit Card Holder Name Here]	Credit limit £ [Credit Limit Here]
---------------------------------------	---

[Credit Card Holder Name Here]	Credit limit £ [Credit Limit Here]
---------------------------------------	---

[Credit Card Holder Name Here]	Credit limit £ [Credit Limit Here]
---------------------------------------	---

[Credit Card Holder Name Here]	Credit limit £ [Credit Limit Here]
---------------------------------------	---

[*Ensure that All Credit Card Holders for the Church Account and their Credit Limits Are Listed Above*]

The credit card statement arrives in the post and is passed to the person responsible for checking it.

Scanned copies of the statement are passed to the relevant card holders for them to identify the payments for coding and to provide receipts if they haven't already done so.

Receipts are checked against the bill and detail of the spend entered onto the bill with the relevant coding, as per our financial codes sheet. This ensures that all spending is placed against the correct budget.

Once this is complete the statement along with all receipts is placed into the file for Easy Books to process through Sage.

The payment for the credit card is set up as a recurring monthly direct debit.

D. Restricted Funds

Our Restricted Funds are those identified as for **[Fund A]** or **[Fund B]**.

We are aware of keeping these funds separate and using them for the purpose for which they were given.

Income & expenditure for the **[Fund A]** and **[Fund B]** are dealt with as detailed above.

Initials: _____

[illegible]

Appendix 2

Offerings Cash Counting Proforma

Date: _____

Signatures: _____

Denominations	Allocated Cash from main offering <small>(from named donors)</small>	Anonymous Fund A/Fund B Cash	Anonymous and unallocated Cash
Notes			
£20			
£10			
£5			
Coins			
£2			
£1			
50p			
20p			
10p			
5p			
2p			
1p			
Total			

Cash Totals

Allocated	
Fund A/B	
Anonymous	
Total cash	

Appendix 3

Weekly Banking Report

Date _____

Receipts **Cash Total** _____ Office Use F1

Cheques: _____ F2

[Your Main Church Account Name Here] _____ F3

_____ F4

Offerings _____ Office Use F5

[Fund A] _____ F6

[Fund B] _____ F7

_____ F8

Loose Cash _____ F9

TOTAL _____ F10

TOTAL _____ F11

Checked by _____

Counting Team - Please keep cheques and notes flat, not rolled and can they be placed in blank envelopes - spare envelopes on right in photocopier room, money bags in counting box
Please use the cash proforma for noting the cash. Thanks for your help!

Office Use:

Accounts	Sage Bank	Paying in slip ref	Sage NL	Sage Dept	£	Sage ref
Offerings	1200		4000	1		F12
Fund A	1201		4160	10		F13
Fund B	1206		4080	12		F14
[Your Church/Church Trust Name Here] Total:						F15

Appendix 4

Expenditure Note			
Cheque / Bank payments			
Bank A/c	NL ref	Sage trans ref.	
[Your Church Name Here] Account	1200		
Fund A1 account (dept 11)	1201	Date:	
Fund B1 account (dept 12)	1206	Cheque number:	
Other account:		Online (BS) /direct debit:	
		Amount £:	
Payee Name:			
Supplier A/C code:			
Direct Payments N/L code:		Dept:	0
Purpose:		Authorised:	

Appendix 5

Petty Cash Voucher									
Date:		Sage trans ref:							
		Voucher no:							
NL Code	Dept	Purpose				Amount (£)			
	1								
	1								
	1								
	1								
	1								
TOTAL:									
Authorised signature:									
Received signature:									