
BibleLands financial control policy

Purpose

This policy sets out the policy for financial control at BibleLands. It deals with the authorisation and control of all expenditure and the approval of payments, including grants to overseas partners. It sets out (in **Appendix A**) allowances for travel and other incidental expenses. It applies to both the charity and BibleLands Trading Limited.

Principles

The principles underpinning this policy are the charity's core values of Accountability and Integrity; in particular the need for all staff and trustees to be good stewards of the charity's assets and to be able to demonstrate to the charity's regulator, supporters and other stakeholders that charity funds are only spent in accordance with our charitable objectives and after serious consideration.

Overview

This policy applies to expenditures incurred by purchase order or invoice, expenses claims and cash payments. Grants to overseas partners are subject to the same approval levels but there is a separate procedure for their payment through Care. Petty cash expenditure is controlled by a separate procedure detailed below.

Authorisation of expenditure

All expenditure must receive prior approval from a person who is authorised to approve expenditure at that level (an "Authorised Person" – see below) in order for payment to be made. This is applied in the following ways:

- a) **Purchase of goods and services.** Prior to the placing of an order, a purchase order must be raised showing total cost (including VAT if for the Charity) and the signature of an Authorised Person obtained. Purchase orders for the Charity are raised in the finance department, and for Trading by either the Trading Manager or in the finance department. It is acceptable for the Authorised Person to give approval by email to the finance department.

For purchase of goods and services of a recurring nature (eg maintenance contracts, waste disposal etc), the authorisation level should be equal to the total value of the contract for its duration.

- b) **Petty cash reimbursement** is allowed for items costing no more than £50 in total. The receipt or other supporting docket must be approved by a line manager or authorised person prior to reimbursement. Foreign currency advances for amounts in excess of £50 may be made depending on the length of the overseas visit.
- c) **Travel and other incidental expenses.** The charity will reimburse all reasonable travel costs and other incidental expenses incurred on charity business. These include mobile phone calls (when made on charity business) and reasonable official entertainment. All claims must be submitted on the currently proscribed form. Receipts should ideally be provided for all expenditure; however there may be occasions when receipts for small

amounts are not available. The charity reserves the right to exercise its discretion if receipts are not provided. An Authorised Person may not authorise his or her own claim, nor approve the payment instrument.

- d) All travel expense claims must be authorised by the traveller's manager. For Trustee expense claims, the proper authoriser is the CEO or, in his absence, the Deputy CEO.
- e) The CEO's expense claims should be approved by the Chairman of Trustees, but where timely processing of the claim (including credit card bills) requires this, approval powers are delegated to the Finance Officer. Where these powers are used the Chairman must counter approve the claim retrospectively as soon as practicable.

Further detail on the travel expenses policy is provided at **Appendix A**.

For major items of capital expenditure over £5,000, or for service contracts where the total contracted value exceeds £5,000 per annum, at least three quotes must be obtained. The eventual supplier will be determined on the basis of quality, service and price. Significant suppliers (ie those where the total value of the service over three years exceeds £10,000) and the supply of legal and professional services should be reviewed every three years.

Authorised Persons

The following authorisation levels currently apply:

Expenditure up to £1,000	Finance Officer, Head of IT, Trading Manager, Partnerships Co-ordinator (grants only)
£1,001 to £5,000	Deputy Chief Executive
£5,001 to £15,000	Chief Executive
£15,001 to £25,000	Chairman of Council and either the Chairman of the Finance & Audit Committee or, in the case of grants, the Chairman of the Partnerships Committee
Expenditure over £25,000	Must be approved by the full Finance & Audit Committee (or, in the case of grants, by the Partnerships Committee)

For Trading Company stock purchases the following levels apply:

Expenditure up to £5,000	Trading Manager,
£5,001 to £15,000	Deputy Chief Executive
£15,001 to £25,000	Chief Executive

Expenditure over £25,000

Trading company director

The above authorisation levels will be reviewed annually by the Finance & Audit Committee.

All Authorised Persons are required to ensure that the expenditure requested is either itemised in the approved budget or is within the general limit of the budget for that caption. Individual budgetary responsibilities are detailed at **Appendix B**. Where the expenditure is not budgeted, or where it exceeds the general limit in the budget, then notwithstanding the financial limits above, the expenditure will not be properly authorised without the additional approval of an Authorised Person of a higher level of approval.

Accounting for goods, services and expenses

When the goods or services have been received there will be a supplier invoice and, in the case of goods supplied, there will also be a delivery note. The invoices and delivery notes should be sent to the finance department as soon as possible where they will be entered into the books of accounts and payment processed. In order for this process to happen the finance department require to have confirmation that the goods and services have been satisfactorily received. Usually it will be sufficient for the invoice to be signed and dated as confirmation.

The invoices or receipts must show sufficient description of the goods and services to enable proper coding of the expense to take place. Where VAT is incurred this must also be a valid VAT document, which requires the supplier's VAT registration number, the value of VAT unless inclusive in the price and the address of the supplier.

For petty cash claims or travel expense claims, supporting documentation should satisfy the same requirements as for invoices. If necessary, explanatory notes should be added. Where there is no documentation, there should be a statement disclosing the reasons and the approval by the line manager or Authorised Person will certify their acceptance of this statement. Where the item concerned is less than £10.00 this statement is not needed.

Bank payments

All payments are to be issued in accordance with the bank mandate in force at the time of the request for payment. Compliance with the following rules will ensure the mandate is followed. The rules apply to all forms of payment.

Signatories are currently classed in the following four groups:

Group 1 – Accounts Administrators

Group 2 – Finance Officer, IT Manager, Trading Manager, Partnerships Co-ordinator (for grants)

Group 3 – Chief Executive and Deputy Chief Executive

Group 4 – Trustee

Payments up to £1,000
(excluding grants to overseas
partners and payroll)

One of the two signatories can be from
Group 1, the other signatory from Groups
2,3 or 4

Payments between £1,001 and £50,000 (excluding grants to overseas partners and payroll)	One of the two signatories can be from Group 2, , the other signatory from Groups 3 or 4
All grant and payroll payments	Both signatories must be from Groups 2 or 3
Expenditure over £50,000	One signature must be from Group 4, and the other from Groups 2, 3.

Petty cash

Petty cash is held in an Imprest system; i.e. the sum of the vouchers and the cash will always add up to the same amount, currently £1,000. All claims must be made on a standard petty cash voucher, with supporting documents attached. As with expenses, all claims will be checked and approved by an Authorised Person. No member of staff may authorise his or her own claim.

Travel advances

Advances in the currency of the country to be visited can be provided. Such advances should be limited to immediate needs only, eg taxis from the airport and incidental expenses; hotel bills and meal expenses should where possible be paid by the employee or a colleague using the charity's credit cards. Advances outside this general rule can be made with the approval of the Finance Officer.

Company credit card use

Company credit cards may be issued to staff who regularly need to purchase good or services while on BibleLands service. The issue of credit cards to staff and the relevant credit limits will be subject to approval by the Chief Executive. Anyone who has a company credit card should only use it for BibleLands' purchases or for expenses incurred on BibleLands business. It may be used in an emergency for personal purposes, but the Finance Officer should be advised as soon as possible thereafter and the amount must be reimbursed in full to the charity before the card amount is due. The same applies if the card is used inadvertently, instead of an individual's personal card.

In any event, the charity has the right to challenge any expenses charged to the company credit card.

Policy prepared by:	Andrew Green, Finance Officer
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Policy approved by:	F&A committee, 19 May 2011
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Travel and incidental expenses

Purpose

Trustees and staff (together described as “staff” in this document) may be required to travel as part of their employment with or involvement in BibleLands. This policy on travel and incidental expenses sets out the Charity’s approach to the reimbursement of business related expenditure, incurred by staff during the conduct of their official duties.

General principles

This policy is underpinned by some general principles:

- All major items of travel expenditure should receive prior approval in order for payment to be made.
- Staff are expected to plan for and arrange their official travel in a cost-effective and efficient manner. BibleLands may decline approval of claims for reimbursement of expenses that are considered unreasonable, or which could have been avoided had the journey been better planned.
- Staff will only be able to claim a reimbursement of travel and subsistence expenditure if they are actually ‘out of pocket’ as a result of the official travel.
- Staff (excluding trustees) remain responsible for the cost of daily travel between their home and permanent place of work. Consequently, when official travel occurs during the working week and includes an employee’s normal ‘home-to-work’ journey, the employee may only claim for the additional travel costs beyond the normal ‘home-to-work’ journey.

Claims for travel and incidental expenses by staff should be made monthly, as soon as is practicable after the month end, and will be settled as far as possible by BACS payment to the staff member’s bank account. Occasional small claims may be submitted quarterly. Trustees may submit claims when convenient, but always within the financial year in which the expense was incurred.

Where expenses have been incurred in a foreign currency using a personal credit card, the actual sterling amount (as shown on a credit card statement) shall be the amount claimed.

Motor mileage

The motor mileage rate will be the official rate as approved by HMRC which is currently 45p per mile for annual mileage up to 10,000 miles and 25p per mile for annual mileage above 10,000 miles. Reasonable parking costs will also be reimbursed. The requirement to travel by the most economical and efficient method means that public transport or hiring a vehicle is likely to be more cost-effective if any single trip is over 200 miles. Consequently, official trips involving mileage of more than 200 miles in a single day will need to be approved in writing by a line manager. Without such prior approval, which can be by email, no mileage allowance will be paid. In approving any car journeys in excess of 200 miles in a single day, the line manager will take account of whether there are cheaper options available (eg public transport or hire car) and also whether the journey takes sufficient account of potential stress and fatigue on the driver.

Save as otherwise agreed, if the travel can be made cost effectively and efficiently by public transport, the entitlement to motor mileage allowances is restricted to the actual cost of the public transport.

Taxi travel

Taxis would normally be used in circumstances where no other suitable method of public transport is available for the official travel, eg the journey includes the transport of heavy baggage over a short distance, or there would be a significant saving in travel time. Taxi travel should not normally be used in a city where there is a good mass transit system (eg London). A licensed taxi company should be used for safety reasons. A receipt for the fare should be obtained from the taxi driver, and attached to the claim form, along with a reason for use.

Air travel

Air travel may only be used within the UK when there is a cost advantage because of savings in travel costs, subsistence allowance and/or official time, or the urgency of the travel justifies the extra cost.

Staff responsible for arranging air travel overseas must ensure that the expenditure represents value for money. ***In particular, where a reputable low cost carrier (easyJet, Ryanair) serves a particular route, then that should be the default choice of carrier. For example, easyJet should be the default carrier for all flights to Tel Aviv.*** Tickets with full service carriers should only be purchased if no low cost carrier serves that route or if the savings from using a low cost carrier are offset by additional internal UK travel or accommodation costs which would be incurred or if there are pressing operational reasons for taking a full service carrier; if a full service carrier is chosen, the travel should be arranged through Denise Devaney and our travel agency (Key Travel) and approved prior to purchasing the ticket(s) by the Chairman or Chief Executive.

Trustees and staff will be expected to purchase economy class fares, and make use of discounts for advance bookings, where practical.

Rail travel

Trustees and staff are expected to use standard class rail travel, and where practical, take advantage of 'advance' and 'off-peak' fares.

Subsistence rates (per diems)

In order to control expenditure, staff travelling overseas will be reimbursed against actual expenses incurred up to the following rates per day of travel. Expenditure over these limits can only be claimed following prior approval of the Chairman or Chief Executive.

The limits are calculated on the basis of the US State Department published rates less 20 per cent (or 30 per cent in the case of meals and incidental expenses in the UK) to reflect our charity status. The US DoD rates are published regularly and can be found on the official web-site. The rates will be kept under review and adjusted for significant changes in the \$:£ exchange rate (currently assumed to be \$1.60 to the £).

An increase of up to 50 per cent in the per diem rate may be authorised where events in the locality result in temporary increases in accommodation rates.

These rates are a maximum entitlement and expenses will be reimbursed at the lower of the actual amounts paid and the per diem rates.

<i>Location</i>	<i>Lodging</i>	<i>Meals and incidental expenses</i>
Jerusalem	£160	£73
Other Israel	£119	£61
Lebanon	£68	£31
Cairo	£88	£46
Alexandria	£73	£32
Other Egypt	£43	£24
Amman	£92	£64

Rates for the UK are currently as follows:

<i>Location</i>	<i>Lodging</i>	<i>Meals and incidental expenses</i>
Buckinghamshire	£95	£50
London	£161	£80
Other UK	£80	£42

Rates will be determined by the postal address of the accommodation or the organisation visited, the higher rate being used.

Where travel status on the day of travel (both outwards and inwards) starts after midday (outwards) or ends before midday (inwards) the allowance for meals and incidentals is halved.

Per diem rates will apply both to "working days" and to "free days" provided the latter are an integral part of a BibleLands-sponsored visit. If personal visits precede or follow an official visit then per diems for the days of personal travel will not be included.

Rate changes will be advised to all employees and an amendment to this policy published, prior to the new rates coming into force.

Claims for meals and incidental expenses may include claims for non-alcoholic drinks, light refreshments and telephone calls made on official business. ***No claims for alcoholic drinks or sundry items (eg newspapers, sweets) will be reimbursed.***

There will be occasions when staff or trustees will stay with each other or with family members or friends if the host's residence is convenient to the place of work or instance that requires a local overnight stay. The host may claim up to £25 for out-of-pocket expenses incurred.

Budgetary responsibilities

Whilst overall responsibility for expenditure control rests with the CEO, for effective management the following delegations apply.

To: Head of Communications and Fund-raising & Deputy CEO

Budget lines

Donations income

Legacies

Communications and fundraising publicity

Employment costs charged to C&FR

Training expenses charged to C&FR

Travel expenses charged to C&FR

To: Partnerships coordinator

Budget lines

Grants (excluding HKC)

Employment costs charged to Partnerships

Training expenses charged to Partnerships

Travel expenses charged to Partnerships

To: IT Manager

Budget lines

Computer expenditure

Telephone

Maintenance and repairs

Light and heat

Training expenses related to IT and telecommunications

Travel expenses related to IT and telecommunications

To: Finance Officer

Budget lines

Investment and other income

All other Employment expenses

All other training expenses

All other travel expenses

Rates

Insurance

Printing and stationery

Postage

Legal and professional

Audit and accountancy

Finance charges

Sundry expenses

To: CEO

Budget lines

Governance expense, which is all expenditure, in any of the budgetary lines above, which is incurred for and by trustees.

Capital spending

All capital spending will require the approval of the CEO. This applies to all expenditure, irrespective of value, which will be charged to asset lines in the nominal ledger.