

Financial Policy

Approved by Cornerstone Trustees 20th November 2023
Review Due in 2026

Cornerstone Church, Grays is an AMiE church, and has an annual turnover of less than £100,000. The Church is registered with the Charity commissioners No: 1192558.

These policies, and the associated Risk Assessment, are in compliance with the Charity Commission.

The purpose of the policies is to ensure that Cornerstone Church complies with all necessary regulations, and with financial best practice, the integrity and accuracy of Cornerstone Church's financial administration can be proved, not just assumed. All reasonable steps are taken to avoid the possibility of Cornerstone Church suffering financial loss as a result of innocent mistakes. The Trustees have agreed these policies and will review, and update them if necessary, every 3 years or sooner if there are any material changes.

Key Principles

The Bible makes it clear that Christians need to belong to a local church and this belonging is a key element of God's way of supporting and growing his people until Jesus returns. The existence of a local church also brings financial responsibilities.

One of these responsibilities is for the church leadership to use the finance that God provides in a responsible, prayerful and godly manner. Another responsibility is for the church family to give financially to primarily help cover the costs of a local church. Giving from outside the church family maybe forthcoming (and at times needed) and is welcomed. 2 Corinthians 8 and 9 outline some key principles that should guide the giving of church family members.

Decisions about finance will always be guided first and foremost by a prayerful and obedient response to Scripture. We also commit to following the legal framework for finance for Charities in the UK. Where there is room for different decisions within these parameters, prayer, good practise and common sense will help in decision making.

The Trustees will have responsibility for setting the annual budget for Cornerstone Church. They will do this prayerfully and will seek God's wisdom in determining budgets according to the level of income expected. The Trustees will set budgets that can be met by the income expected, or by using reserves or surpluses from previous years. The Trustees will not set unrealistic budgets and then expect or put pressure on the church family to increase their giving to cover them.



The annual setting of budgets will be based on the vision for the church and the priorities that are determined. Serving team leaders and other individuals will be given responsibility for particular budget lines along with guidelines on what it should be used for. These people will liaise with the Treasurer to ensure that payments are made in a timely manner and that the financial records are updated.

The Treasurer will have day-to-day responsibility for keeping the financial records of Cornerstone Church. The Trustees have nominated one of their members (currently Les Brock) to be the Finance Officer and to undertake quarterly reviews of the bank statements and accounts. The year-end accounts will be reviewed by an external accountant.

Teaching about giving and possessions

The Trustees have agreed that there should be a sermon on giving and spending roughly once a year. The sermon could also highlight how helpful it is to review giving. The subject may be talked about more often if it is a natural application from a passage of scripture that we are studying. When people become part of Cornerstone Church giving will be discussed with them. Teaching about giving and possessions will take place occasionally in small group settings.

The Trustees have agreed not to hold regular, annual Gift Days, but it might be appropriate to have a Gift Day if income has unexpectedly dropped or for a specific project.

The church family will be regularly updated on the church's financial position. An email update will be sent out quarterly, and then verbal updates will be given at the AGM (in October).

At the end of the financial year (30 June), the accounts will be presented to the Trustees for approval. Once the accounts have been agreed, they will be sent to our auditor for checking. Once the accounts are received back, the Trustees will again approve them before they are presented at the AGM.

Congregational giving

The Trustees have agreed that the preferred method for people who are part of the church family to give to Cornerstone Church is by Standing Order, and we will encourage people to use this method. However, we recognise that this is not possible for everyone and so a collection will be made during the services using an offering bag. There will also be a page on the church website which people can use to donate money directly to Cornerstone.

Access to peoples' giving details will be strictly controlled, with only the Treasurer and the Finance Officer being able to see these details. The Treasurer will send out letters at the end of the tax year to thank donors for their support of Cornerstone Church.



As new people become part of the Cornerstone Church family, we will aim to talk to them about giving after about 3-6 months. Bank account details and gift aid forms will be available to both new and existing members. These will be on the church website and paper copies will be available at the Sunday services. It was agreed that young people who are part of the church family should not be expected to donate to the church until they have finished their education.

If we have visitors to our Sunday services we would not actively encourage them to donate. However, if they wanted to donate we would not stop them from doing so.

The Trustees have agreed that we feel it is the church family's responsibility to fund our church and that we would not appeal to the wider community for any financial aid.

The Trustees have agreed that, if we are going to organise an event as a church and would expect most, if not all of our church family to attend, then we will give due consideration to what people can afford and whether the church would be able to help out financially. This will be done on a case by case basis.

The Trustees have agreed that from time to time we will give people information about donating to charities or we will support a charity in our Sunday service. This will mean that we give people the opportunity to give, but we will not overload them with lots of options so that they feel overwhelmed. It has been agreed that we will have a Sunday service each year where we support GAFCON. Any suggestions about supporting a charity must be discussed and agreed by the Trustees before being mentioned in church. The Trustees will decide on a case-by-case basis whether all the offering from a service will be given to the charity that we are supporting, or whether the offering will be split between the charity and Cornerstone Church. Whatever our decision, this will be communicated very clearly to all members of the congregation.

Information about leaving legacies to Cornerstone Church will be available on the church website and will be mentioned to the church family occasionally. If money is left for a certain purpose, then it will be placed in restricted fund until it can be used for that purpose. Any other monies will be put in the general fund.

Fees and trading income

As we anticipate that weddings or funerals would involve people who are part of the church family, the Trustees have agreed that as a church we do not want to make any charge for these services. The people involved would only pay for any costs incurred, such as hire of premises.

As a church, we hope to enjoy a meal together every couple of weeks after the Sunday service. As we are not charging for the food, but are instead asking for donations, this is not a trading activity. All costs (profits/losses on food, food hygiene courses, etc) will be borne by Cornerstone Church.



Staffing and other revenue expenditure

Cornerstone Church will pay our Minister at a fair rate for the job, according to their contract. Their salary will be reviewed annually and any change will be confirmed in writing. The salary of any future staff members will be determined at the time of their employment according to the financial position of Cornerstone Church and will be reviewed regularly. If we employ a number of people, then the Trustees will review the salary levels/scales of all staff team members to ensure that they are appropriate.

Cornerstone Church will make pension contributions for the Minister based on a normal clergy salary. The contributions will take into account whether the Minister is employed on a part-time or full-time basis.

There is no provision of tied housing for the Minister at the moment. The Trustees will review as necessary.

The Trustees will review any terms of employment for interns if the opportunity arises, and as funds allow.

Cornerstone Church will contribute to AMiE central funds. We will review our contributions at the same time that we review the Minister's salary and will aim to pay a fair amount; helpful measures are 10% of the Minister's salary or 3% of our annual income.

All expenses and receipts should be presented to the Treasurer for payment. All regular expenditure up to a limit of £200 per item can be made by the person responsible for that area of the budget without approval. Any expenditure on an individual item costing over £200 must be pre-approved by the elders.

The Trustees expect that Cornerstone Church will have between 6 and 9 visiting preachers per year. We will offer expenses (travel) and a gift to each preacher. Consideration will be taken as to each preacher's situation, and the Trustees will discuss fair payment on a case by case basis.

With the exception of the Pastor, the Trustees of Cornerstone Church Grays will not normally receive any compensation for their time spent on Trustee duties. It is our aim to hold Trustee meetings at a time that is convenient for all Trustees and outside of their working hours.

Normal expenses, such as travel and the purchasing of items for use at Cornerstone Church will be reimbursed. Travelling by car will be reimbursed at the appropriate HMRC travel rate.

If a situation arises where a Trustee believes that they should be compensated for their time, then any payment would require the agreement of the other Trustees in advance.

If group buying is an option for any of Cornerstone Church's expenditure, then the Trustees will investigate and discuss each case.

Cornerstone Church does not have a discretionary fund. The Trustees will review this in the future when funds allow.



Financial Administration

The Trustees of Cornerstone Church will appoint the Treasurer and a Financial Officer. At least one of these posts must be held by a Trustee. Neither the Treasurer nor the Financial Officer can be employees of the charity and they must not be related to each other. As the church grows, we may choose to have a Financial Committee, and the Trustees will follow the same rules when appointing members of the committee.

The Treasurer will have day-to-day responsibility for keeping the financial records of Cornerstone Church. The Trustees have nominated one of their members (currently Les Brock) to be the Financial Officer and to undertake quarterly reviews of the bank statements and accounts. The Treasurer will update the Trustees on finances at every Trustees' Meeting (held every 3 months). The Trustees will authorise all budgets at the beginning of each financial year.

The Treasurer's responsibilities are:

To have overall responsibility for payments, receipts and monthly reconciliations, ensuring integrity and transparency by all involved in the handling of funds (including the Trustees).

To maintain up to date, computerised accounts and to create year-end financial statements for independent review.

To keep gift-aid records and to make regular claims from HMRC.

The Financial Officer's responsibilities are:

To check through the payments and receipts on a quarterly basis to ensure that all information is clear.

To check the quarterly reports for the Trustees and the year-end financial statements.

To review any new payment mandates set up by the Treasurer.

Both the Treasurer's and the Financial Officer's roles are voluntary. The Trustees may decide in the future that there is a need to employ someone to help with the accounts' administration.

Any cash received from collections during the Sunday service must be counted, checked and recorded by 2 people. These people must not be connected to the Treasurer and cannot include the Financial Officer.

The Treasurer will pay invoices as soon as is practically possible. Expenses from the Pastor and team leaders should be claimed monthly and the Treasurer will again reimburse promptly.

The Treasurer and the Financial Officer are the only people to have access to the online banking and accounting systems. They are also the only people to hold debit cards. Any



cheques will require two signatories. The people authorised to sign cheques are the Treasurer, the Financial Officer and a nominated person (currently Dawn Jessup).

We will ensure that we use a secure online accounting system which is backed-up regularly. All invoices and receipts will be scanned and stored securely on-line. We will hold all accounting records for 7 years.

We will use a competent payroll bureau (Stewardship) to ensure that Cornerstone Church complies with all relevant legislation relating to payroll.

Cornerstone Church will endeavour to use an insurance provider which specialises in church cover.

Cornerstone Church will aim to keep reserves equivalent to 3 month's running costs. If our reserves fall below this level, then the Trustees will review the budget and adjust accordingly.

When funds allow, the Trustees will invest any surplus funds. We will ensure that the investments are in-line with, and further our charitable aims.

The Trustees will regularly review risk assessments. They will budget for any training that is required or any other measures needed to mitigate or reduce risk.

Accounts

The Treasurer will make a recommendation to the other Trustees about which bank should be used to hold our bank account. The Trustees will need to agree to this recommendation before any account is opened.

As mentioned previously, the Treasurer and the Financial Officer are the only people to have access to the online banking and accounting systems. The Treasurer is authorised to make payments, but any payment over £1,000 or any new payment mandates must be reviewed and agreed by the Financial Officer before being actioned; the Treasurer will email the Financial Officer with all details and copies of any invoices relating to the payments.

Most of our funds will be in a General Fund that can be used for any purpose, the Trustees may decide to designate funds for certain purposes and these will be held in a separate fund from the General Fund. Cornerstone Church expects that from time to time we will need to hold restricted funds. These funds must be used for the purpose that they were donated. If any restricted funds are leftover after a project/purchase, then wherever possible the Treasurer will contact the giver to ask how they would like us to deal with the surplus funds. If it is not practical to do this, then the Trustees will decide how to use these funds.

Cornerstone Church will keep accounts in accordance with the current SORP.

The Treasurer will update the Trustees on finances at every Trustees' Meeting (held every 3 months) to enable the Trustees to monitor financial results against budget. The Trustees will authorise all budgets at the beginning of each financial year.



Each financial year for Cornerstone Church will run from 1 July to 30 June. End of year accounts will be reviewed by the Trustees and will then be independently examined by Jason Foxwell (email jason@independent-examiner.net). Cornerstone Church will comply with all legal requirements for submitting information to the Charity Commission and HMRC. We will also send a copy of our accounts to AMiE.

Capital Projects

The Trustees of Cornerstone Church Grays currently have no plans for Capital Projects. If this situation changes, then the Trustees will discuss and implement a policy.

Global Mission

Cornerstone Church will financially support Mission Agencies and Individuals who are working to spread the Gospel. The Trustees will ensure that they are happy with the Statement of Faith of any Mission Agency that we choose to support; their Statement of Faith should be broadly in line with that of Cornerstone Church. We will only support individuals who agree with our Statement of Faith. The Trustees will also ensure that they make full checks on any agencies or individuals before we begin our financial support.

Cornerstone Church will aim for 5% of the budget to be allocated to supporting global mission. The Trustees will increase this to 10% of the budget when we are in the financial position to do so.

The Trustees will review our support for Global Mission annually. We will, however, commit to support individuals for a longer period of time (e.g., for five years) so that they have some certainty about their income.

We would like to support Mission Agencies, individuals and new AMiE plants. The Trustees will also put aside a small part of the budget to be able to respond to emergency appeals or disaster funds.

The Trustees will inform the Cornerstone Church family of the Mission Agencies and individuals that we are supporting. We will give them information on how to donate directly if they so wish. From time to time, we may support a Mission Agency in our Sunday service. This will mean that we give people the opportunity to give, but we will not overload them with lots of options so that they feel overwhelmed. Any suggestions about supporting an agency must be discussed and agreed by the Trustees before being mentioned in church.



If

you have any comments or questions regarding this policy please contact our charity trustees at
trustees@cornerstonegrays.org

Cornerstone Church Grays is a registered charity
Registered Charity Number 1192558
Registered office: 15 Buttell Close, Grays, RM17 6UN

