



# BRETHREN IN CHRIST CHURCH

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## DISTRICT AND GONGREGATIONS ACCOUNTING MANUAL AND PROCEDURES

2/17/2012

# **BICC DISTRICTS AND CONGREGATIONS**

## **ACCOUNTING MANUAL AND PROCEDURES**

1.0 The District or Congregation Committee shall cause the District or Congregational Treasurer to;

- 1.1 Prepare Financial Statements
- 1.2 Prepare Budgets and Cash-flows
- 1.3 Control and account for finances.
- 1.4 Implement BICC human resources policies
- 1.5 Communicate with banks, other investments centres, and other stakeholders

## **2.0 Preparation of Financial Statements Policy**

### **2.1 Policy Objectives are to ensure that;**

- 2.1.1 Financial Statements are free from material misrepresentation caused by fraud or error
- 2.1.2 Financial Statements are prepared in accordance with Generally Accepted Accounting Procedures (GAAP) and conform to International Financial Reporting Standards (IFRS)
- 2.1.3 Financial Statements are produced on time and comply with BICC Finance policies.
- 2.1.4 All relevant financial statements are produced

### **2.2 Procedures on Preparation of Financial Statements**

- 2.2.1 Financial Statements shall be produced on an accrual basis.
  - 2.2.1.1 The frequency of Financial Statements preparation shall be monthly, on or before the 15<sup>th</sup> of the following month.
  - 2.2.1.2 The Annual Financial Statements shall be produced on or before 30 days after the year end.
- 2.2.2 There shall be provision of depreciation (**Straight line Method**) on assets. The rates shall be as follows:
  - 2.2.2.1. Buildings (1.5%)
  - 2.2.2.2. Motor vehicles (20%) see vehicle policy
  - 2.2.2.3. Furniture (5%)
  - 2.2.2.4. Office Equipment (computers, printers, etc) (25%)
- 2.2.3 The major financial statements to be produced are; **Statement of Financial Position(Balance Sheet), Statement of Comprehensive Income(Income & Expenditure), Statement of Cash-flows(Receipts &**

**Payments) and Notes to the Financial Statements.** See appendix for formats

- 2.2.4 Financial statements shall be analyzed by the committee and copies sent to the Overseer, Internal Auditor, the Central Treasurer and, subsequently, to BICC Finance Board.

### **3.0 Policy on Other Statements**

#### **3.1 Policy Objectives shall be to ensure that;**

- 3.1.1 All other relevant financial information for decision-making is available.
- 3.1.2 Enhanced and comprehensive analyses are carried out before cash is spent.

#### **3.2 Procedures on Other Statements**

- 3.2.1 Other statements that need to be prepared are Budgets and Reconciliations.
  - 3.2.1.1 Budgets shall be prepared on monthly basis and annual basis.
  - 3.2.1.2 Variation on actual performance and budgets shall be analyzed and corrective measures, where possible be taken.
  - 3.2.1.3 Relevant reconciliations, i.e., Bank, Creditors, Debtors, etc. shall be carried out every month.
  - 3.2.1.4 Cash-flow budgets and actual Cash-flow shall be compared.
  - 3.2.1.5 Actual Cash-flows shall be on a daily basis while the Cash-flow budgets shall be on a weekly, monthly, quarterly, half-yearly and annual basis.
- 3.2.2 Preparation of other statements, beside those stated above shall be on an ad- hoc basis.

### **4.0 Control of Finances and Accountability**

#### **4.1 Policy Objectives shall be to ensure that;**

- 4.1.1 All cash and financial assets are accounted for.
- 4.1.2 Only proper and authentic documentation shall be used.
- 4.1.3 Usage of money is properly and adequately authorized.
- 4.1.4 Financial Security features are restricted to authorized personnel.

#### **4.2 Procedures on Control of Finances and Accountability**

- 4.2.1 Cash shall be banked on regular intervals and records kept. Cash should not accumulate for more than a week without banking.
- 4.2.2 All payments shall be for proven expenses as supported by documents. (If prepayments are to be made, they should be for reputable suppliers).

- 4.2.3 The signing order of documents shall be; The Accounts Clerk (expenses voucher, Order, Requisition & Order), District or Congregation Treasurer, Chairperson, Secretary & Pastor or Overseer(Expenses Voucher, Order, Bank Letter & Cash Requisition/Cheque), and any Bank authorized Signatory (Bank Letter and Cash Requisition/Cheque).
- 4.2.4 Payees (or their representatives) shall produce national identification particulars and sign for cash or cheque received, stating their names in full and organizations they represent. All Financial vouchers shall be serialized and their records be kept by the Treasurer's Office

#### **4.3 Realization of revenue**

- 4.3.1. All revenue due and circulating in the congregation shall be realized in the congregation's main account.
- 4.3.2. The following are revenue streams but not limited to:
  - 1. Tithe
  - 2. Offering (cell group, Sunday school, revivals)
  - 3. Donations (specified and unspecified).
  - 4. Fundraising
  - 5. Projects.
  - 6. Harvest offering (Isivuno).
  - 7. Pledges.
  - 8. Offering from the following fellowships shall be accounted for through the main church account; men, women, youth and children.

### **5.0 Financial Communications Policy**

#### **5.1 Policy Objectives are to ensure that;**

- 5.1.1 The Congregation or District is aware of financial developments relevant to it.
- 5.1.2 Outside stakeholders, like Bankers, External Auditors, etc., receive correct and relevant information.

#### **5.2 Procedures on Financial Communications**

- 5.2.1 The responsibility of Financial Statements preparations lies with the District or Congregation Treasurer.
- 5.2.2 The District or Congregation Treasurer provides for communication lines with Bankers, Creditors, and Auditors. (No unauthorized person is allowed to issue out financial information to outsiders).
- 5.2.3 The District or Congregation Treasurer communicates with the District or Congregation Committee on all Financial Matters; the District or Congregation Treasurer is asked to present certain information to the District or Congregation Committee or Council.

## **6.0 Other Provisions**

### **6.1 The Objectives of Other Provisions are to ensure that;**

- 6.1.1 The District or Congregation runs efficiently.
- 6.1.2 All personnel are utilized.

### **6.2 Letter Box and Mail Management**

- 6.2.1 The Finance department shall ensure the Post Office Mail Box is frequently checked.
- 6.2.2 Mail received is booked and issued to relevant recipients on time.
- 6.2.3 Mail to be delivered to outsiders shall be booked and signed for by recipients.

## **7.0 Interest groups.**

- 7.1. The objectives of this part of the manual are to ensure that the activities of the interest groups are governed above board. It is also there to ensure that there are clear procedures and guidelines on how these groups should be run.
- 7.2. Interest groups include those groups that are not fully constituted by the denomination but are formed out of interest to satisfy a particular need within the congregation. They are not limited to the following:
  - 7.2.1. Burial societies, singing groups, catering clubs, wedding clubs.
- 7.3. The Main Committee of the congregation has to ensure the following in as far as interest groups are concerned:
  - 7.3.1. That they have a constitution.
  - 7.3.2. That they have a committee to run its affairs above board which shall include a Chairperson, Treasurer, Secretary and committee members.
  - 7.3.3. That they operate a bank account and their books are subject to check by the Main Congregation Treasurer. Their finances shall be kept separate from the main congregation finances.
  - 7.3.4. That the group is well informed that the Main Committee has the right to request for an internal audit of their affairs.
  - 7.3.5. That their conduct shall be consistent with the values of Brethren In Christ Church. Their activities should not bring the Church into disrepute.
  - 7.3.6. The name of the group shall not include, "Brethren In Christ Church" (BICC) in it and neither shall the name chosen bring the Church into disrepute.
- 7.4. All exceptions in interpretation, application or otherwise of this manual rest with the Finance Board.

## Appendix: Formats

### Matrix of Signatures

Requisition Form	Order Form	Payment Voucher	Bank Cash Requisition
<ul style="list-style-type: none"><li>• Accounts clerk</li><li>• Head Of Department</li></ul>	<ul style="list-style-type: none"><li>• Accounts clerk</li><li>• Head Of Department</li></ul>	<ul style="list-style-type: none"><li>• Accounts Clerk</li><li>• Treasurer and any of the following:</li><li>• Overseer (in case of a district)</li><li>• Pastor ( in case of a congregation)</li><li>• Chairperson</li><li>• Secretary</li></ul>	<ul style="list-style-type: none"><li>• Treasurer and any of the following:</li><li>• Overseer (in case of a district)</li><li>• Pastor ( in case of a congregation)</li><li>• Chairperson</li><li>• Secretary</li><li>• Any Bank Authorized Signatory</li></ul>

CASH BOOK FORMATS

RECEIPTS

Cash book for the month ended April 30, 2014

Date	Details	Master Receipt Number	Total Receipts	Tithes	Offering	Donations	Fundraising	Projects	Special offering
01.04.14	Tithes	751250	2,512.00	2,512.00	-	-	-	-	-
02.04.14	Fundraising	751251	1,152.00	-	-	-	1,152.00	-	-
03.04.14	Offering	751252	853.00	-	853.00	-	-	-	-
05.04.14	Head Office	751253	650.00	-	-	650.00	-	-	-
10.04.14	Car Project	751254	530.00	-	-	-	-	530.00	-
12.04.14	O/seeer's day	751255	752.00	-	-	-	-	-	752.00
15.04.14	Tithes	751256	4,513.00	4,513.00	-	-	-	-	-
17.04.14	Offering	751257	956.00	-	956.00	-	-	-	-
19.04.14	S. Ndlovu	751258	150.00	-	-	150.00	-	-	-
25.04.14	Tithes	751259	5,602.00	5,602.00	-	-	-	-	-
28.04.14	Fundraising	751260	1,050.00	-	-	-	1,050.00	-	-
29.04.14	EBI	751261	80.00	-	-	-	-	-	80.00
29.04.14	Offering	751262	780.00	-	780.00	-	-	-	-
<b>Total Receipts</b>			<b>19,580.00</b>	<b>12,627.00</b>	<b>2,589.00</b>	<b>800.00</b>	<b>2,202.00</b>	<b>530.00</b>	<b>832.00</b>
Balance b/d			7,980.00						
Less payments			27,560.00						
Closing balance			15,389.00						
			<u>12,171.00</u>						
Represented by:									
	Cash in hand		1,100.00						
	Cash at bank		11,071.00						
			<u>12,171.00</u>						

PAYMENTS

Date	Details	Voucher Number	Total Payments	Salaries & Benefits	30% Contributions	Rent	District Subs	Rates	Administration expenses	Vehicle expense	Repairs & maintenance	Property Insurance	Capital payments
01.04.14	CWF	1001	2,312	-	2,312	-	-	-	-	-	-	-	-
02.04.14	NSSA	1002	135	135	-	-	-	-	-	-	-	-	-
03.04.14	Old mutual	1003	80	80	-	-	-	-	-	-	-	-	-
05.04.14	Rent	1004	250	-	-	250	-	-	-	-	-	-	-
10.04.14	Byo district	1005	150	-	-	-	150	-	-	-	-	-	-
12.04.14	Various	1006	2,225	-	700	-	-	560	100	125	600	125	15
15.04.14	Zimra	1007	130	130	-	-	-	-	-	-	-	-	-
17.04.14	Computec	1008	500	-	-	-	-	-	-	-	-	-	500
19.04.14	Astra	1009	450	-	-	-	-	-	-	-	450	-	-
25.04.14	PG supplies	1010	3,650	-	-	-	-	-	-	-	-	-	3,650
28.04.14	Salaries	1011	4,512	4,512	-	-	-	-	-	-	-	-	-
29.04.14	Various	1012	930	-	-	-	150	-	-	780	-	-	-
29.04.14	Bank charge	1013	65	-	-	-	-	-	65	-	-	-	-
			<b>15,389</b>	<b>4,857</b>	<b>3,012</b>	<b>250</b>	<b>300</b>	<b>560</b>	<b>165</b>	<b>905</b>	<b>1,050</b>	<b>125</b>	<b>15</b>
													<b>4,150</b>



## Receipts & Payment account as at April 30, 2014

	Notes		
<b>Receipts</b>			
Balance brought forward			7,980.00
Tithes		12,627.00	
Offering		2,589.00	
Donations		800.00	
Fundrasing		2,202.00	
Projects	1	530.00	
Special offering	2	832.00	
Sundry receipts	3	-	19,580.00
<b>Total Receipts</b>		<u>                    </u>	27,560.00
<b>Payments</b>			
Salaries & Benefits	4	4,857.00	
30% Contributions		3,012.00	
Rent	5	250.00	
District Subs		300.00	
Rates	6	560.00	
Admistration expenses	7	165.00	
Vihecle expenses	8	905.00	
Repairs& maintanace		1,050.00	
Property Insuarance & Protection		125.00	
Travel		15.00	
Ministries & Fellowships	9	-	
Donations	10	-	
Sundry payments	11	-	
Capital payments	12	4,150.00	
<b>Total Payments</b>		<u>                    </u>	15,389.00
<b>Closing balance</b>			<u><u>12,171.00</u></u>

Represented by:

Cash in hand	1,100.00
Cash at bank	11,071.00
	<u><u>12,171.00</u></u>

NOTES

1	Projects		
	Building	300.00	
	Vehicle	150.00	
	P.A. System	50.00	
	Generator	30.00	530.00
		<hr/>	
2	Special offering		
	Bishop's day	175.00	
	Overseer's day	120.00	
	Pastor's day	250.00	
	Ministries day	287.00	832.00
		<hr/>	
3	Sundry receipts		
	Youth	-	
	Men	-	
	Women	-	
	Rent & hire	-	
	Compassionate fund	-	
	Interest	-	
	Exchange rate adjustment	-	
	Fund raising	-	
	Revivals & crusades	-	
	Cell groups	-	-
		<hr/>	
4	Salaries & Benefits		
	Staff salaries	3,450.00	
	Pension	180.00	
	NSSA	95.00	
	PAYE	112.00	
	Medical Aid	580.00	
	Funeral benefit	120.00	
	Deacons allowance	50.00	
	Staff meals	150.00	
	School fees	120.00	4,857.00
		<hr/>	
5	Rent		
	Pastors house	150.00	
	Church services	100.00	250.00
		<hr/>	
6	Rates		
	Land rates	150.00	
	Water	212.00	
	Electricity	198.00	560.00
		<hr/>	
7	Administration expenses		
	Telephone	27.00	
	Cell phone	30.00	

	Stationery	45.00	
	Postal box	20.00	
	Bank charges	22.00	
	Refreshments	15.00	
	Computer expenses	-	
	Media & publications	-	
	Internet	-	
	Cleaning	-	
	Travel & subsistence	6.00	165.00
8	Vehicle expenses		
	Fuel	350.00	
	Service	300.00	
	Insurance & licences	90.00	
	Repairs & maintenance	165.00	905.00
9	Ministries & Fellowships		
	Men	-	
	Women	-	
	Youth	-	
	Evangelism & Church growth	-	
	AWANA	-	
	Baptism	-	
	Revivals & crusades	-	
	Catering	-	
	Ushers	-	
	Prayer committee	-	
	Home based care	-	
	Home & family	-	
	Compassionate & Needy	-	
	Workshops & seminars	-	
	General Conference	-	
	Music-Praise & worship	-	
	Christian education	-	
	Decoration	-	
	Trustees	-	
	Counselling	-	-
10	Donations		
	Specify recipient		
11	Sundry payments		
	Fund raising activities	-	
	Presents	-	
	Celebration or commemorations	-	
	Bishop's day	-	
	Overseer's day	-	
	Pastor's day	-	

Ministries day	-	
Youth	-	
Men	-	
Women	-	
Rent & hire	-	
Compassionate fund	-	
Exchange rate adjustment	-	
Fund raising	-	-
	<u>          </u>	
12 Capital payments		
Land acquisition	2,000.00	
Plan certification	150.00	
Building material	1,200.00	
Vehicle acquisition	-	
Computers	300.00	
Furniture	80.00	
P.A. System acquisition	-	
Architect fees	130.00	
Generator	290.00	4,150.00
	<u>          </u>	

<b>Income &amp; Expenditure account as at April 30, 2014</b>		
	<b>Notes</b>	
<b>Income</b>		
Tithes		12,627.00
Offering		2,589.00
Donations		800.00
Fundraising		2,202.00
Projects		530.00
Special offering		832.00
<b>Total Income</b>		<b>19,580.00</b>
<b>Expenditure</b>		
Salaries & Benefits		5,600.00
30% Contributions		4,564.80
Rent		250.00
District Subs		150.00
Rates		860.00
Admistration expenses		165.00
Vihecle expenses		1,505.00
Repairs& maintanace		1,050.00
Property Insuarance & Protection		125.00
Travel		15.00
Depriciation		3,512.00
<b>Total Expenditure</b>		<b>17,796.80</b>
<b>Surplus/(Deficit)</b>		<b>1,783.20</b>

## Balance Sheet as at April 30, 2014

	Notes	
<b>Tangible Assets</b>		
Buildings	1	150,000.00
Furniture & Fittings	2	79,150.00
Property & Equipment		105,000.00
Vehicles	3	60,000.00
		<u>394,150.00</u>
<b>Current Assets</b>		
Debtors	4	100.00
Prepayments		150.00
Stock		125.00
Cash in Hand & Bank		12,171.00
		<u>12,546.00</u>
<b>Total Assets</b>		<u><u>406,696.00</u></u>
<b>Financed by</b>		
<b>Current liabilities</b>		
Creditors	5	3,195.80
Grants		-
Accruals		-
		<u>3,195.80</u>
<b>Accumulated Fund</b>		
Brought forward		401,717.00
Surplus/(Deficit)		1,783.20
		<u>403,500.20</u>
<b>Total liabilities &amp; Accumulated fund</b>		<u><u>406,696.00</u></u>
<b>5 Creditors</b>		
Salaries & Benefits		743.00
30% Contributions		1,552.80
Rates		300.00
Vihecle expenses		600.00
		<u>3,195.80</u>