



BRETHREN IN CHRIST CHURCH

FINANCE POLICIES

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BICC FINANCE POLICY

AIM

The aim of this policy document is to harmonise financial operations within the BICC in Zimbabwe.

Distribution

The document shall be distributed to all BICC congregations, units and other church related undertakings. Those entrusted with governance shall see to it that details of this policy are adhered to, e.g. managers, head of units, accountants, bursars, administrators, pastors and local congregation committees.

Application

This policy shall apply to

- (a) All business units that include Matopo Book Centre, Farms and Guest House
- (b) All educational institutions that include Schools and Ekuphileni Bible Institute
- (c) All other church wings that include Amagugu Evangeli, Hospitals, Clinics and Aids Project.
- (d) All congregations under the jurisdiction of the Brethren In Christ Church Zimbabwe General Conference.

SECTION 1

1. GENERAL POLICY

1.1 . The BICC Finance Board

1.1.1 . Purpose:

The Finance Board shall have financial oversight of the Church and its institutions as directed by General Conference at its Annual General Meeting.

1.1.2 . Responsibilities:

- (a) Set policies for the procurement, handling and use of the finances of the church and its Institutions:
- (b) Regulate and exercise control over all Church-related finances as directed by the General Conference.
- (c) Review annual financial reports of all Church-related accounts and report to General Conference;
- (d) Advise the Church at large about the financial situation from time to time; Review salaries, wages and conditions of service of the employees of the Church and its related Institutions in consultation with the Human Resources committee.
- (e) Ensure the appointment of the Treasurer in consultation with the Executive Board.
- (f) Ensure the appointment of the Internal Auditor in consultation with the Executive Board.
- (g) Assume responsibility for authorizing all purchase, disposal, mortgage and disposition of immovable property of the Church during the inter-conference period when necessary in consultation with the Trustees committee.
- (h) Present a financial report to General Conference.

1.1.3 . Composition

- (a) Chairperson of General Conference
- (b) Assistant Chairperson of General Conference
- (c) Secretary of General Conference
- (d) Treasurer of General Conference
- (e) Internal Auditor

- (f) Seven Members elected in alternating years for two-year terms by General Conference.
 - (g) There shall be a budget committee comprising of the Treasurer and seven elected members of the Finance Board.
 - (h) There shall be an Audit committee made up of the Internal Auditor and seven elected members of the Finance Board.
- 1.1.4 . Qualifications
- (a) Knowledge and understanding of the organizational structure of the Church;
 - (b) Knowledge and understanding of the purposes of the Institutions and Ministries of the Church;
 - (c) Knowledge and understanding of General Management, Accounting, Finance or Economics.
 - (d) Interest in the development and growth of the Church.
 - (e) Willingness to serve and contribute to the financial management aspects of the programme of the Church.
- 1.2 . Donations**
- 1.2.1 . All solicited or unsolicited, intentions to solicit or campaign for donations, specified or unspecified and scholarships by anyone on behalf of BICC shall be approved and controlled by the Finance Board.
- 1.2.2 . Non declaration of unsolicited or unspecified donations shall constitute violation of policy.
- 1.3 . Accounts and Audit**
- 1.3.1 . All BICC congregations, units, organs and institutions shall write up books of accounts, stock books, asset registers, and vehicle log books and prepare financial statements for the financial year up to balance sheet level. Books shall be kept for at least a period of five (5) years.
- 1.3.2 . Each congregation, unit, organ and institution of BICC is obliged to prepare a budget for the ensuing financial year for presentation to the Finance Board through relevant committees. Budgets are to be used as a control tool and any unbudgeted expenditures shall be endorsed by the Finance Board.
- 1.3.3 . Were possible, all BICC related organs shall be subject to at least one annual Internal Audit and any other adhoc audit as the Finance Board may see fit.
- 1.4 . Security items**
- 1.4.1 . Security items that include, cash, receipts books, cheques, deposit books, order books goods received vouchers, registers and any other official record book that may be prone to theft or conversion for unofficial use shall be kept locked away in a safe when not in use. Cash shall be banked on regular intervals.
- 1.4.2 . All congregations, units and institutions of the Church should use official receipt books from BICC Head Office.
- 1.5 . Financial Irregularity**
- 1.5.1 . In the event of any person defrauding the Church of money or property these steps should be taken:
- (a) The matter should be reported to the police.
 - (b) Where necessary Legal and Financial Advice should be sought from BICC Treasurer, Lawyers and Accountants or Auditors for proof.
- 1.6 . Construction**
- 1.6.1 . All construction shall be undertaken in consultation with the Finance Board which shall assess the availability of funds to undertake the project. The Finance Board shall

consult the Building committee which shall approve the plans and monitor the quality and suitability of the construction.

1.7 . Motor vehicles

1.7.1 . Acquisition and disposal of vehicles is dealt with under 1.8 (Acquisition and disposal of assets). The Finance board will assess the suitability of the vehicle and the availability of funds before authorising an acquisition of a vehicle.

1.7.2 . All motor vehicles shall have a car replacement fund and must be insured.

1.8 . Assets acquisition and disposal.

1.8.1 . Value of assets

The following asset values shall apply to this policy

(a) All assets whose current market value when new exceeds an equivalent of US1 000, when considered as total quantity values.

1.8.2 . Objectives

The main objectives of this policy are:-

- (a) To provide for proper identification of a need to acquire or dispose an asset
- (b) To provide for a proper channel for acquisition or disposal of an asset
- (c) To provide for clear lines of communication where there is a need to acquire or dispose an asset.
- (d) To provide guidance on value realization through acquisition or disposal of an asset.
- (e) To provide proper approval and authorization to acquire or dispose an asset

1.8.3 . Acquisition or disposal procedure of all assets

The procedure shall be as follows:-

- (a) The management of a unit shall identify the need to acquire or dispose a certain asset and communicate the need to the relevant administrative committee via an “Asset Acquisition/ Disposal form” at least 30 days prior to the date of the proposed acquisition or disposal of the asset.
- (b) The administrative committee shall assess the need, if agreeable; communicate it to the Trustees Committee and the Finance Board via an “Asset Acquisition/ Disposal form” within 7 days of receiving the request from the unit through the office of the Treasurer.
- (c) The Finance Board shall assess the request and make a decision in consultation with the relevant administrative committee and communicate its decision to the Executive Board via an “Asset Acquisition/ Disposal form” within 7 days of receiving the request through the office of the Bishop.
- (d) The Executive Board shall approve or disallow the asset acquisition or asset disposal request after consultation with the Finance Board and the Trustees Committee and communicate its decision to the Finance Board via the “Asset Acquisition/ Disposal form” within 7 days of receiving the request through the office of the Treasurer.
- (e) The Finance Board will advise the relevant Administrative Committee via the “Asset Acquisition/ Disposal form” of the final decision of the Executive Board immediately.
- (f) All the processes of acquiring and disposing shall be dealt with through the Bishop and Treasurer’s office who shall report to the Executive Board, Trustees Committee and Finance Board respectively.

1.9 . Credit policy

- 1.9.1 . As a matter of Policy an organ of the Church should not offer a loan to anyone.
- 1.9.2 . Institutions, congregations and units shall inform the Finance Board in writing, through the BICC Treasurer's office, before they approve loans between each other for advice and counsel. This applies to loans above US\$500.
- 1.9.3 . Employee loans policy shall follow the dictates of the Human Resource policies on loans page 20.

SECTION 2

2. CONGREGATIONS AND INSTITUTIONS

2.1 . Congregations

- 2.1.1 . Congregations shall pay monthly contribution for the upkeep of the Head Office Staff, institutions and other work which is better done under the auspices of BICC Zimbabwe Conference. This is calculated on a percentage that changes depending on the resolution of the General Conference. The percentage is based on tithes, offerings, unspecified donations and harvests (Isivuno)
- 2.1.2 . Tithes and Offerings shall be primarily used for Church Workers Fund both at the local congregation and at the national church level.
- 2.1.3 . To finance capital projects, congregations shall raise funds through other fund raising means other than tithes and offering. It is still the duty of the Finance Board to request an account on the use of these funds.

2.2 . Mission institutions (Water and Electricity payments)

- 2.2.1 . The use of water and electricity is free to employees of a particular mission institution.
- 2.2.2 . The Farm Committee from time to time will set minimum garden sizes for employees at mission stations. Currently garden sizes are limited to 50 square metres per family. Industrial use of electricity and water in households (e.g. welding, grinding mills, irrigating) is not allowed, use is limited to domestic consumption. Employees who seek farming land, by means of natural rains, larger than prescribed herein shall seek the approval of the Farm Committee who shall reserve the right to limit and withdraw privilege, as they shall see fit.
- 2.2.3 . The Finance Board in consultation with the Buildings & Maintenance committee shall set Rentals for accommodation provided to employees. Currently Church employees occupying accommodation in a particular Mission station shall not pay rent. However all damages, willful and negligent shall be to the account of the occupier of the residence.
- 2.2.4 . Units in a mission station shall collectively pay towards water pumping and purification. Preferably each unit should have its own electric meter and were its not practical the station committee shall determine how much each unit is to pay towards electricity.

2.3 . Income generating projects under mission station units.

- 2.3.1 . These include tuck shops, butcheries and bakeries among any ventures that bring additional income to the unit. They shall be managed by the particular unit. Any sub-contracting shall be authorised by the Finance Board.
- 2.3.2 . These should have separate accounting books.
- 2.3.3 . At the end of the year the profit from the enterprises can be used to subsidize the institutions.

2.4 . Schools

- 2.4.1 . The chief accounting officer of the Church at the school is the Bursar who acts in consultation with the school finance committee and reports to the Head.

- 2.4.2 . Schools should follow all regulations as set out by the Ministry of Education.
 - 2.4.3 . Separate banks accounts, one for school operations and the other for PTA projects shall be opened.
 - 2.4.4 . All high schools of the church are obliged to pay church levy which is charged per pupil or any other formula as the Finance Board may see fit. These funds are payable in proportion to the fees collected on a monthly basis.
 - 2.4.5 . Parents Teachers Association (PTA)
 - (a) A separate PTA account shall be opened. Its signatures shall be that of the PTA Chairperson, PTA Treasurer and Head of School.
 - (b) All PTA projects that benefit the school should be done in consultation with the Education & Administrative Committee and Finance Board.
 - (c) PTA books of accounts shall be audited from time to time by the Internal Auditor of the Brethren In Christ Church on consultation with the PTA.
 - 2.4.6 . Schools shall follow all policy details in this finance policy.
- 2.5 . Hospitals and clinics**
- 2.5.1 . Hospitals should also follow all regulation laid out by the Ministry of Health. Hospital Administrators are responsible for ensuring that much policy is followed.
 - 2.5.2 . All hospitals shall have a finance committee in terms of the ministry of Health.
 - 2.5.3 . All donations shall follow policy designs as laid out in 1.2 above.
 - 2.5.4 . Hospitals shall also adhere to policy as laid down in this document.

SECTION 3

3. INCOME GENERATING PROJECTS OF BICC

- 3.0.1 . The thrust and mandate of all income generating projects of the church is to financially support the ministry and mission of the church. Therefore they shall contribute 50% of their net profits quarterly.

3.1 . Matopo Book Centre

- 3.1.1 . Whenever there is need to refinance working capital at the business, the need shall come from management through to the administrative committee and finally approved by the Finance Board. Recapitalisation takes the form of consignment stock, finance lease and operating lease any means seen possible by the Finance Board.
- 3.1.2 . Off Balance sheet financing will not be permitted.
- 3.1.3 . All equity shall be reported in the Balance sheet as a matter of policy. The Balance sheet shall also report any extraordinary items in the reports in form of notes.
- 3.1.4 . Matopo book centre shall follow policy details as specified in this policy.

3.2 . Farms

- 3.2.1 . Farms shall produce, in addition to the financial statements, a livestock reconciliation statement every month.
- 3.2.2 . Recapitalization of the Farms shall also be done through the Farm administrative committee and approved by the Finance Board. It may be in the form of destocking, leasing part of the farm and seed loans including any possible finance vehicles suitable and acceptable by the Finance Board.
- 3.2.3 . Farms shall follow the guides on Finance policy as detailed in this policy.

3.3 . Guest house

- 3.3.1 . The guest house shall follow policy details laid out in this document.

4. EXCEPTIONS TO THIS POLICY

- 4.0.1 . Any exceptions to this policy must be approved by the Finance Board.