

Blackheath and Crystal Palace Circuit

Guidance on incurring expenditure

Introduction

It should be remembered that the circuit funds are charitable funds and do not belong to the members of the circuit. The members of the Circuit Meeting are the managing trustees and have responsibility for managing the funds and ensuring that they are used only for the purposes of the charity. In certain cases, the Circuit must refer expenditure to the District or other Methodist Church body for approval.

The Circuit Meeting appoints a Treasurer who is responsible for looking after the funds and maintaining the books of account. He or she does not have any authority to agree expenditure other than as directed by the Circuit Meeting. Separate treasurers may be appointed by the Circuit Meeting to take responsibility for specific funds.

It is clearly impracticable for the Circuit Meeting to be convened to approve every item of expenditure that arises during the year and so it delegates certain authority to sub-committees (such as the Leadership Team) and to individuals. The purpose of this document is to set out guidelines for this process. It does not cover every eventuality but concentrates on the aspects that are likely to arise.

Small items

Any expenditure up to £250 (£750 for manses – see below) can be incurred without prior approval as long as it is *necessary* for the day-to-day functioning of the circuit. If in doubt as to whether an item of expenditure is appropriate, the Circuit Treasurer or one of the Circuit Stewards should first be consulted. A receipt, invoice or other supporting documentation is required in all cases.

Any expenditure that is, in the opinion of the treasurer, inappropriate or exceeds the above limit will not be reimbursed until appropriate approval has been obtained.

Expenditure on manses

The following projects may require consent from the District and/or Connexion as set out on the Methodist Property Consent website:

- Any work to alter, repair, extend, redevelop or build a property, except for small, non-structural improvement works;
- Any external work to a property in a conservation area (eg Eversley Road); or
- Any work or repair to a listed building.

If unsure whether a project requires consent, it is suggested that the District Property Secretary is consulted or, if a listed building or in a conservation area, the Conservation Office be consulted.

Where consent is not required, the following applies:

All property expenditure of £750 and below can be incurred by the steward with responsibility for the manse in question without other approval. Expenditure between £750 and £3,000 should be approved by the Leadership Team and be subsequently reported to the Circuit Meeting. If the cost is greater than £3,000 it must be approved by both the Leadership Team and a Circuit Meeting prior to incurring the expenditure. However, an exception is emergency or urgent repairs, as follows:

- If the work needs to be carried out immediately (eg a burst pipe) this can be carried out without prior approval but it must be reported to the Leadership Team and Circuit Meeting at the earliest opportunity.
- If the work is urgent but not immediate (eg a repair to a leaking roof), the work must be approved by the Leadership Team (by email, if necessary) and it must be reported to the Circuit Meeting at the earliest opportunity.

Before carrying out any renovation or improvement to a manse (including fittings, such as carpets and curtains), the tax consequences for the minister living there need also to be considered and, if taxable, agreed with the minister concerned. The Circuit Treasurer (who is responsible for completing the tax returns) should also be consulted, as appropriate.

Other expenditure and donations

Regular expenditure, such as utility bills, subscriptions and other bills paid by direct debit or standing order, does not require approval each time a bill is received (even if the small item limit is exceeded) but changes in the supplier of such services or other significant changes in the arrangements require the approval of the Leadership Team.

Donations, grants and all other expenditure (other than small amounts as defined above) must be approved at a Circuit Meeting.

Bank accounts

All payments out of bank accounts (including benevolence accounts) require the approval of two people *prior to payment being made* (eg two signatories on a cheque) and the payee should not also be an approver or cheque signatory. The exception is where a treasurer requests payment from one CFB Methodist account to another Methodist church account. On-line banking should not therefore be used unless these requirements can be met.

These guidelines were approved by the Circuit Meeting on 28 September 2017.