

District Expenditure Policy

June 2024

Authors	Andrew Lewis – District Treasurer
Sign-off date	June 2024
Renewal due date	June 2025
Scope	To provide internal controls to safeguard the funds of the Northampton Methodist District and to ensure that they are properly used in the work of mission and in supporting the circuits and churches of the District.
Introduction	Internal controls are a normal and necessary part of any organisation. For charities, controls are important in demonstrating that all the charity’s funds and assets are being well and properly managed. Having good internal controls does not imply any lack of trust, nor does it call into question the honesty or integrity of officers. In fact, they can provide protection for officers from any suspicion of possible misuse or misappropriation of the funds and offer protection to the Trustees from any possible charge of neglecting their legal duties to take proper care of funds.
Purpose	To provide guidelines that will enable employees and volunteers to demonstrate good practice and to provide mandatory controls to ensure that decisions regarding expenditure are taken collectively without causing unnecessary delays or restrictions.
Objectives	To ensure that everyone involved in the use of the District’s funds clearly understands their responsibilities and any constraints imposed by the Trustees.

The Trustees of the Northampton Methodist District are members of the District Executive (DE) and are committed to ensuring the appropriate use of funds as follows:

There are several different funds that are governed by the DE.

1. The District Advance Fund
2. The District Expenses Fund
3. Funds for specific projects overseen by the DE.

1. The District Advance Fund (DAF)

The use of the DAF is covered by the District Grants Policy and is not covered by this document as all expenditure is in the form of grants or transferred to the District Expenses fund for specific purposes agreed by the DE.

2. The District Expenses Fund

This fund uses the assessments that are received from the circuits to finance the work of the District Chair, the Mission Team Leader, the Safeguarding Team, the HR Officer, Synods, the District Office, the Administration Team, and a variety of meetings including the Superintendents' residential.

3. Funds for Specific Projects

District Projects are usually funded from the DAF and budgeted separately from the District Expenses Fund, but they are managed in the same way as that fund. Currently, these projects include FEAST, the Overstone Chaplain, the Digital Enabler and youth work.

This policy applies to the District Expenses Fund and the Funds for Special Projects

The District Expenses Fund budget for the following year is prepared during the first quarter of the Connexional year and is reviewed by the Circuit Stewards at the annual finance meeting before being reviewed and approved by the DE, usually at its February meeting which is held 18 months before the start of the period covered. It is the responsibility of the DE to ensure that the budget is updated as necessary, and that expenditure is incurred in accordance with the approved budgets.

In general, expenditure falls into the following categories:

1. Employment costs.
2. Capital expenditure.
3. Operating expenditure.

1. Employment Costs

The recruitment of any employee must follow this procedure.

- i) The Job Description and the Terms and Conditions of employment, including hours, place of work, and remuneration, must be approved by the DE before the post is advertised.
- ii) When the rate of pay is advertised as a range, the offered rate of pay must be approved by the DE. In certain circumstances, this approval may be delegated to the appropriate Team Leader and the District Treasurer who must act in accordance with the directions of the DE.
- iii) If the place of work is not wholly in the District Office, the principles of paying travel expenses must be clear and approved by the DE.
- iv) Subsequent negotiations must be within the above approvals or further approval must be obtained.

2. **Capital Expenditure**

The purchase of any equipment must follow this procedure.

- i) Up to the value of £100, purchases may be made with the approval of the appropriate Team Leader and be within the agreed budget.
- ii) Between £100 and £500, purchases may be made with the approval of the Team Leader and two other trustees. There is no specific need for multiple quotations, but the Team Leader must be able to justify the purchase based on specification and price.
- iii) Purchases over £500 must be approved by the Team Leader and two trustees and must be justified by a minimum of three quotations where possible.

All equipment must be recorded on a register of items owned by the District together with the location and the user's name.

3. **Operating Expenditure**

The general principles of any ongoing or recurring commitments must follow similar procedures, but this policy does not cover every different type of expenditure.

- i) The approval processes for the values indicated in the section on Capital Expenditure apply to any commitment for an ongoing cost. For example, if a phone contract costs £20 per month, but is for a minimum period of 3 years, then the cost is at least £360, and it should be approved by the Team Leader and two trustees without the need for multiple quotations.
- ii) The District incurs significant costs relating to the rent payable for the District Office, insurance, and housing costs such as rent and Council Tax. The suppliers of these services are generally not negotiable, and no further approvals are required.
- iii) The cost of events such as the Superintendents' residentials is significant, but it is difficult to make valid comparisons. Three quotations should be obtained, but it is understood that the cheapest quotation may not fulfill our requirements and approval should be obtained from the Team Leader and two trustees.