

## **Christian Prison Resources**

### **Financial Policy**

#### **1. Principles**

- 1.1. All our financial dealings will be conducted with the utmost transparency, only tempered by any need to preserve confidentiality of donors or respect to employees.
- 1.2. We will conform to the laws of GB relating to both companies and charities and as set out in the Articles of CPR.
- 1.3. We will employ the latest generally accepted accounting standards appropriate to CPR.
- 1.4. We will not incur debt.

#### **2. Policies**

We will apply the following policies with common sense so as to achieve our principles as set out above:

##### **2.1. Fund Raising**

- 2.1.1. Individual Christians (including Gift Aid), both by direct appeals as well as through the '200 Club' in which individual Christians will be encouraged to contribute £10 per month by standing order. The Club may be expanded each year.
- 2.1.2. Gift Aid where applicable.
- 2.1.3. Christian organisations and sympathetic Trusts.
- 2.1.4. Churches. CPR will offer assistance to churches to form a mutually beneficial partnership. We will encourage Christmas day, Good Friday or similar offerings for CPR.
- 2.1.5. Gift Aid on sponsored donations for material and books.
- 2.1.6. Book and literature sales from deputations.
- 2.1.7. Offerings from preaching and teaching by staff and other supporters.
- 2.1.8. Support from Christian lawyers.
- 2.1.9. Support from Christian businessmen.
- 2.1.10. Newsletters and emails to solicit support; directing supporters to the website.
- 2.1.11. Collect donations via the website.
- 2.1.12. Any other means approved by the Trustees.
- 2.1.13. Receipts expressing gratitude for the gift will be issued promptly for all donations.

## **2.2. Major Donations**

A 'major donation' shall be any once off donation or legacy exceeding £20 000 and for which no promise of being repeated is given. The funds shall go directly to Reserves and be released equally to income over 60 months commencing with the month in which it was received

## **2.3. Restricted Income**

2.3.1. Income which has been given specifically for a particular purpose shall only be used for that purpose unless permission is granted by the donor to apply to donation or any surplus to any other use. Failing that, the surplus shall be returned to the donor. For the avoidance of doubt, all non specified donations or those marked for General Funds, may be used as the trustees deem fit.

2.3.2. However, Presentations which are based on introducing specific individuals should endeavour to request contributions to the CPR General Fund, thereby enabling CPR to employ the workers referred to but not restrict the funds to them only. In the event that the contribution is Restricted to a specified cause (e.g. Sessional Workers), or to an individual, then the donor should be requested to specify an alternative use of the funds in the event that a surplus may arise for the specified cause or person in any given year.

2.3.3. The trustees retains the right to decline any restricted donation if the cause or the terms under which it is given are unacceptable to the trustees.

## **3. Bookkeeping and Accounting**

3.1. Proper books will be maintained using an appropriate computer system with all items of expenditure being properly allocated to ledger accounts so that comparisons with budget can easily be made.

3.2. The financial year shall run from January to December each year.

3.3. The accounts will be closed at least every quarter and made available to trustees to inspect before the end of the month following the quarter's end.

3.4. Until CPR reaches a size which demands more sophisticated accounting, the 'Simplified Receipts and Payments Accounts' and the 'Simplified Report' will be employed in the annual accounts and reports.

3.5. The books will be inspected after year end by an 'Independent Examiner' for the Charities Commission and an 'Accountants Report' will be prepared for the Companies office.

3.6. In accordance with the law, records will be kept for a minimum of 6 years.

## **4. Budget and Control**

- 4.1. A budget will be compiled before the commencement of each financial year from information submitted by the employees and trustees.
- 4.2. The budget will show as 'Income' the release of Major Donations as set out above.
- 4.3. All income shall be banked as soon as possible and if cash, shall be receipted as soon as it is given. (People doing deputation should therefore carry receipt books permitting them to issue receipts on accepting cash gifts.)
- 4.4. If the cumulative income at the time of incurring or committing expenditure is at or above budget, authority is delegated to the Director of Ministry to incur expenditure up to the budgeted level.
- 4.5. No individual may commit any expenditure that is not included in the budget without specific approval by the trustees.
- 4.6. No individual may commit any expenditure that will cause the budget item to exceed the cumulative amount budgeted for that item at the time of the commitment without the approval of the trustees.
- 4.7. No commitment may be entered into which goes beyond the financial year without the specific approval of the trustees. For the avoidance of doubt, this precludes the signing of any medium or long term contracts without trustee permission.
- 4.8. In the event that income is not in line with the budgeted income then the budget is suspended and no expenditure may be incurred without the approval of the trustees. The trustees must then apply their minds to both increasing income and reducing costs.
- 4.9. All payments by accompanied by an invoice and if by cheque shall be subject to signing by 2 signatories if over £200 and if by internet transfer, only by those people specifically authorised to make such payments.
- 4.10. A petty cash float of £100 may be held by the Administrator. All expenditure shall be accounted for, where possible with receipts.
- 4.11. A CPR debit or credit card may be used for purchasing small items or paying of bills but no standing orders may be ascribed to such a card.
- 4.12. Claims for out-of-pocket expenses must be made on the CPR claim form with all expenditure either supported by receipts or capable of being verified, e.g. if a rail fare is claimed for travel to a prison on a certain day it will be possible to ascertain the cost of the rail ticket and prove that the person visited the prison on that day. The same verification is possible for costs claimed for a journey by car or motorcycle where no receipt is possible.
- 4.13. Notwithstanding clause 1.4 above, it will be permissible to arrange a small (below £1000) and short term (below a month) overdraft simply to avoid timing problems which could create an unauthorised overdraft.