

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 £200 (£500 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 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

All property expenditure in excess of £500 should be approved by the Circuit Steward responsible for the manses. If the cost is greater than £1,000 it must also be approved at a Circuit Meeting. However, an exception is emergency repairs which require immediate attention (such as a burst pipe). These can be carried out without prior approval but must be reported to the Circuit Steward responsible for the manses or Circuit Meeting (as appropriate) at the earliest opportunity.

If the expenditure represents a “building scheme” it must in addition be approved by the District if up to £20,000 or by the Methodist Property Office if more. A “building scheme” is any work that involves structural work, such as:

- a new building;
- an extension;
- alterations or structural repair;
- demolition work;

or if it requires outside sources of funding.

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 13 June 2013.