# *FINANCIAL MANAGEMENT MANUAL*

Version 2.0 (July 2024)

PERTH ALLIANCE CHURCH NORTH

基督教柏斯宣道會北堂

**Financial Management Manual (FMM)**

This document specifies the financial requirements that all members of Perth Alliance Church North (PACN) must comply with in other to ensure effective and consistent financial management across PACN.

The Manual is binding upon all members of PACN, and promotes:

- Accountability and transparency in financial management
- Long term financial sustainability
- Effective and efficient control over, and use of, financial resources
- Accuracy, timeliness, and completeness of financial information
- Effective management of financial risks
- Compliance with legislative and government policy requirements (including The Christian and Missionary Alliance of Australia (M&CAA)

The Custodian of the Financial Management Manual is the PACN Finance Committee*.

The Manual is maintained by the PACN Finance Committee.

The Manual is required to be reviewed every 12 months.

**Note: Finance Committee members include pastor(s), Deacon(s), Church accountant(s) or bookkeeper(s) and PACN member(s) (recommended with the approval of the Board of Elders). Committee members must be reviewed once a year and verified by the Board of Elders.*


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## 1.0 Delegation and Authorisation Schedule (DAS)

A delegation and authorisation schedule lists all delegation/authorisation made to specific positions and classes of positions (Tiers) as determined by PACN, rather than to individual office/ministry holders. PACN delegations and authorisations tiers are outlined in the table below.

| Class | Typical positions within the Class |
|---|---|
| **Tier 1** | AGM/EGM |
| **Tier 2** | Board of Elders |
| **Tier 3** | Board of Deacons |
| **Tier 4A** | Ministry (with Budget allocation) |
| **Tier 4B** | Ministry (without budget allocation) |
| **Tier 4C** | Ministry Committee (Apply to Capital Investment/Employee appointment Request only) |
| **Tier 5** | Individual Member, *Special Purpose Committee (SPC) |

**Note: Committee set up for specific purpose/project (normally with set time frame) e.g., Mother's Day Working Committee.*

### 1.1 General DAS – Unless otherwise stated.

| Class | Approval Limit | Expenditure Type(s) |
|---|---|---|
| **Tier 1** | >=$ 8,000 | All.<br>Include capital investment, employee appointment. |
| **Tier 2** | $5,000 - $7,999 | All.<br>Exclude capital Investment or employee appointment. |
| **Tier 3** | $500 -$4,999 | All.<br>Exclude capital investment or employee appointment. |
| **Tier 4A** | $0 - $499 | All.<br>Exclude capital Investment or employee appointment. |
| **Tier 4B/4C/5** | None | None |

### 1.2 Pastoral Team (Specific items only)

Items can be purchased directly and do not need to follow "Request for Additional Funding" process in accordance s2.0 of the Financial Management Manual.

| Item | Eligible | FY23/24 | FY24/25 |
|---|---|---|---|
| **Pastor Reference Book** | Pastor | $480/Year | $480/Year |
| **Conference & Training**<br>(Items are not covered in Section 3.1) | Pastor | Max $500/year | Max $500/year |
| **Internet & Mobile** | Pastor | $30/month | $30/month |
| **Ministry Care Expenses** | Pastor/Elder | $220/month | $220/month |
| **General items (work related)** | Secretary | $220/month | $200/Transaction |
| | | | |
| | | | |

### 1.3 Meal & Entertainment

Unless otherwise stated, all requests must be submitted (prior to the event) to Board of Deacons for consideration and seeking approval.

**2.0 Request for Additional Funding**

A Ministry/member may require additional funding during the financial year from the PACN in circumstances when a new program or initiative arises, where the timing is outside of the annual budget process.

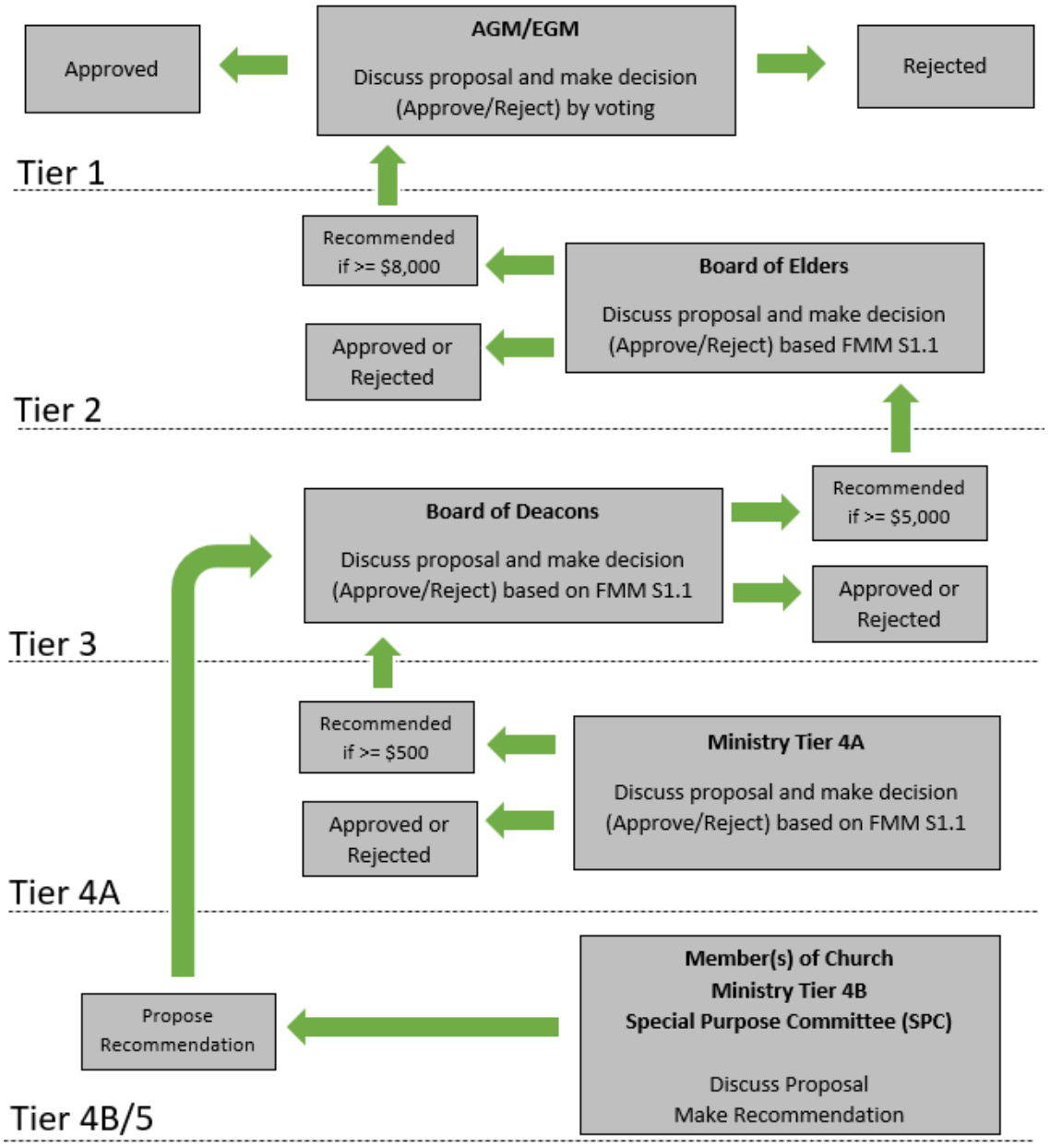
This policy specifies the rules and procedures that apply in relation to submitting requests for additional funding during the financial year, at times outside of the annual budget process. It does not apply to instances where:

- An emergency arises; in such instances, PACN may need to be contacted directly on the matter
- A Ministry is under financial difficult; in such instances, a notice of financial difficulty may need to be raised directly to Board of Deacons (PACN).

**Roles and Responsibilities**

Unless otherwise stated, Executive Pastor are to ensure that his policy and its procedures are fully complied with and will be held accountable for any non-compliance.

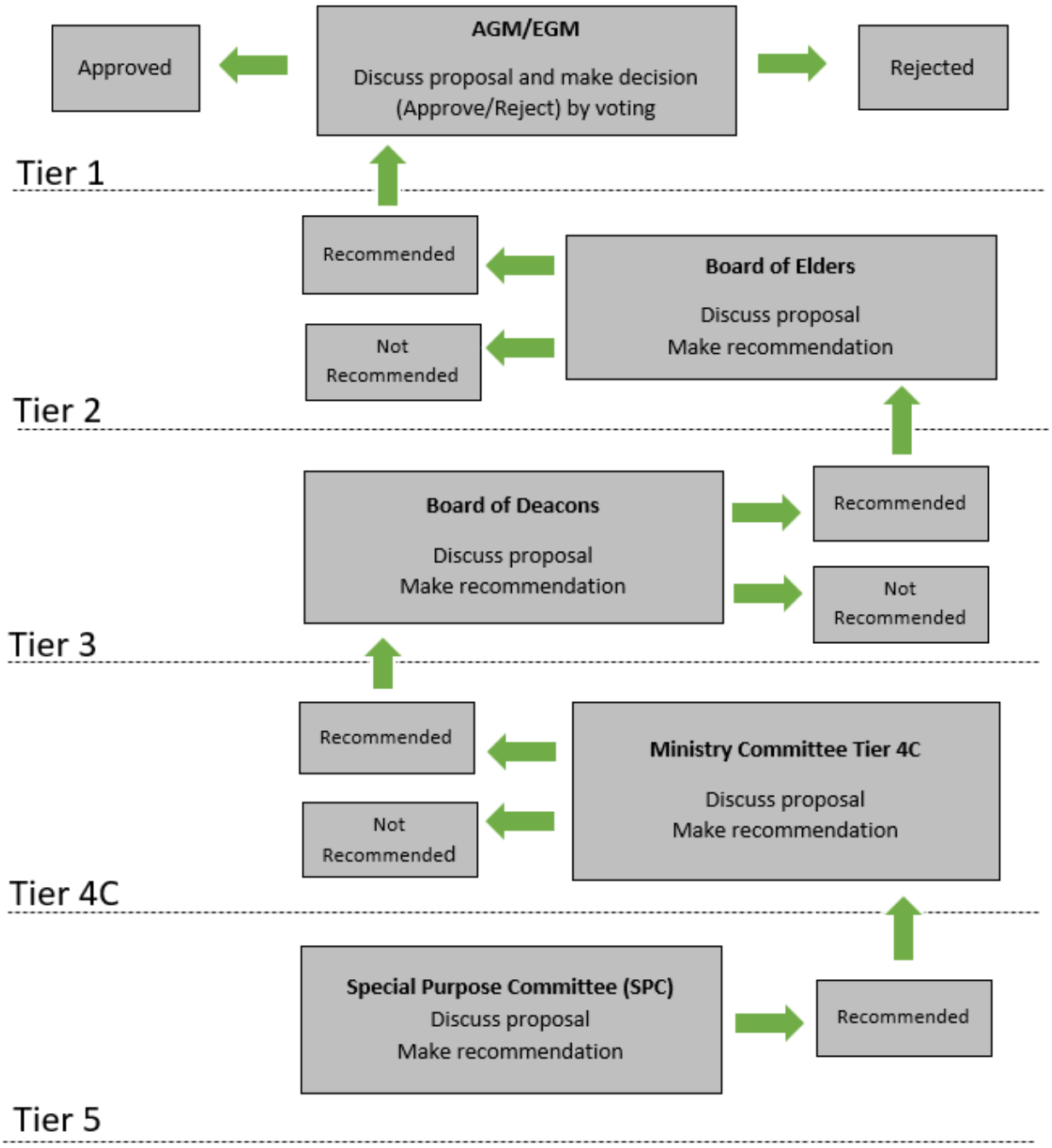
**2.1 General Request (exclude capital investment or employee appointment) – Flowchart**



**2.2 Capital investment or employee appointment Request– Flowchart**

Unless otherwise stated, Special Purpose Committee (e.g. Church Planting Committee) will be setup to facilitate the need designing robust strategies related to capital investment/employee appointment in the Church.

According to constitution**,** only class Tier 1 have the right to vote on the decision for capital investment or employee appointment proposal which a valid (meet quorum requirement) AGM/EGM must be held.



## 3.0 Schedule of Subsidies

### 3.1 Pastoral Training

Unless otherwise stated, all requests must be submitted (prior to the event) to Board of Deacons for consideration and seeking approval.

| Item | Eligible | FY23/24 | FY24/25 |
|---|---|---|---|
| ****C&MA Council Meeting (Annual)** | Pastor/ with Spouse | $1000/person | $1000/person |
| ****Pastoral Forum (Annual)** | Pastor | $1000/person | $1000/person |
| **Pastor Short Term Mission Trip** | Pastor | $3000/person/yr. | $3000/person/yr. |
| **Pastor Short Term Mission Honorarium** | Pastor | $275/person/yr. | $275/person/yr. |
| **Pastoral Retreat** | Pastor | $700/person/yr. | $700/person/yr. |
| **Pastoral Personal Retreat** | Pastor | $1080/person/yr. | $1080/person/yr. |

***Note: Only 1x selected Pastor will represent PACN to attend those meeting/forum each time.*

### 3.2 Honorarium & Other Expenses

Unless otherwise stated, all requests should be managed by PACN office.

| Item | Eligible | FY23/24 | FY24/25 |
|---|---|---|---|
| **Local Speaker** | | | |
| **Without Theo. Trained Speaker** | By invitation | $100/each cong. | $100/each cong. |
| **With Theo. Trained Speaker** | By invitation | $150/each cong. | S150/each cong. |
| **Interstate Speaker** | | | |
| **With/Without Trained Speaker** | By invitation | $170/each cong. | $170/each cong. |
| **Overseas Speaker** | | | |
| **With/Without Trained Speaker** | By invitation | S170/each cong. | S170/each cong. |
| **Accommodation Reimbursement (B&B)** | Interstate Speaker<br>Oversea Speaker<br>By Submission | $50/day | $50/day |

### 3.3 Sponsor Theological (Theo.) Student

Unless otherwise stated, all requests must be submitted (prior to the event) to Board of Deacons for consideration and seeking approval.

| Item | Eligible | FY23/24 | FY24/25 |
|---|---|---|---|
| **Sponsor Theo. Student** | Member only | Max $2000/person/yr. | Max $2000/person/yr. |

### 3.4 Short Term Mission Subsidy

Unless otherwise stated, all requests must be submitted (prior to the event) to Board of Deacons for consideration and seeking approval.

| Item | Eligible | FY23/24 | FY24/25 |
|---|---|---|---|
| **Short Term Mission Subsidy** | Member only | Max $500/person | Max $500/person |

### 3.5 Others

Unless otherwise stated, all requests must be submitted (prior to the event) to Board of Deacons for consideration and seeking approval.

| Item | Eligible | FY23/24 | FY24/25 |
|---|---|---|---|
| **Funeral (A)** | Service hosted by our Church Pastor | $50 | $50 |
| **Funeral (B)** | By submission | $50 | $50 |

## 4.0 Petty Cash

Petty cash is used for operational efficiency to purchase small value essential items by cash where it is not possible or appropriate to use PACN purchasing card/Electronic Funds Transfer.

### 4.1 Ministry of Logistics Petty Cash

Ministry of Logistics holds petty cash which can be used for church function expenses (such as after Church refreshment etc.). It can be topped up periodically.

| Criteria | Requirement |
|---|---|
| **Custodian** | Ministry Leader(s) |
| **Amount** | $400 |
| **Funding Source** | General Fund |
| **Authorised by** | Board of Deacons |
| **Requirement** | Report once a year to Finance Committee for AGM reporting purpose |

### 4.2 Junior Church Petty Cash

Junior Church holds their own petty cash through offering from Children which can be used for church function expenses (related to Junior Church).
Unless otherwise stated, Junior Church cannot request for topping up from any PACN funds.

| Criteria | Requirement |
|---|---|
| **Custodian** | Selected Member from Junior Church |
| **Amount** | No set amount |
| **Funding Source** | Offering from Children |
| **Authorised by** | Junior Church Ministry |
| **Requirement** | Report once a year for annual auditing purpose |

### 4.3 Cell Group Petty Cash

Cell Group(s) might hold their own petty cash through offering from cell group member which can be used for church function expenses (related to same cell group).
Unless otherwise stated, cell group cannot request for topping up from any PACN funds.

| Criteria | Requirement |
|---|---|
| **Custodian** | Cell Group Leader or selected member within the same cell group |
| **Amount** | No set amount |
| **Funding Source** | Offering from Cell Group Members |
| **Authorised By** | Cell Group members |
| **Requirement** | Report once a year for annual auditing purpose |

### 4.4 PACN office Petty Cash

PACN office holds Petty Cash which can be used for daily related office expenses.
It can be topped up periodically.

| Criteria | Requirement |
|---|---|
| **Requestor/Custodian** | PACN Secretary |
| **Amount** | $ 200 |
| **Funding Source** | General Fund |
| **Authorised by** | Board of Deacons |
| **Requirement** | Report once a year to Finance Committee for AGM reporting purpose |

### 4.5 Request for Petty Cash

Ministry / Special Purpose Committee (SPC) can apply for petty cash by submitting application to Board of Deacons for consideration and seeking approval. It can be topped up periodically (This option is only applied to Ministry's request).

| Criteria | Requirement |
|---|---|
| **Custodian** | Ministry Leader(s) / SPC Chair |
| **Amount** | Max $400 (Ministry) / TBA (SPC) |
| **Duration** | Apply to Special Purpose Committee only |
| **Funding Source** | General Fund |
| **Authorised by** | Board of Deacons |
| **Requirement**<br>**Ministry:**<br>**SPC:** | <br>Report once a year for annual auditing purpose<br>Return Residual fund back to Finance Committee once project completed<br>Provide expenditure/Income report for accounting & audit purposes. |

## 5.0 Definition of the funds

| Funding Types | Fund names | Purpose of the fund | Responsible Office | Class | FY24/25 |
|---|---|---|---|---|---|
| **Operation Fund** | General Fund | Funds to be used for covering "PACN" day to day incomes and expenditures. | Board of Deacons | Tier 3 | Active ☑ |
| **Special Purposes Fund** | Children Ministry Fund | Funds to be used for covering "Junior Church" day to day incomes and expenditures. | Junior Church Ministry | Tier 4A | Active ☑ |
| | Long Term Mission Fund | To provide financial support for long term missionary. | Board of Deacons | Tier 3 | Active ☑ |
| | Oversea Mission Fund | To support oversea mission trip/event or oversea Non-Profit Organisation (NGO). | Board of Deacons | Tier 3 | Active ☑ |
| | Home Mission Fund | To support local mission trip/event or local Non-Profit Organisation (NGO). | Board of Deacons | Tier 3 | Active ☑ |
| | Great Commission Fund | To support C&MA to sending, partnering, and releasing workers to provide access to, and to preach the gospel to all nations.<br>Spilt between 80% (C&MA) and 20% (ACACC) | Board of Deacons | Tier 3 | Active ☑ |
| | Pastor Training and Education Fund | Funds to be used for covering Pastor training expenses. | Board of Deacons | Tier 3 | Active ☑ |
| | Pastor Stipend fund | Funds to be used to for covering recruitment expenses. (Pastor position only) | Board of Deacons | Tier 3 | Active ☑ |
| | Equipment & Fittings Fund | Funds to be used for covering Church's property maintenance expenses or purchasing of equipment (new/replacement). | Board of Deacons | Tier 3 | Active ☑ |
| **Investment Fund** | Church Building Fund | Funds to be used for purchasing property (physical) and covering relevant expenses (e.g., mortgage payment). | AGM/EGM | Tier 1 | Active ☑ |
| | Church Planting Fund | Funds to be used for church planting and covering relevant expenses (e.g. Salaries payment). | AGM/EGM | Tier 1 | Active ☑ |

**Note:** Internal Transfer between Funds or change of purpose of the fund is prohibited **unless** approval is given by Tier 1.