**GOODNEWS BIBLE CHURCH-GHANA**

**(BCA)**

**HEAD OFFICE**

**EAST-LEGON ACCRA**

### ADMINISTRATION AND FINANCIAL MANAGEMENT POLICIES

**MARCH 2014**

**FOREWORD**

The purpose of this manual is to set out the procedures for Financial and office operations, which include:

* Administrative procedures and financial reporting.
* Monitoring and controlling funds, and assets of BCA in general.

This manual is the reference material covering procedures pertaining to the Financial and administrative functioning of BCA and should be adhered to at all times.

**Amendment of this Manual**

Member Churches and the Donor community and employees who wish any part of this document to be amended should address their suggestions to the Chair of the Finance and Assets Committee of BCA.

The board of Trustees and the Executive body will consider all suggestions and may adopt such input. If amended, a notice will be posted on the BCA Website and communicated to all concern via the various DCCs to inform all of the amended section to the manual.

These will be the rules that will govern the day-to-day financial, Administration and Project management of BCA Head Office and Member Churches as stewards for Transparency and Accountability of the organisation. These will be revised periodically if deem necessary.

Thank you!

***TABLE OF CONTENT***

**Foreword ..................................................................................................................... I**

**Table of content ............................................................................................................ II**

**OTS Mission ...................................................................................................... III**

**OTS Philosophy.................................................................................................. IV**

**OTS Strategic Goals ............................................................................................. IV**

**SECTION ONE**

**ADMINISTRATIVE PROCEDURES**

* 1. **Categories of staff.................................................................................. 1**
  2. **Recruitment ......................................................................................... 1**
  3. **Appointment ........................................................................................... 1**
  4. **Induction ............................................................................................... 1**
  5. **Types of Employment .......................................................................... 1**
  6. **Working hours ....................................................................................... 2**
  7. **Leave ........................................................................................................ 2**
  8. **Holiday ..................................................................................................... 3**
  9. **Social security ............................................................................................3**
  10. **P.A.Y.E Tax .............................................................................................. 3**
  11. **Performance Evaluation .......................................................................... 3**
  12. **Remuneration ........................................................................................... 3**
  13. **Recruitment Benefits ............................................................................. 4**
  14. **Travel allowance ..................................................................................... 4**
  15. **Loans.......................................................................................................... 4**
  16. **Termination of Appointment .............................................................. 5**
  17. **Grievance & Discipline Procedure ................................................... 5**
  18. **BCA equipment & vehicles ................................................................... 5**
  19. **Vehicle policy ........................................................................................... 6**
  20. **Office Premises Rentals .......................................................................... 7**
  21. **Office staffing ........................................................................................ 7**
  22. **Office security ......................................................................................... 7**
  23. **Project reporting ..................................................................................... 8**
  24. **Filing system .......................................................................................... 8**
  25. **Office Inventory ................................................................................... 8**

**SECTION TWO**

**ACCOUNTING PROCEDURES**

**2.0 Bank ..................................................................................................... 9**

* 1. **Bank Account ..................................................................................... 9**
  2. **Reconciliation ..................................................................................... 9**
  3. **Personal Account ................................................................................ 9**
  4. **Signing Authorities ................................................................................ 9**
  5. **Petty Cash ............................................................................................... 9**
  6. **Revenues ............................................................................................... 10**
  7. **Advances .............................................................................................. 10**
  8. **Expense Claims ................................................................................... 10**
  9. **Reporting .............................................................................................. 10**
  10. **Monitoring............................................................................................. 11**
  11. **Safe/lock ................................................................................................ 11**
  12. **Sale of Equipment ................................................................................ 11**
  13. **Auditing ................................................................................................ 12**
  14. **Procurement Policy ............................................................................... 12**
  15. **Operations Report.................................................................................. 13**
  16. **Processing Office expenditure .......................................................... 14**
  17. **Filing of returns .................................................................................. 14**

**INTRODUCTION**

The Bible Church of Africa (formerly Fellowship of Good News Churches) was established in 1970 and registered with the Registrar General as a Bible believing Christian Fellowship to operate in preaching the gospel and winning souls for the Kingdom of God and building the spiritual leadership, and the economic capacity of member churches and individual members to promoting the business of the kingdom of Almighty God.

As part of the growth and maturing of the Church, it has become necessary for the BCA to introduce the Financial and Administrative Policy Handbook to be the road map to managing internally generated funds, project and donor funds.

**BCA MISSION STATEMENT**

The Mission of BCA is to glorify God by fulfilling the Great Commission by:

– Edification of believers

– Evangelization of the world

– Promotion of the unity of the body of Christ

– Meeting the social and physical needs of the people

**VISION STATEMENT (Our strategic goals)**

**BCA** is to be a growing and maturing church that is reaching the unreached with the Gospel of Christ in Ghana and beyond;

• Planting churches in communities where Christ has not been preached.

• Discipling the believers to live lives in the fullness of Christ.

• Creatively supporting and sustaining our ministries, and

• Partnering with like-minded organizations to fulfil our vision of being a holistic church.

**CORE VALUES**

We are …

– One body in Christ from different ethnic, social,Political or cultural background

– Ambassadors of Christ on earth

– Bible centred

– Mission-focused

– Evangelical in beliefs and practices

– People of love and value all mankind

– Stewards of God’s resources

SECTION ONE - ADMINISTRATIVE PROCEDURES

**1.0 Categories of BCA Head Office Workers**

BCA continued existence depends on building a sustainable Holy Spirit filled Church that is able to meet the spiritual, social and economic needs of the member churches and in the process serve our target groups. Essential to this is facilitating effective line of reporting and communication right from the Board of Trustees down to the member churches as well as the individual members and BCA partners.

#### These are the Categories of workers (*Pay or voluntary*):

1. Executive Body – (management)
2. Administration and Finance
3. Projects

# 1.1 RECRUITMENT

Recruitment of new staff would depend on the creation of new positions and/or vacant positions arising in the BCA Head Office. In filling positions, consideration would be given to promoting or re-assigning existing staff by advertising internally in the member churches or by circulars. Due care and positive bias shall be taken for gender balance in the staffing needs of BCA Head Office. If possible to find a female suitable for any position, such a candidate shall be recruited over a man.

Members of the Executive Body of BCA is elected and appointed every 4 years at the Pastors and Leaders conference.

**1.2 APPOINTMENT**

All new recruits shall be at the approval of the President. Every new employee shall undergo probation of six months. Newly employed people will be formally absorbed in the BCA based on performance and placed in their proper pay grades or range or scale after the probation period. **(This would not apply to non- salaried staff)**

Casual positions are for a specific period of time, and may be terminated or renewed depending on the staff performance or otherwise.

A letter of appointment, detailed job description, organizational policy and conditions of service will be given to all new employees.

**1.3 INDUCTION /ORIENTATION**

Employees recruited will be introduced to the entire organizational system. The immediate front office personnel, the General Secretary and the President will be responsible for the induction which will involve among other things mission, vision, job description and organisational culture of BCA.

**1.4 TYPES OF EMPLOYMENT**

## Long term contract employees

Staff employed under contract for long-term responsibilities with BCA.

* **Casuals**

Persons contracted to implement specific short-term projects or assignments.

# 1.5 Working Hours

Paid employees are required to devote the whole working hours to BCA. Non-paid Staff are supposed to make their available days and time known, this would help in communicating and meeting appointment at the office and therefore make the Head office lively, as well as sharing information /documents amongst the various officers thereby meeting the strategic objectives of the Church.

**1.5a Lunch Breaks**

Lunch break is flexible for permanent staff

**1.5b Time keeping**

Employees are required to log in their attendance in the register with the Front Office Personnel. A notice should be placed at the reception to instruct employees to log their attendance at work daily, whether paid or voluntary staff.

* 1. **LEAVE**

**1.6a Annual Leave**

On continuous service of 12 months, Staff can apply for annual leave. Staff members shall give at least one-month notice of their intention to proceed on leave in consultation with their departmental heads or supervisors.

Leave can be taken in part, however, there will be no accumulation of leave days and annual leave will be forfeited if the employee does not apply for it within the year. Approximately 10 days of leave will be taken collectively as an organization. Leave should be applied through the Administrative Officer and to the General Secretary or the President.

**1.6b Sick leave**

Staff members are entitled to sick leave. Staff members are to bring excuse duty from a medical doctor otherwise the number of days absent from work will be deducted from their annual leave.

**1.6c Study leave**

Study leave without pay may be negotiated with the President on individual basis. The study leave should be arranged in a manner that BCA will not suffer the absence of the officer.

## 1.6d Maternity leave

Female staff at term will be given the statutory three months maternity leave as per Ghanaian law. A new female staff must serve the BCA Head Office for at least one full year before qualifying for this leave.

#### Holiday

Statutory holidays would be observed as such.

**1.8 Social Security**

The law requires that employees contribute 5.5% of your salary to the Social Security Fund. BCA will top up with a statutory contribution of 13% of your salary to the Social Security and National Insurance Trust.

**1.9 PAYE Tax**

It is a statutory requirement that, every employee pay income tax to the Government. Pay-As-You-Earn (PAYE) is deducted at source and paid to the Internal Revenue Service. This requirement is applicable to all categories of employees and types of persons. **(Voluntary staff are not affected by this requirement).**

**1.10 Performance Evaluation**

The General Secretary and the President will conduct employee and pastors performance reviews once each year whether paid or Voluntary staff. Performance evaluation includes review of attendance, achievement of set targets, demonstration of commitment and contribution to the progress of the work of BCA. The President or his designated representatives perform the evaluation.

# 1.11 Remuneration

A basic salary determined by position, qualification and/or experience is paid at the end of each month to salary staff members and Pastors. A per diem is paid for any out-of-station activities involving overnight stays. Per Diem is not paid for day trips in which the staff member departs and returns to base the same day.

Voluntary staff shall be given transport and other logistical support necessary for the performance of their duties and responsibilities.

**1.11a SALARY REVIEW**

Salary increments are tied to overall annual performance and are effected in the following year. Management of BCA decides the effective month for increment in each year and the availability and sustainability of such increment.

**1.11b Pay Day**

Salaries are paid through the bank or by cash or individual cheque. By Ghana’s banking system, cheques take three days to clear therefore the accountant will have to take necessary steps to ensure that the cheques are deposited at the Bank three working days in advance of the last working Friday in the month. This is applicable to all salaries staff and pastors paid through the BCA Head Office.

**1.12 RECRUITMENT BENEFIT**

**1.12a Medical claims**

The BCA on production of official medical receipts, shall reimburse 70% percentage of the cost of medical treatment incurred by an employee, a pastor in respect of him/herself up to an amount of GH 500.

This cover is for diseases of common occurrence and does not extend to cases of sexually transmitted diseases, and dental. Proper medical forms must be filled and approved by the BCA Finance Committee (BCA FC) prior to any reimbursement. (**This would be applied to member churches in good standing pastors.)**

Where the cost is beyond the capacity of the BCA Head Office, the Executive shall cause for special donations to be made in order to help the situation**.**

1.12b Training and Development

The BCA would attempt to assist staff members financially for professional development in short courses and training programs. Staff shall be encouraged / sponsored to participate in specific short-term training programs locally to develop their skills in specific disciplines relevant to the needs of the Church.

Pastors and Leaders of the Member churches would receive leadership training and CPD to build their capacity in leading the flock of Jesus Christ.

**1.13 TRAVEL ALLOWANCES**

**1.13a Per Diem**

Pastors, staff members required to travel outside their workstation will receive the per diem allowance following the rate agreed by the BCA FC and made known to all pastors and staff at the beginning of the year. **This is applicable to only the pastors of member churches in good standing.**

BCA shall reimburse other legitimate expenses incurred by Pastors and staff members, upon the production of receipts. Without prior approval from the BCA FC, all expenses above GH¢ 30 will not be reimbursed.

**1.13c ACCOMODATION**

While on travel status the Pastor or staff member will be given hotel allowance to cover the cost of accommodation. Official receipts shall be produced for all accommodation claims.

**1.13d ROTATION**

Any BCA Pastor on rotational responsibilities would be supported for such assignment.

**Only member churches in good standing pastors would benefit this package.**

**1.14 LOANS**

BCA Head Office has no Pastors/ staff loan fund for the time being, thus it is unable to support rent, car or any form of loans. However, all emergency financial request should be submitted to the BCA FC through the Administrative Assistant for consideration on individual basis, and also base on **the member churches good standing**.

**1.15 TERMINATION OF APPOINTMENT**

**1.15a Resignation**

An employee has a right to resign from his/her job for whatever reason but will give one-month prior notice before terminating his/her appointment. In lieu of notice, the employee will forfeit one month’s salary.

#### 1.15b Retirement

Retirement shall be seen as the end of full-time work with BCA. A Pastor or employee shall retire at the mandatory retirement age stipulated in the laws of Ghana and or the constitution of BCA.

#### 1.15c Death

Employment with the BCA is terminated on the death of the Pastor or employee.

**1.15d Dismissal**

The BCA has the right to terminate the appointment of any staff (salaried or voluntary) that it deems to be indiscipline under section 1.16.

**1.15e Redundancy**

BCA would terminate the appointment of an employee when it becomes necessary to downsize the number of staff or restructure the activities of the BCA H/O.

**1.16 GREIVANCE & DISCIPLINE PROCEDURES**

**1.16a Indiscipline**

These are what the BCA H/O define as indiscipline

* Habitual lateness
* Absenteeism
* Non-payment of prescribe dues, and other commitment as a member of the BCA
* Corrupt or dishonest practice
* Insubordination
* Damaging of the BCA property
* Offensive Behaviour
* Disrespectful behaviour towards clients and Customers of BCA

**1.16b Discipline philosophy**

When an employee, a member church or a pastor commits an offence as cited, he or she shall be disciplined according to Biblical standards. The degree of discipline is dependent on the offence committed but includes a verbal query, warning letter, suspension, final warning and removal.

**1.16c Grievance Procedures**

Employees, member churches or pastors may report any grievance(s) to the President through the General Secretary.

**1.17 BCA equipment and vehicles**

BCA will ensure that each department has at least one computer with suitable software, a centralised printer, a scanner, and filing cabinets and other necessary furniture and equipment for general office administration requirement. These equipment, as well as stationery and other supplies, are assets of BCA.

Member churches assets (Vehicles, Landed property and buildings) would constitute Assets of BCA and shall reflect in the annual report of BCA in a consolidated manner. Individual member churches shall keep proper records of their assets and furnish BCA H/O on annual basis of their assets and updates thereon.

The BCA F/A C is responsible for their safekeeping and maintenance, in this respect therefore there shall be a maintenance policy manual for all member churches. This is to Glorify the name of God that BCA is a responsible Christian religious organisation.

Staff members, member churches, pastors and individual members of BCA are expected to use equipment and all other assets with care. If there is evidence that any of the parties aforementioned has been negligent or wilfully causing damage to the BCA assets, that person will be held liable to pay for the repair or replacement of that asset.

**1.18 Vehicle Policy**

**Vehicles are for the sole use of BCA projects and are considered BCA assets.** BCA F/A C shall assume responsibility for paying the maintenance, insurance, servicing and licensing expenses. All member church vehicles and motorbikes are to be registered in the name of the member church. It is prohibited for a driver to drive vehicles while under the influence of alcohol. This would attract outright termination of employment.

A report of accidents involving BCA vehicles should be made and kept at the member churches office and copies faxed/scanned to the BCA H/O.

**1.20 Office Hierarchy**

The President, assisted by the General Secretary will have oversight of the entire BCA activities. The General Secretary or Administrator and the project manager will be responsible for managing and directing the implementation of BCA portfolio of projects. The BCA F/A C will be responsible for all financial accounting and reporting.

**1.21 BCA H/O Security**

A security guard / watchman shall be hired at the BCA H/O, the full complement of security of BCA would be employed to the extent that BCA has the financial resources to do so.

**1.22a Office Communication**

Communication with head office is of the utmost importance. All member churches, Pastors and staff must keep in regular contact with the Front Office personnel at BCA office or directly as the case may be.

**1.23 Filing System**

The General Secretary, assisted by the administrative assistant, will ensure that filing systems are kept in order and that similar systems are adhered to in all the BCA member churches.

**1.24 Office Inventory**

The equipment should be clearly identified as belonging to BCA and be marked with indelible ink. The mark will include the make, model number, the year of acquisition, as well as the serial number of the items and its current location. Inventory lists should be updated when new equipment is purchased.

**SECTION TWO -ACCOUNTING PROCEDURES**

**INTRODUCTION**

This section of the manual describes the accounting policies, systems and procedures to be used by BCA**.** The manual will cover the input, processing, output, control and distribution of data. It has been developed to set out the accounting policies and procedures that will:

* Ensure that the BCA’s books of accounts are prepared to conform to sound accounting principles and practices.
* Enable the management to obtain accurate and timely financial reports on monthly basis, thereby promoting sound financial management.
* Ensure correct and accountable use of funds and other resources.

**MAIN PURPOSE**

The main purpose of the manual is:

* To assist in the maintenance of controls.
* To provide a training and monitoring resource.
* To be used as a reference document by the board, staff, management, member churches, auditors and other stakeholders

BCA H/O shall operate bank account to ensure accountability, transparency and financial capacity management. To this end, BCA H/O shall have detailed financial reporting system.

**2.0 Banks**

In situations where BCA H/O is not fully satisfied with the service provided by the existing banking institution, management may change the banking institution. BCA H/O requirement in choosing a new banking institution is that international transfers are accepted and that no minimum cash balance is required, Changing of Signatories at all times should be easy.

**2.1 Bank Accounts**

BCA H/O shall operate current account, savings account, investment account, and any other account deem necessary by the executive body in consultation with the Board of Trustees.

The President, General Secretary and the Treasurer shall be the signing authority to these accounts. The President may decide that any of the Heads of Department could be part of a particular specific bank account.

**2.1b** The President and or the executive body must not use the name of the church on official travel for personal business connections. The President and or the executive body’s personal travels which yields any business connections and for which funds are wired through the Church account shall 30% commission deducted at source.

**2.2 Reconciliation**

Each bank account is to be reconciled monthly to the transaction journals. Bank statements and reconciliation reports are to be presented to the President and/or Treasurer for review and validation. Hard and electronic versions of these report shall be kept safely.

**2.3 Personal Accounts**

BCA H/O bank accounts shall not be combined with personal bank accounts except in situations where it is practically impossible for BCA to have account. In such cases the individual would immediately remit to BCA’s Account same amount as soon as it is practicable but less than a week.

**2.5 Petty Cash Accounts**

Petty cash accounts are kept so that the office have cash on hand for smaller transactions or for items where cheques are not acceptable. Transactions are recorded in a separate petty cash register. To replenish the petty cash, a cheque should be issued equal to the required petty cash expenses (imprest method). The petty cash should be replenished as and when necessary so as to keep low amounts of cash in the safe.

**2.5a Monitoring Petty Cash Balances**

The Chair of the BCA FC should monitor the monthly balancing of petty cash count to the petty cash register. Petty cash should be kept in the safe or lock box to avoid unauthorized use. As funds held in cash increase the risk of loss due to theft, fraud and misapplication, petty cash balances in the office should be monitored weekly to ensure that they are not excessive in relation to expenditure requirements.

**2.6 Revenues**

BCA H/O main source of revenue is depicted in its activities: giving from member churches, 10% monthly dues, 5% from member churches business, interest in investment, donations, proceeds from the guesthouse.

**2.6b Other Revenue**

Any other transparent sources as well as fundraising events once in every year.

**2.7 Reporting**

The Chair of the BCA FC shall cause for the preparation of monthly income and expenditure account to the Treasurer and President for strategic financial decision making

**2.7b Project funds**

All BCA projects shall have their project funds pass through the Bank Account of the BCA H/O. Disbursement to various projects would be done by instalment and on case by case basis.

This is to ensure proper accountability and reporting to the source of such funds. Each level of instalment disbursement MUST be fully accounted for with supporting documents before the next instalment is released. Project account shall be prepared by the beneficiary member church and forwarded BCA FC at Head Office.

Final copies of such reports must be safely kept by the beneficiary member church and Head office both hard and electronic version.

**2.8 Monitoring**

The BCA H/O will monitor any payments to ensure all money paid out are accounted for.

This monitoring system would also include the payment of any levies e.g. 10% monthly contribution etc., to be paid by member churches. This is to enable the BCA FC give a comprehensive financial monitoring report to the executive body for decision making and to apply sanctions where necessary.

**2.9 Sale of Equipment**

The General Secretary in consultation with the president, in the case of ***BCA Head Office*** shall approve the sale of BCA asset that is disused and has been depreciated to a negligible book balance.

The Head Pastor in consultation with the General Secretary and the president, in the case of a ***member church*** shall approve the sale of the member church asset that is disused and has been depreciated to a negligible book balance.

It should be coded to the expense account budget line from which the asset was originally purchased. It shall go through a competitive fair bidding where staff and the general public are allowed to bid.

**2.10 Auditing**

Approved auditors will audit BCA. The auditors must ensure the stakeholder that the financial activities and assets are for valid project activities, supported by proper documentation, and that, generally accepted accounting principles have been followed by BCA Head office. Prior to external audit BCA internal unit shall carry out verification.

**2.10b Auditing Requirements**

Auditing guidelines require that the costs incurred be in accordance with the financial terms and conditions as specified in the donor project agreement. Therefore, the Chair of BCA FC will ensure that expenses incurred follow the terms of the agreements. In order to satisfactorily comply with the terms and conditions by all project beneficiaries of member churches, the Chair of the BCA FC will provide the member church with the necessary training and support required to comply with these requirements.

**2.11 PROCUREMENT POLICY**

No major expenditure i.e. Landed property, Vehicles, Motorbikes, furniture, computers, tables etc., shall be undertake without prior consultation and approval from the President and the Board of Trustees. The BCA FC, Administrative office personnel may be mandated by the President to undertake expenditures in relation to the particular equipment, asset or project.

All procurement documentation including quotations, pro-formas, tenders and price proposals are to be kept on file for a period of five years to ensure that auditors would have access to all such documents.

At least three of the above pre-procurement documents must be secured and best price and value must be considered for the choice of a particular vendor. Concrete reasons must be given and evidence produce for sole sourcing. Where the cost of the item is less than Ghs2, 000.00 the three pre-procurement documents is not mandatory.

**2.12a Capital Expenditures**

Annual and monthly office budgets are drawn up in consultation with the Executive body, and the office is required to stay within these budgets. Unplanned expenditures will require approval by the President through the Treasurer, copy to the BCA FC.

**2.13 Daily Journal/Cheque Register**.

The daily journal or the cheque register is the journal where all payments and deposits processed through the bank account are recorded.

**2.13b Petty Cash Journal(s)**.

The petty cash journal is the register in which all cash transactions are recorded. The amount of petty cash holding in the office should not exceed the limit in the SO.

**2.13c Bank Statement and Bank Reconciliation**

Bank reconciliation needs to be prepared every month. The bank account reconciliation, the bank statement, and the list of outstanding cheques should be forwarded to the

Treasurer and President on a monthly basis.

**2.13d Supporting Documents**

Each transaction generated through the Daily Journal/Cheque register and the petty cash journal needs a payment voucher and must be supported by an original invoice, debit/credit memo or receipt. All supporting documents will be forwarded with the financial reports if it is a requirement by the donor.

**Daily Journal/Cheque Register**

Supporting documents should provide the following information:

* **Cheque number** - the cheque number of the cheque paying the invoice.
* **Date of payment** - the date the actual payment is made.
* **Internal control receipt number** - is the number in ascending order assigned consecutively in the journal or register by the officer in charge and repeated on the supporting document.

**2.13e Missing Supporting Documents**

In the event that a particular invoice and or receipt, honour certificate is not included with the current report, the missing supporting document should be included in the following month’s report clearly indicating to which month the supporting document should be added.

**2.14 Processing office Expenditures**

The BCA FC is responsible for ensuring the timely receipt of financial returns and proper documents for recording expenditures.

**2.14b Verification**

The Chair of the BCA F/A C will verify that all supporting documents have been included with the current month’s report. As evidence that supporting documents have been reviewed, the BCA F/A C Chair will sign that the supporting document has been verified.