Spending Policy

Accepted 18/11/2026

1. Principle

"Each of you should use whatever gift you have received to serve others, as faithful stewards of God's grace in its various forms" (1 Peter 4:10 NIV). The financial responsibility of the church is to be a wise steward of the resources God has entrusted to this fellowship. Ultimately, the church is responsible to God in the stewardship of its funds. It is important that as we spend the 'widow's might' (Mark 12:41-44) we should make sure that the expenditure is necessary, ethical and the best value.

2. Purpose

This policy sets out how church funds may be committed and spent, who may authorise expenditure, how payments and expense claims are evidenced and checked, and how financial accountability is maintained. It applies to ministers, staff, deacons/trustees, budget holders and anyone authorised to spend or handle church money.

This policy should be read alongside the church's governing document and any separate policies or procedures covering banking, income and cash handling, expenses, reserves, procurement, safeguarding, and conflicts of interest. Where there is a conflict, the governing document and applicable law take precedence.

To give some guidelines of how church funds are obligated and spent, to define accountability for spending church funds, and to develop a procedure for expenditure authorisation and processing payments.

3. Responsibilities and budget management

Only people holding roles or receiving delegated authority approved by the deacons/trustees may commit church funds. The authorised roles, budget lines and any limits must be recorded and reviewed at least annually.

Each budget holder is responsible for planning expenditure for their area, checking that proposed spending is for church purposes, monitoring actual expenditure against the approved budget, and retaining appropriate supporting records.

The person responsible for each budget line will be identified during the annual budgeting process.

Budget holders must alert the Treasurer and deacons/trustees promptly if expenditure is likely to exceed the budget, income falls materially below forecast, or another significant financial risk arises. No overspend may be incurred without approval under section 5.

Budget holders should submit proposed budgets for the following year to the Treasurer by the deadline set for preparation of the annual budget and membership approval, normally by October.

4. Authorising purchases and invoices

Before placing an order, signing a contract or otherwise committing the church to expenditure, the purchaser must confirm that the expenditure is within an approved budget or has been separately authorised under section 5.

Every invoice must be checked against the goods or services received, approved by the relevant budget holder or other authorised approver, and coded to the correct account before payment.

A person must not approve their own expense claim, invoice, purchase or payment. Where the usual approver has a conflict of interest or is unavailable, approval must be obtained from another appropriately authorised person and recorded.

Approval of expenditure and release of payment should be separated wherever practicable. Bank payments should use dual authorisation where the banking arrangements permit it. No individual should control every stage of a transaction from request to payment and reconciliation.

Payments must be made only to the intended payee and supported by an invoice, receipt, claim form or other suitable evidence. Changes to supplier bank details should be independently verified using a trusted contact method before payment.

Orders and contracts must not be split into smaller amounts to avoid approval limits or quotation requirements.

5. Spending limits and unbudgeted expenditure

The following limits apply to one-off expenditure unless a different limit has been approved and recorded by the deacons/trustees:

Authority	Maximum one-off cost	Conditions
Ministers	Up to £200	Must be for church purposes and within an approved budget, unless separately authorised.
Deacons/trustees	Up to £1,000	Must be within delegated authority; unbudgeted expenditure must be clearly identified and recorded.
Membership	Over £1,000	Must be proposed to and approved by the membership before the church commits to the expenditure.

These limits apply to the total cost of a purchase or project, including VAT and associated costs, and must not be avoided by dividing a purchase into separate transactions. For a project with multiple related costs, the total anticipated project cost must be used.

Expenditure explicitly included in the approved annual budget is exempt from the one-off approval thresholds above, but remains subject to budget-holder approval, invoice checks, payment controls and any quotation requirements. Being in the budget does not authorise an individual to exceed their delegated authority or to enter into a contract outside that authority.

Any expenditure that would cause a budget line to be exceeded requires prior approval from the deacons/trustees, regardless of the amount, unless the membership or governing document requires a higher level of approval. The approval and its rationale must be recorded in the minutes or financial records.

In an urgent situation where delay could cause material harm or loss, the Treasurer and an authorised deacon/trustee may jointly approve necessary expenditure within their delegated authority. The decision must be documented and reported to the deacons/trustees at the next meeting. Urgency does not override legal, safeguarding or governing-document requirements.

6. Value for money and quotations

All expenditure must be necessary for the church's purposes, ethical, proportionate and represent good value for money. The cheapest option is not always the best value; quality, suitability, reliability and whole-life cost may be considered.

For purchases or projects with a total anticipated cost over £1,000, at least three comparable written quotations should normally be obtained before a decision is made.

If three quotations cannot reasonably be obtained, or a preferred supplier is selected for reasons other than price, the reasons must be recorded and approved by the appropriate authority.

For purchases over £1,000, the required approval under section 5 must be obtained before the church commits to the purchase. Obtaining quotations does not itself constitute spending approval.

7. Expense claims and reimbursements

Expenses must be incurred wholly and necessarily for authorised church business or ministry and must be reasonable. Personal expenditure must not be claimed.

Claims may be submitted using the church's one-off expenses claim form or monthly expenses form. Monthly claims are preferred for ministers, staff and ministry leaders where appropriate.

Claims must state the date, purpose, amount and relevant budget/account code and must be supported by itemised receipts or other appropriate evidence. Where a receipt is unavailable, the claimant must explain why and provide sufficient details for the claim to be reviewed.

Mileage, travel, hospitality and other recurring expense categories must follow any separate expenses guidance approved by the church. Prior approval should be obtained for unusual or significant expenses.

Claims must be submitted within a reasonable period, preferably monthly. The claimant must not approve their own claim; an authorised independent approver must check and approve it before reimbursement.

The Treasurer or delegated finance officer must retain the claim and supporting evidence in accordance with the church's record-retention arrangements.

8. Ministers' account

The ministers' account is an electronic petty-cash facility, normally maintained at £500 unless a different amount is agreed by the deacons/trustees.

The account may be used only for authorised church expenditure. Each transaction must be supported by a receipt or other appropriate evidence and recorded with its purpose and budget/account code.

Expenditure must be reported to the Treasurer using the monthly expenses form, with supporting evidence. The Treasurer or another independent authorised person must review the statement and report.

The account may be replenished to its agreed level only after the expenditure has been properly reported and reviewed. Any unexplained transaction or discrepancy must be raised promptly with the Treasurer and deacons/trustees.

9. Conflicts of interest and connected persons

Anyone involved in requesting, selecting, approving or paying for goods or services must declare any actual, potential or perceived conflict of interest, including a personal, family or business connection with a supplier or recipient. The declaration and how it was managed must be recorded. The conflicted person must not take part in the decision or approve the related payment.

Any proposed payment, benefit or contract involving a trustee/deacon, minister, staff member or a person connected to them must be referred to the appropriate unconflicted decision-makers and checked against the church's governing document and applicable charity law before any commitment is made. This policy does not itself authorise trustee benefits or payments.

10. Financial monitoring, records and review

The Treasurer should provide the deacons/trustees with regular financial reports, normally at each scheduled meeting, showing income and expenditure against budget, significant variances, bank balances and any material forecast concerns.

Bank accounts must be reconciled regularly, normally monthly, by a person independent of payment initiation wherever practicable. Reconciliations and outstanding items must be reviewed and discrepancies investigated promptly.

Invoices, receipts, expense claims, quotations, approvals and relevant minutes must be retained securely and be available for authorised review and audit or independent examination as applicable.

The deacons/trustees should ensure that financial controls are operating effectively and that any suspected error, misuse of funds or irregularity is reported promptly to the appropriate church officers and dealt with in accordance with relevant procedures.

This policy must be reviewed at least annually as part of the budget-setting process and whenever there is a significant change in the church's finances, banking arrangements, governance or operating needs.

11. Approval and review record

This document will be reviewed annually.