

**Income Policy (Curia)**

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**(Version 1.0)**

<b>Subject and version number of document:</b>	Income Policy Curia version 1.0
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<b>Operative date:</b>	February2021
<b>Author:</b>	Financial Controller
<b>Diocese of Portsmouth owner:</b>	Financial Controller
<b>Links to other policies:</b>	
<b>Review date:</b>	February 2024
<b>For action by:</b>	All
<b>Policy statement:</b>	This policy relates to Curia income only.  This policy determines the controls required for acceptance and approval of income.
<b>Responsibility for dissemination to new staff:</b>	The policy will be provided to new staff on induction
<b>Mechanism for dissemination:</b>	This policy will be available on the Department of Administration drive within the network.

<b>Training implications:</b>	Staff and volunteers need to be aware of the content of the policy, the policy will be available on the Department of Administration drive within the network.
<b>Resource implications</b>	Communication of the policy is the key requirement; Files recoding the approval of Capital and restricted funds income will need to be maintained.
<b>Further details and additional copies available from:</b>	Please contact the Financial Department for further information on this policy.
<b>Consultation process</b>	The Finance department have developed this process in conjunction with Estates and Communications / Grants team
<b>Approved by:</b>	Finance Committee
<b>Date approved:</b>	February 2021

**Website upload:**

Website	
Keywords:	<i>Income, Grants, Donation, Award, Legacy</i>

**Amendments summary:**

Amend No	Issued	Page(s)	Subject	Action Date
1				
2				
3				
4				
5				

**Review log:**

Include details of when the document was last reviewed:

Version Number	Review Date	Name of Reviewer	Ratification Process	Notes
1.0	Jan 2021			

## **INCOME POLICY (CURIA)**

### **SUMMARY OF KEY POINTS TO NOTE**

This policy relates to Curia income only.

This Process has been introduced to control the approval of income into the diocese, and to recognise and consider any commitments associated with that Income.

It is important that income is approved. In many of the diocese's activities, by accepting income the diocese is committing to deliver a service and/or incur additional expenditure. As such, accepting income represents the same risk to the diocese as approval of expenditure.

The income policy will ensure that information is captured that will enable the diocese to manage restricted funds.

The income policy also specifies the debtor collection process and responsibilities.

## **INCOME POLICY (CURIA)**

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## **INCOME POLICY (CURIA)**

### **1. INTRODUCTION**

- 1.1 This policy determines the procedures required for the approval of income to be received by the diocese.
- 1.2 This policy applies to Curia income only.
- 1.3 It is important that income is scrutinized and approved before it is accepted. Often by accepting income, the diocese is committing to deliver a service and/or incur additional expenditure. As such accepting income represents the same risk to the diocese as approval of expenditure.
- 1.4 The income policy will ensure that information is captured that will enable the diocese to manage restricted funds.
- 1.5 The income policy also specifies the debtor collection process and responsibilities.

### **2. SCOPE**

- 2.1.1 The policy applies to all Clergy and Staff that receive money on behalf of the diocese.
- 2.1.2 This policy does not relate to unrestricted donations or legacies.
- 2.1.3 This policy relates to income that commits the diocese to the delivery of a service or commits the diocese to incur expenditure. This includes all grant income, all restricted income, government allocations for school maintenance and Service Level Agreements.
- 2.1.4 This policy also relates to income where collection of the income should be managed and reported upon. This includes the Schools Levy income, Schools Building Fund income, Seminar Fees and chargeable safeguarding fees.

### **3. ROLES AND RESPONSIBILITIES**

- 3.1 Heads of Vicariate, Tribunal, Chancery and the COO (to be called budget holders in this document) have ultimate responsibility for all income within their areas of control.
- 3.2 Budget holders can delegate authority to approve income to named individuals. Budget holders are responsible for ensuring only appropriate clergy or members of staff have delegated authority to approve income within their area of responsibility.
- 3.3 Budget holders must be vigilant and act to manage income within their area of control. Actions should include;
  - Monitoring which members of staff hold delegated authority to approve income within their area of control and ensuring only appropriate members of staff have delegated authority.
  - Reviewing monthly management accounts to ensure income does not vary materially from the authorised budget.
  - Regularly review aged debtor reports

### **3.4 Authority to Approve Transactions**

#### 3.5 Income of up to £2,000

3.6 Budget Holders can approve income up to the value of £2,000 personally.

3.7 Budget holders can delegate authority to approve income to named individuals.

3.8 The budget holder will set a maximum value of transaction that each named individual can authorise. The maximum value can be tailored for each named individual and can be set between £1 and £2,000.

3.9 To formally delegate authority to named individuals the Delegation of Income Authority Form needs to be completed for each programme. Only people named on the form are permitted to approve income for a programme. An example of a completed Delegation of Income Authority Form is included as Appendix A to this document.

3.10 Completed Delegation of Income Authority forms will be stored by the finance department.

3.11 The Finance Department must be notified immediately of any changes to the authorities to approve income.

#### Income of £2,000 - £10,000

3.12 A budget holder and the nominated individual must both approve transactions between £2,000 and £10,000 in value.

#### Income of £10,000 and £50,000

3.13 After the approvals in 3.12 have been received, the transactions must also be approved by the COO or Director of Finance.

#### Income in excess of £50,000

3.14 After the approvals in 3.13 have been received, the transactions must also be approved by the FAR.

3.15 The value of the income should be the total contract value over the expected life of the arrangement.

#### Schools Building Fund Grants

3.16 Schools Building Fund grants are not diocesan income. The diocese receives and holds money on behalf of schools. The diocese's liability is limited to 10% of the cost of the capital project.

3.17 To reflect the limitation in the liability of the diocese the level of approval will be reduced.

3.18 The approvals will be as above but based on a deemed value of the grant. The deemed value be

Deemed Value of Grant =  $10/90 \times$  the value of the grant.





## **4. PROCESS**

### **Requesting the issue of a One-off Invoice**

- 4.1 The finance team will generate all invoices for income (to be called sales invoices).
- 4.2 To request that the finance team generate a sales invoice the Sales Invoice Request form should be completed and emailed to [accounts@portsmoutdiocese.org.uk](mailto:accounts@portsmoutdiocese.org.uk).
- 4.3 The Sales Invoice Request Form is included as appendix B in this document.
- 4.4 When submitting the Sales Invoice Request Form, the email trail should demonstrate approval by the prerequisite team members. Section three of this document defines the required levels of approval.
- 4.5 Sales Invoice Request Forms received by Tuesday at 5pm will be processed by Friday at 5 pm.

### **Supporting Documentation**

- 4.6 When submitting the Sales Invoice Request Form the final contract between the diocese and the funder must be submitted with the Sales Invoice Request Form.
- 4.7 For grants without a formal contract the application for funding and the award letter must be submitted.

### **Restricted Income**

- 4.8 Using the information submitted on the Sales Invoice Request Form the diocese will identify restricted income and begin the process of monitoring compliance with the requirements attached to the restricted income.
- 4.9 A Sales Invoice Request Form must be completed for all grants, even those awarded to parishes, or those awarded as government contributions to the cost of maintaining schools, to facilitate the monitoring of restricted income.

### **Bulk Invoicing**

- 4.10 Where the finance team will be producing a large number of invoices for standard items (like batches of schools building fund invoices or batches of invoices for seminar attendance) then colleagues can request to be issued a bulk invoice request form that can be used to request the bulk generation of invoices.

### **Donations and other income**

- 4.11 Staff and clergy within the curia will receive ad hoc donations or small payments for services such as tribunal or marriage and family life.
- 4.12 These payments should be sent to the diocesan finance team or banked into the local Lloyds branch into the diocese general account (sort code; 30-93-04, Account Number 00865746).
- 4.13 When payments of this form are made the Donations and Other Income form should be completed and submitted to the finance team on the date the payment is made.

### **Debt Collection**



4.14 This debt collection process is for the collection of funds owed in relation to invoices that have been issued. A separate policy will be developed for managing loans and other forms of debt.

4.15 A monthly aged debtor reports will be provided to budget holders.

4.16 The aged debtor report will list all unpaid invoices and will show their age to give an indication of how long it has been since payment should have been received.

4.17 Each month the finance team will review the aged debtors and if payment is delayed finance will contact the payor to query the delay.

4.18 If the delay is due to procedural issues within the funders accounts payable process the finance team will attempt to resolve this situation and secure payment.

4.19 If payment is being held up by the funder due to operational issues the finance team will contact the responsible person named on the Sales Invoice Request Form and agree a course of action to obtain payment of the invoice.

4.20 The aged debtor report will be reported to FAR.

## **5. MONITORING THE EFFECTIVENESS OF THE POLICY**

5.1 Income records will be open to Audit annually by the External Auditors and on an ad-hoc basis by Funding Bodies.

5.2 The primary role of this external audit is to report on the Charities financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds.

5.3 Funding Bodies will be reviewing how the Income provided to the Charity has been utilised and that any restrictions applied to the funding have been met. They may also anticipate Progress reports and Impact analysis on the result of the project.

5.4 Budget Holders will be able to review income incurred on a regular basis against their departments budgets and advise of any unexpected transactions.

## **6. REVIEW**

6.1 This document may be reviewed at any time at the request of either the staff or management, or in response to changes in legislation, but will automatically be reviewed after twelve months and thereafter on a biennial basis.

6.2 The signatures below certify that this document has been reviewed and accepted, demonstrating that the signatories are aware of all requirements contained herein and are committed to ensuring their provision.



	Name	Signature	Position	Date
Prepared by	Keith Harvey		Financial Controller	Jan 2021
Reviewed by	Mark Van Wijk		Director of Finance and IT	Jan 2021
Reviewed by	Heather Hauschild		Chief Operating Officer	Jan 2021
Reviewed by			Finance Audit and Risk Committee	Jan 2021
Reviewed by	Karena Fulford		Head of People	Jan 2021
Reviewed by			Senior Leadership Team	Jan 2021
Approved by			Trustees	

## 7. Amendment Record

7.1 This document is reviewed to ensure its continuing relevance to the systems and processes that it describes. A record of contextual additions or omissions is given below.

7.2

Page No.	Context	Revision	Date

## 8. REFERENCES AND LINKS TO OTHER DOCUMENTS (where applicable)

- 8.1 Delegation of Income Authority Form
- 8.2 Sales Invoice Request Form
- 8.3 Donations and Other Income form

**Appendix A – Delegation of Income Authority Form**



Bringing people closer to Jesus Christ through His Church  
**Catholic Diocese of Portsmouth**



**Delegation of Income Authority Form**

This form recognises the approval of delegated authority to Approve Income at a departmental level. Income can be approved in line with the Income policy, once approved here.

**Select Dept in Yellow Box**

Vicariate	Education		
Department	CASO	CASO	
	Enter Initials Below		
	Manager	Substitute	Substitute
All income up to £2,000			
All income up to £1,500			
All income up to £1,000			
All income up to £500			
Signatures	Sign	Print	
Manager			
Substitue			
Substitue			

**Income, £2,000 to £10,000 can be approved by Obtaining 2 signatures from the above department list**

**Income over £10,000 and up to £50,000 requires the additional approval of the FD or COO**

**Income over £50,000 requires the additional approval of the FD or COO and approval by the Board of Trustees**

Approved

Delegated Authority is hereby given to the above signaturories in line with Dicese of Portsmouth regulations

	Sign	Print	
COO			
FD			



<b>Invoice/Funding Recipient</b> Department or Parish receiving the funds		Required
<b>Responsible Person</b> Name of person within the diocese who is responsible for this relationship with the Funder. This person will, oversee the project, ensure restrictions are adhered to and will be the point of contact with the funder.		Required
<b>Funder</b>		Required
<b>Funder Purchase Order number</b> Many funders will only pay if we attach their relevant Purchase Order Number		
<b>Invoice address</b>		Required
<b>Invoice Date</b> Payment will be expected within 30 days		Required
<b>Recurrent Invoice</b> Duplicate Invoice will be issued in line with these instructions		Y/N
<b>Frequency of subsequent Invoices</b> E.g. 1st of each month for 12 months		
<b>Date of Final Invoice</b>		
<b>NL Code</b> If funding is towards a project then the NL code should include the project designation.		Required
<b>Invoice to be submitted via</b>	Post	Y/N
	Email Email Address	Y/N
	Invoice to be submitted by requestor only	Y/N
<b>Description</b> This detail will be included on the invoice and accounting records. The level of detail included here should allow people who are not familiar with the contract to understand what the payment is for.		Required
<b>Time frame</b> If the payment is to fund a specified time period.		
<b>Invoice amount</b>		
<b>Restricted income</b> Restricted income If income is restricted then Restricted Income tab must be completed.		Y/N
<b>Notes</b>		

**Appendix B – Sales Invoice Request Form –  
Page 2 – Additional Information for Monitoring Restricted Funds**





Banking Date						
Transaction	Payor/Donor	Description	Restricted	NL Code	Amount	
1			Y/N			
2			Y/N			
3			Y/N			
4			Y/N			
5			Y/N			
6			Y/N			
7			Y/N			
8			Y/N			
9			Y/N			
10			Y/N			
11			Y/N			
<b>Total</b>					<b>0</b>	

