



**OVERSEAS FELLOWSHIP OF NIGERIAN CHRISTIANS
(OFNC) LTD CHARITY No: 1126774**

Expenses Manual

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1 SCOPE

The following policies and procedures document a fixed asset system designed to comply with all statutory requirements and increase control over those assets for which the OFNC has stewardship responsibility. The intent of these policies is to obtain accountability over our assets, provide centralised documentation for insurance purposes, meet financial reporting needs, and generate asset management information.

2 POLICY

It is the policy of the OFNC to maintain accountability over all tangible fixed assets having a life exceeding one year and costing £250 (including VAT) or more. The OFNC National Financial Secretary shall maintain asset records provided by the various Branch Area Secretaries, such records to be verified by a physical inventory at least once a year by each branch

2.1 PURPOSE

A fixed asset inventory system gathers information allowing preparation of financial statements in accordance with generally accepted accounting principles. The system should provide adequate stewardship over its resources through control and accountability of the fixed assets.

2.2 GENERAL

Assets in the system include all land, buildings, and electronic equipment valued at £250 or more (including VAT). Small items such as books or children toys, camera etc under £250 will be maintained by each branch in their own data base and will be governed by a separate policy.

2.3 RESPONSIBILITY OF AREA SECRETARIES

The National Financial Secretary will establish a fixed assets system and prepare guidelines for the annual inventory. By January 31st of each year the National Financial Secretary will supply all Area Secretaries and Branch Financial Secretaries with a preliminary worksheet of assets as of December 31st of the prior year. Area Secretaries shall assign inventory teams to conduct a physical inventory of all assets that will be reviewed by the supervisor to test its validity.

Each branch will notify the National Financial Secretary of any additions, deletions, interbranch transfers, modifications, or leases of property that is not reflected on the preliminary list. Deletions from the inventory should include items that were scrapped, cannibilized, disappeared mysteriously, or

damaged beyond salvage. The National Financial Secretary will ensure the appropriate changes are made to the branch fixed asset records. After the adjustments are made the final asset list will be given to the Area Secretary to sign that it is true and correct.

2.4 ASSET IDENTIFICATION

All inventoriable property will be assigned a unique OFNC identification number (see appendix #1) by the National Financial Secretary. The assigned number will follow the asset throughout its life in the OFNC's fixed asset system.

Whenever feasible, each piece of property will be tagged or marked with the OFNC identification number on the upper right hand corner. Such markings will be removed or obliterated only when the item is sold, scrapped, cannibalized, or otherwise disposed of. Should the ID number be removed or defaced, the item shall be marked again with the original number (obtained from the inventory listing).

If the asset is purchased with grant funding, the identification number will reference the grant with an identifying project code..

3 PROCEDURES

3.1 ADDITIONS

The OFNC may acquire property via purchase, construction, donation, or lease. Regardless of how it is acquired, when the property is received, the Branch Financial Secretary shall issue the item with the OFNC unique number and subsequently post the item on the online CQ finance software as a capital expenditure

3.2 DELETIONS

Assets previously acquired which was eventually disposed need to be deleted from the Fixed Asset System. Deletion may be required due to a sale of the asset, scrapping, mysterious disappearance (lost or stolen), or involuntary conversion (fire, flood, etc). Due to the monetary value, assets deleted from the fixed asset system, whatever the reason, will require authorization from both the Area Secretary and the National Financial Secretary.

National Financial Secretary is the only one in position to trigger removal from the Fixed Asset records. Removal is accomplished by filling out the disposal section of the Asset Control sheet (Addendum No. 2) and obtaining authorizing signatures from the Area Secretary or National Chairman as the case may be.

Items disappearing mysteriously may require additional reports to the police, National Chairman, and Insurance Company. Deletions brought about as a

result of natural disasters would require reporting to the insurance provider for an eventual reimbursement claim.

3.3 TRANSFERS

Occasional transfers of property between branches may occur. The original controlling branch is accountable for all assets in its inventory and for initiating a notice of transfer. Interbranch do not require the OFNC to declare the item surplus or to do a public notice.

3.4 INVENTORY

The National Financial Secretary will distribute a listing of assets, by branch, to be used as an inventory worksheet. Inventory teams, consisting of Area Secretary, Financial Secretaries, and Treasurers, will take the worksheets to their assigned areas and locate everything on the list and the results will be reviewed by the Area Secretaries. Any inventorial items found that are not numbered will be noted and added to the worksheet. All items lacking an identification tag will be tagged if at all feasible. Every year the Branch Financial Secretaries will help with the physical inventory verification with each branch in January.

A physical inventory by branch will be conducted annually to verify the existence and condition of all items in the fixed asset records. When reconciled, the inventory provides evidence that Area Secretaries are meeting their stewardship duty over their assets. An inventory may also help the branch's plan for future purchases by identifying unanticipated wear and tear of equipment before the equipment breaks down.

3.5 LOST OR STOLEN ASSETS

Whenever an item in the Fixed Assets System has mysteriously disappeared and all efforts have failed to recover it, the branch shall notify the National Financial Secretary, who will give a copy to the Police. Ninety days after notification, if the item hasn't been found, the branch will send an Asset control form to the National Financial Secretary so they may remove the asset from the asset inventory.

3.6 DONATED ASSETS

Assets may be donated to the OFNC. If the donation is cash to be used in conjunction with the construction of a specific asset, the donation is reported as restricted income. If the asset donated is other than cash, its estimated fair value must be determined and recorded as contributed capital

3.7 Appendix # 1

The OFNC's property identification numbers are assigned by the National Financial Secretary for uniformity and must be unique to a single property

item. Each branch should maintain a register of ID numbers that identify assets under their control. The Unique Code format is shown below:

OFNC/{BRANCH}/month of purchase/year of purchase/XXX

BRANCH:

NT - national

OX- Oxford

LA-Lancaster

BA -Birmingham

MA -Manchester

LE - Leeds

LI-Liverpool

LN-Lincoln

BE-Bedford

DO-Doncaster

ES - South Essex

LO - London

EL - East London

TE-Teeside

NE-Newcastle

SH -Sheffield

NO -Nottingham

For example, a drum bought by Doncaster branch on 25th of June, 2010 will have the following code:

OFNC/DON/06/10/001