

NEW COVENANT CHURCH, NIGERIA

**MANUAL OF ACCOUNTING
PROCEDURES**

JUNE 2019

A WORKING DOCUMENT THAT WILL GUIDE THE CHURCH ON BASIC ACCOUNTING PROCESS

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1.0 Overview of the manual

The objective of this manual is to provide a working document that will guide each Satellite centre on procedures for collection, custody and disbursement of funds; and the appropriate records at the Satellite for submission to the Conference and at Conference level for submission to the National office.

1.1 Background information

The Church, NEW COVENANT CHURCH, NIGERIA was incorporated with the Corporate Affairs Commission (CAC) on 25 October, 1986 with registration certificate number 4289 to principally engage in religious activities. The Church has the following structure:

A) NATIONAL

- Board of Trustees;
- Council of Conference Pastors;
- National Executive Council;

B) CONFERENCE

- Council of Satellite Pastors;
- Conference Administrative Council;

C)

- Pastoral Team / Council of Elders

1.2 Purpose of the accounting system

The system enumerated in this manual will ensure that funds generated and or received by the church are properly controlled and disbursed for the purpose(s) for which they have been approved to ensure proper accountability. The system will also ensure the rendition of monthly and annual accounts to the stakeholders as may be required of the church. The areas of focus for now will be the following:

- Income
- Expenses
- Assets – (Land & Building, Plant & Equipment and Miscellaneous Assets)
- Bank and Cash Balances – (Including Fixed Deposit, Treasury Bill, etc)

1.3 Accounting Records to keep

- Meeting Report - NCC/NT 01 - **Appendix A**
- Centre Monthly Summary of Meeting Attendance with Income and Expenditure and Bank Balances - NCC/NT 02 - **Appendix B**
- Conference Monthly Summary of Meeting Attendance and Income Report - NCC/NT 03 - **Appendix C**
- Conference Monthly Financial Report and Bank Balances - NCC/NT 04 - **Appendix D**
- Assets Register - NCC/NT 05 - **Appendix E**
- Cheque Payment Voucher - NCC/NT 06 - **Appendix F**
- Petty Cash Book

1.3 Basic Accounting Process

It is expected that all centres shall strictly adhere to the under-listed basic accounting process;

A) Meeting Report and Income

- The proceedings of meetings shall be properly recorded as required by NCC/NT 01 (in triplicate); - A copy for the Satellite Church Administrative Council file, a copy for the church treasurer and the third copy retained in the booklet.
- All Income shall be properly receipted (as required in NCC/NT 01) and shall be lodged intact into bank without deduction/payment out or cash takings;
- The Lodgement teller shall be attached to the triplicate copy of the meeting report;

B) Payment Procedure

1) Bank Payment Procedure

Bank payments shall follow the following procedures:

- A payment voucher shall be raised by the church Treasurer or church Administrator/Administrative Officer; and Cheque payments shall serially be recorded
- The payment Voucher approved by Pastor/treasurer;
- The Cheque shall be written by the treasurer and duly signed by designated signatories (at least 2 signatories; the Pastor and any other). **Note;** The Satellite Pastor and his wife shall not be joint signatories to Church Bank Account;
- The Recipient shall be made to sign for the amount received on the voucher or where not practicable, voucher stamped 'PAID' and dated; and

- In case of online transfer/payment, authority to do such by the recipient shall be attached to the payment voucher.
- Receipts as evidence of purchase/service shall be attached to the Payment Voucher

In a circumstance where the amount initially taken from the bank is more than the expenditure, the excess shall be returned to the bank immediately. Note: Under no circumstance shall the excess on amount withdrawn or cash from other sources (apart from petty cash reimbursement) be spent as petty cash.

2) Petty Cash Book Payment Procedure

A petty cash book is a book of original entry kept for **minor** transactions and daily operations. The petty cash book shall state date of payment, who collected the money, the purpose of payment and signature. Receipt into petty cash shall strictly be by reimbursement from the bank.

C) Fixed Assets Register

- 1) The fixed assets register contains details of every fixed asset owned by the church. The register shall contain columns for the following particulars about every asset:
 - Description of assets
 - Date of purchase
 - Identification/serial number (to be given by the Church)
 - Manufacturers' serial number (e.g. Engine Number, Chassis Number in the case of vehicles)
 - Location of the asset
 - Classification of asset
 - Cost/value

- 2) All title documents of Real Estate Property like land, building, etc shall be registered and deposited at the National Office with the original copies.

D) Reports

- **Centre**
 - A duly signed Centre Monthly Summary of Attendance with Income and Expenditure and Bank Balances NCC/NT 02
- This shall be submitted to the Conference on monthly basis. Latest 7th of the following month**
- Centre Assets Register, comprising all fixed assets of each Satellite centre shall be submitted through the Conference to the National Office at the end of every year

- **Conference**
 - A duly signed Conference Centre Meeting Report Monthly Summary of Attendance and Income - NCC/NT 03
 - A duly signed Conference Centre Monthly Financial Report with Bank Balances - NCC/NT 04

All shall be submitted to the National Office on monthly basis. Latest 15th of the following month

- A duly signed Conference Assets Register - NCC/NT 05, comprising Fixed Assets of every Satellite under a Conference shall be submitted to the National Office at the end of every year