

## ***EBENEZER BIBLE FELLOWSHIP CHURCH*** ***Financial Policy***

### **SECTION I - PURPOSE**

Since funds contributed to our church no longer belong to any individual but to the LORD, as stewards of these funds, we must take great care to ensure these funds are managed wisely for HIS glory.

This policy establishes the responsibilities required in the proper handling of funds donated to the church.

### **SECTION II – RESPONSIBILITIES**

#### **A. Elders**

- 1) The Elders are responsible for the oversight of the collection and disbursement of funds. It is their duty to ensure that all policies and procedures are followed.
- 2) The Elders will present to the church membership, in written form, a summary of the financial activities of the church semi-annually.
- 3) The Elders will present a proposed annual budget to the church membership for discussion and approval, prior to the start of the calendar year.
- 4) The Elders will approve the following positions on a yearly basis:
  - a) Finance Committee Chairman (if Treasurer is not an Elder)
  - b) Treasurer
  - c) Audit Committee
- 5) The Elders will approve all expenditures above or beyond those approved by the church membership. The Elders shall inform and gain approval from the church membership when expenditures (from budget or non-budget expenses) are projected to exceed 110% of the current budget.

#### **B. Treasurer**

- 1) As stated in the By-Laws, the Treasurer is responsible for the financial structure of the church. As such, the Treasurer is accountable to the Elder Board and the church membership.
- 2) The Treasurer must be a member in good standing of the church.
- 3) The Treasurer will provide guidance and oversight of the Financial Policy.
- 4) The Treasurer has executive oversight for all expenditures and ensures that each is in line with the policy. The Treasurer has the authority to deny expenditures that either exceed the approved yearly budget or would otherwise imperil the church.
- 5) The Treasurer shall:
  - a) Manage the annual budgeting process.
  - b) Reconcile all church accounts on monthly basis.
  - c) Provide a financial status report to the Elder Board monthly.

- d) Oversee all disbursement and check requests to ensure that the proper procedures are used.
  - e) Review expenditures monthly to ensure that all expenditures fall within approved budget limits or within specially approved limits stipulated by the Elder Board.
  - f) Plan, prepare, and present the annual church budget for approval to the Elders and church membership.
- 6) The Treasurer may chair the Finance Committee. If the Treasurer is not on Elder Board, the Elder Board will nominate an Elder to be chair of the Finance Committee.
  - 7) The Treasurer shall manage specific accounting functions including but not limited to:
    - a) Bookkeeping
    - b) Budgeting
    - c) Insurance and Risk Management (Including vendors)
    - d) Banking (including investment and credit accounts)
  - 8) The Treasurer shall provide oversight on contracts.
  - 9) The Treasurer shall approve all expenditures requiring the approval of the Treasurer.
  - 10) The Treasurer is to advise the Elder Board on financial, legal and tax matters relating to the church.
  - 11) Provide donors with a one-time receipt for non-cash donations to the church, as approved by the Ministry Leader receiving the donated material and according to law.
  - 12) Provide 1099's to appropriate vendors no later than Jan 31<sup>st</sup> of the following year for the prior year services/payments.

#### C. Finance Committee

- 1) The Finance Committee will consist of 3 to 6 church members, including the Treasurer, Bookkeeper, a Deacon, and member of the Elder Board (if the Treasurer or Bookkeeper is not an Elder).
- 2) Each member of the Finance Committee shall be a member in good standing of the church.
- 3) Responsibilities:
  - a) Oversees the financial affairs of the church, providing support and assistance to the Treasurer.
  - b) Members serve on sub-committees appointed by the Treasurer and report to the Treasurer on the status, progress and conditions of assigned sub-committees.
  - c) Establishes management controls to ensure the fidelity and stewardship of church funds.
  - d) Establishes administrative procedures for conducting church business.
  - e) Ensures that all administrative procedures conform to the requirements set forth in this policy.
  - f) Reviews and advises on monthly church financial income and expenditures
  - g) Stays abreast of current tax law to ensure that the church stays in compliance with all federal, state and local laws.
  - h) Coordinates the preparation of the annual church budget and authorizes a recommended budget which will be forwarded to the Elder Board.
  - i) Reviews and approves church contracts as outlined in the policy.
  - j) Nominates and recommends to the Elder Board, church members for those positions necessary to execute the financial business of the church.
  - k) Coordinates and educates church members and Ministry Leaders on financial procedures, practices, and this policy.

- l) Provide recommendations regarding misconduct, misappropriation, or other inappropriate financial activity to the Elder Board.

D. Bookkeeper

- 1) Receive the church offering envelopes, special offering envelopes and other evidence of money received, and a summary of receipts from the money counters for posting to individual members' records.
- 2) Maintain the donation register on the church computer.
- 3) File all evidence of individual gifts in the designated location.
- 4) Provide each donor prior to January 31<sup>st</sup> with a receipt for all donations (monetary) from the previous year.
- 5) Write all checks according to policies and procedures.
- 6) Maintain the list of current Ministry Leaders.
- 7) Print reports and other financial records as required.
- 8) Prepare and submit the payroll.

E. Alternate Bookkeeper (may be appointed)

- 1) Be familiar with the appropriate sections of the financial policies and procedures.
- 2) Receive the church offering envelopes, special offering envelopes and other evidence of money received, and a summary of receipts from the money counters for posting to individual members' records. Write checks according to policies and procedures.
- 3) Print reports as required for ministerial staff.

F. Counters

- 1) The Deacon Board is responsible for providing counters and oversight of their responsibilities.
- 2) The counters are responsible for receiving the offering from the ushers and counting the funds.
- 3) Counters will work in pairs. The pairs will rotate.
- 4) The counters will verify the amount of each envelope and verify the total cash offerings received.
- 5) A summary of the collection will be completed and signed by both counters.
- 6) Deposit all cash received into the church bank account each Sunday. No cash is to remain overnight in the safe unless prior coordination is accomplished with the treasurer/bookkeeper.

#### G. Ministry Leaders

- 1) The Ministry Leader is normally responsible for the costs associated with their ministry. Ministry Leader can appoint a person to oversee the budget and finances for their ministry; however, the ministry leader still maintains overall responsibility for the ministry budget.
- 2) The Ministry Leader is that person authorized to obligate and commit church funds for the specific budget area under their authority.
- 3) Oversee their cost centers to ensure that their area of responsibility is being properly managed.
- 4) Responsible to ensure all expenditures remain within the approved budget limits and to ensure all goods and services have been satisfactorily received.
- 5) Approve all check requests and invoices to be charged to their cost center.
- 6) Submit a proposed budget to the Finance Committee. The proposed budget shall be in the form of a monthly spending plan

#### H. Audit Team

- 1) The Audit Team will be made up of 4 members with at least 1 member from the Finance Committee (other than the Treasurer, Bookkeeper or Ministry Leader)
- 2) An Audit will be completed in time to conform to the BFC Conference requirements. (Typically, not later than January 31st, to cover the previous accounting year.)
- 3) Performing Audit responsibilities as defined in the responsibilities section of this policy or as dictated by the treasurer.

#### I. Church Members and Staff

- 1) Each church member or staff member receiving or spending church funds shall be familiar with church financial policies, procedures and the appropriate budget.
- 2) Church members shall only commit church funds that are authorized by budget (or in the case of budget exceptions, from the Elder Board). It is the financial policy of this church that those who misrepresent, misappropriate, or otherwise improperly expend church funds shall be held personally financially responsible and liable. (The Finance Committee shall review and recommend any such allegations to the Membership and Discipline Committee). In all instances the Membership and Discipline Committee shall provide written documentation to the Finance Committee of disposition of the matter.
- 3) When reimbursement is appropriate, church members will submit the appropriate paperwork with proper authorization to the church office, in compliance with proper procedures and in a timely manner.
- 4) Finance Committee Chairman will coordinate with Elders, Deacons and staff to identify in writing to the Bookkeeper, those individuals having Ministry Leader responsibilities.

## SECTION III – FINANCIAL STRUCTURE

### A. Financial Structure:

- 1) Offering, Gifts, and other sources of income:
  - a) All funds donated, received, or paid to the Church will be deposited into and maintained in a bank general checking account.
  - b) Long Term Savings: Funds not required to support daily operations may be invested to a short-term interest/dividend bearing account backed by the US Government. The purpose of this account is to fund future capital expenditures or other major expenditures so designated by the Elder Board. All deposit and withdrawals from this account will be coordinated through the Finance Committee and approved by the Elder Board. All funds moving in and out of this account will be transferred from or to the general checking account only.

### B. Budget: The church shall construct a balanced budget on a calendar year basis.

- 1) Responsibilities:
  - a) Treasurer shall prepare a template for the next fiscal year budget for ministry leaders to review and comment to by the end of the 2<sup>nd</sup> week of September each year. This template will ideally include history for the current year through August and September through December of the prior year.
  - b) The Treasurer or the Finance Committee may assist the ministry leaders as required and review budget submissions. Their recommendations shall be included in the presentation of the proposed budget to the joint Elder/Deacon Board budget meeting.
  - c) Ministry Leaders will review their budgets and submit their budgets by the end of the first week of October.
  - d) The Treasurer will collate the ministry leader budgets by the end of October. A joint Elder/Deacon budget meeting will be held no later than the end of the first week of November in which to review and approve the budget.
  - e) Treasurer will submit the combined budget in time to have it copied and available to the congregation at least 2 weeks before the December Congregational budget meeting.
  - f) Ideally the budget should be presented to the Congregation within the first two weeks of December.
- 2) Budget Execution: Membership approval of the budget constitutes the authority for Ministry Leaders to execute their respective budgets. As such the budget becomes the spending plan for the church during the designated calendar year.
  - a) Ministry Leaders do not have the authority to exceed their budget without prior approval of the Elder Board.
  - b) Ministry Leaders have the authority to adjust their sub account spending levels.
  - c) Should unexpected requirements or circumstances arise which would cause a particular ministry to exceed its budget, the Ministry Leader shall inform the Treasurer who will determine if funds are available or if Elder Board approval will be necessary.
- 3) Capital Improvement Budget (CIB): The purpose of the CIB is to identify and prioritize those items which are durable, enduring, and/or high value that require periodic refurbishment, renovation, repair, or replacement (CIB items are not consumable or expendable).
- 4) The intent of the CIB is to have a single source from which such items can be collectively viewed and funded at any time either within the budget or as directed by the Elder Board. CIB items are part of the church budget, but initially segregated to ensure they receive visibility, cross committee coordination, and prioritization. CIB items are either funded in the current church budget or subject to the availability of funds (unfunded).
  - a) Any church member can recommend an item for inclusion on the list.
  - b) The Property Committee will coordinate the CIB, ensure that all new

recommendations are forwarded to the appropriate Ministry Leader for review, and make recommendations to the Elder Board as required. As the list is dynamic, changes can be made as required within the approved CIB.

- c) The Elder Board shall review and approve new items as required.

## **SECTION IV – Contracts and Purchase Agreements**

### **A. Entering into Contract and/or Purchase Agreements**

- 1) Ministry Leaders are authorized to enter into contracts or purchase agreements on behalf of the church under either of the following conditions:
  - a) The purchase or contract is a budgeted item and the Finance Committee or Elder Board has put no further restriction into place and
    - the purchase or contract has a life time value of less than \$2,500
    - for purchases or contracts with a life-long value of more than \$2,500 dollars but less than \$5,000 must be coordinated through the Treasurer and approved by either the Finance Committee or the Elder Board
    - for all purchases or contracts with a life-long value of more than \$5,000 must be coordinated through the Treasurer and be approved by the Elder Board.
    - All purchases and contracts with a value above \$5,000 require 3 quotations/bids unless authorized by the Ministry Leader. A record of all bid waivers containing the reason for the waiver will be kept with the purchase files. The ministry leader should be guided by the conflict of interest policy for EBFC.
    - For the property committee, if the budget line item has already been approved as part of the annual budget, the Property committee can approve the expenditure above the amounts identified above.
  - b) The Elder Board has specifically authorized the purchase or contract that is outside of the existing church budget.
    - The Elder Board must approve all purchases or contracts that were not budgeted or listed on the capital improvements and cause the CIB budget to be exceeded prior to the obligation of funds and documented in the meeting minutes of the meeting where the approval was granted.
    - Expenditures that cause the budget to be exceeded by more than 10% must be approved by the congregation in advance and documented in the congregational meeting.
    - For those items with special approval the requirements in “a” above will apply.

- B. Major Projects: This section outlines the policies regarding the contracting, purchasing, and making payments associated with major projects, such as the erection, construction, or major modification of structures. Due to the special nature of these related expenditures, specific policies are set forth for the effective management and control of these type projects. Major projects would be related to significant remodeling of the existing facility and expenditure is above \$200,000 or projects that are adding additional space to the existing facility and are above \$200,000.

- 1) The Elder Board will establish a Building Committee for the management/oversight of these activities. At least 1 member of the Finance Committee should be a part of the Building Committee.
- 2) The Building Committee shall only commit funds, whether by contract or purchase, up to the total value of funds so designated by the Elder Board. Releasing of said funds will be recorded in Elder’s meeting minutes.
- 3) The Building Committee is responsible for maintaining complete and accurate records of all contracts and purchases.
- 4) The Building Committee chairman may authorize individual contracts and purchases up

to \$10,000.

- 5) The Building Committee may approve individual contracts and purchases up to \$30,000. If the total committed funds do not exceed the funds released by the Elder Board. Approvals will be recorded in committee minutes.
- 6) The Finance Committee shall approve all individual contracts or purchases that exceed \$30,000. The Finance Committee may do so only if the value of all committed funds will not exceed the value of the funds released by the Elder Board. Approvals will be recorded in Committee minutes.
- 7) The Building Committee Chairman has the authority to approve payments for any properly approved expenditure. This authority cannot be delegated.
- 8) The Building Committee is responsible for establishing appropriate management controls to ensure that only payments are made for properly completed work or received items.
- 9) The Building Committee shall approve all advance payments.
- 10) All material purchases and contracts with a value above \$5,000 require 3 quotations/bids unless authorized by the Building Committee chairman. A record of all bid waivers containing the reason for the waiver will be kept with the project files and recorded in building committee minutes.

C. Purchases made by individuals with personal funds:

- 1) Anyone making an authorized purchase with their personal funds may submit a request for reimbursement and expect the same under the following conditions:
  - a) The purchase is a budgeted item and the Ministry Leader has approved the purchase.
  - b) The church incurs no obligation to reimburse an individual for any unauthorized purchase as stipulated above or in violation of any Church, State or Federal law or statute.

## **SECTION V – INSURANCE**

A. EBFC has a variety of insurance policies. These include but are not limited to:

- 1) Property Insurance
- 2) Automobile Insurance
- 3) Workers Comp Insurance
- 4) Medical, Dental, Vision Insurance for some staff

B. To manage the overall risk profile of EBFC, the Finance Committee will perform an overall review of the insurance coverage for the church every 3 years prior to the timing for any re-quotations of insurances. This review should be documented in minutes and should include any recommended changes for risks identified.

C. All insurance policies should be put out for bid at least once every three years. Bids shall be obtained from at least three companies using at least two different agencies which specialize in church insurance.

D. For property insurance, building evaluations should also be updated each time the insurance is put out for bid. The process for bidding should be started 90 days prior to the expiration of the policy to allow enough time before the policy expires.

- E. For medical insurance, on a yearly basis, evaluation of coverage requirements should be worked on with the PRC to determine if any coverage changes are required or the approach to medical coverage for staff requires changes. This process should start early enough to support the budgeting process.

## **SECTION VI – PAYMENTS**

General: Payments will be paid only upon the approval of the Ministry Leader. Only the Bookkeeper, Office Administrator or the Treasurer are authorized to make payments either by check or electronic funds transfer (EFT). No payments will be made by cash. All payments will fall into one of the following categories and the corresponding procedure must be followed.

- A. Regular Bills – These are recurring payments (monthly/quarterly) for services rendered such as utilities, insurance, and mortgage which are part of the church budget. The Bookkeeper(s) will normally pay these bills. The Treasurer will not pay any bills unless the transaction involves an EFT or the Bookkeeper (or alternate) is unavailable.
- B. Non-regular Payments – These are payments for items and services that are one-time, single purchase, or that do not occur on a recurring schedule. Examples: Payments to individuals, catered meals, and special activities. The Bookkeepers are the only personnel authorized to make non-regular payments. Non-regular payments greater than \$5,000 require the additional approval of the Treasurer.
- C. Check Register
  - 1) The Bookkeeper will record all deposits and payments on the check register.
  - 2) The Bookkeeper will enter the all deposits into the check register based on the deposit slip and the Collection Record.
  - 3) The Treasurer or designee will reconcile all church checking accounts monthly.
- D. Returned Checks
  - 1) It is the policy of this church that the donor shall be responsible for all fees levied by a bank on the church for circumstances initiated by the donor. This includes checks returned for insufficient funds and checks returned due to stop payments.
  - 2) Where circumstances warrant, checks that are lost or stolen will be replaced.
- E. Compensation:
  - 1) All staff compensation will be paid on the 15<sup>th</sup> and the last day of each month in accordance with the approved budget. Staff members are encouraged to use direct deposit.
  - 2) All compensation will be paid in arrears.
  - 3) The Compensation Committee/Pastoral Relations Committee is responsible to the Elder Board and the congregation for all compensation and compensation related issues.
  - 4) The Elder Board shall approve, and the Congregation shall affirm the establishment of any new position.
  - 5) The Elder Board shall approve, and the Congregation may affirm new hires.
  - 6) The Elder Board shall approve changes in compensation for salaried employees.



- 7) The Elder Board shall approve and notify the Congregation of any changes in hours or wage rates for part-time and hourly employees.
- 8) A pay advance or loan to a staff member may be made with advance approval of the Elder Board. (Interest at market rates will be charged on all loans). This pay advance or loan shall not exceed 2-months' salary or wages. A pay advance not reimbursed after 1 month will be considered a loan. The loan period will not exceed 24 months.

F. Staff Travel and Expenses

- 1) When budgeted or authorized by the Elder Board, staff members will submit a record of their travel, meals, and other expenses for reimbursement in accordance with the Expense Account Policy. The Pastoral Relations Committee will review expense reports and allowances periodically to ensure allowances are within budget and authorized.

**SECTION VII – DESIGNATED FUNDS**

A. Designated Funds: The purpose of a designated fund is to allow the congregation the opportunity to directly support a particular ministry or need within the church.

- 1) The Elder Board will approve the establishment or dissolution of a designated account.
- 2) The Finance Committee is responsible for the oversight of all designated funds.
- 3) Ministry Leaders responsible for designated funds shall ensure that their account balance remains in the black (positive dollar value).
- 4) If a designated fund falls into the red (negative balance), the Treasurer will place a restriction on the account until the Treasurer determines that the fund has stabilized. The Treasurer will approve all expenditures on a restricted account. The Treasurer shall inform the Elder Board and provide recommendations as to prevent future occurrences.
- 5) Designated funds include:
  - a) Building Fund:
    - Fund is available for designated giving
    - This fund is used for large major capital projects as described elsewhere in the policy.
    - The Elder Board is responsible for the management of the Building Fund unless a Building Committee has been established for a specific Major Project as defined in Section IV.B.
  - b) Transportation Fund:
    - Fund is available for designated giving.
    - The fund is available for use on church transportation vehicles and is managed by the Deacons.
  - c) Scholarships:
    - Fund is available for designated giving
    - Funds in this account are for use in helping members with the cost of attending church sponsored conferences and events.
    - Funds are managed by the Pastor of Discipleship as well as the Youth Pastor.
  - d) Faith Promise:
    - Fund is available for designated giving
    - The funds are utilized for support of missionaries and is managed by the Missions Committee.
  - e) Benevolence Fund:
    - Fund is available for designated giving

- The Benevolence Committee is responsible for oversight/management of this account. The activities and uses of this fund are defined in a separate policy.
- f) Music Fund:
- Fund is available for designated giving
  - Fund is used for the enhancement of EBFC's music ministry and are managed by the Worship Pastor.
- g) Heyer Trust Fund:
- Fund is not available for designated giving and was created for the proceeds that have been given to EBFC from the Heyer Estate
  - Fund is used to enhance our outreach ministry at the Elder Board's discretion.
- h) Run for the Children:
- Fund is available for designated giving
  - Funds are used to support specific mission opportunities as deemed appropriate by the Missions Committee.
- i) Youth Summer Missions:
- Fund is available for designated giving
  - Fund is used to provide support to EBFC's Youth ministry for the purpose of summer missions and is managed by the Youth Pastor.

#### **SECTION IX – Audits**

- A. The completed audit should result in the detection of errors, deficiencies in certain policies, and gaps in procedures, whether intentional or through carelessness. It may result in some type of formal recommendations as to where improvement in the church's procedures can be made.
- B. The yearly audits will be done through a combination of the Audit Committee as well as external auditors.
- C. Audit Committee will:
- 1) Review at least 20% of the check requests/distribution transactions, and all of the staff credit card expense reports, to ensure that the expense/reimbursement policies are being followed.
  - 2) Will also confirm that:
    - a) Expenses are charged to the appropriate general ledger account, and
    - b) Checks prove back to the bank statement when cleared, and
    - c) Do a random sampling of reverse checking of cleared checks from the bank statement back to the general ledger account and to the supporting check request.
  - 3) The team will review the Benevolence gift card log and prove that out each year to confirm that all cards are appropriately accounted for, i.e. the gift cards were used for benevolence use, including purchases, approved uses, and remaining card balances.
  - 4) The team will contact by letter a random sampling of church members to confirm contributions made to the church were recorded correctly, as follows:
    - a) 5 random members contributing \$0 - \$1,500 for the audit year;
    - b) 5 random members contributing \$1,500 - \$5,000 for the audit year;
    - c) 2 random members contributing \$5,000 - \$10,000 for the audit year;
    - d) 1 random member contributing \$10,000 - \$100,000 for the audit year.

Note: These numbers were suggested by the outside auditing firm and may be adjusted based on further guidance from the outside auditing firm or direction by the finance committee. It is desired to have a 75% response from the audit letters. Records should be kept so the same members are not confirmed each year.

D. External Auditors:

- 1) It is recommended that the following items be completed by either a qualified auditor or accountant on the Audit Committee or by an outside auditing firm.
- 2) The following item should be reviewed:
  - a) Balance Sheet review and comparison to previous years for any material differences, with a focus on the cash and cash equivalents at year end and the yearend reconciliations.
  - b) Profit & Loss Statement review, comparing budgeted to actual totals for the year, and comparing to previous years for any material differences.
  - c) Cash Receipts:
    - Randomly selected 10 weekly deposit sheets from current donation tracking software, traced the weekly totals to bank statements and QuickBooks, and traced the distribution of funds to income accounts, designated funds and other funds in QuickBooks.
    - Compared annual and weekly totals of receipts from current donation tracking software to annual and weekly totals of receipts in QuickBooks.
    - Trace interest income to bank statements.
  - d) Compensation/Payroll review – compare individual wages and benefits from the detailed budget to actual amounts in the payroll records for all employees.
  - e) Designated Funds:
    - Search for individually significant contributions of \$5,000 or greater recorded in designated funds to ascertain that they are properly classified in the accounts.
    - Search in QuickBooks for expenditures of \$5,000 or greater from designated funds and ascertain that they are properly authorized and classified in the accounts.
  - f) Liabilities – Match the payroll liability at year end to the last payroll in December and to the subsequent payment in January.

NOTE: These items should be done by a qualified person who can produce and sign an opinion letter for presentation to the Elders and the Denomination. Any material discrepancies or errors that need to be corrected will be noted in the opinion letter.

E. A written report will be on file and available to any member in good standing, of the Church.

## **SECTION X – RECORDS and RECORDKEEPING**

- A. All original files, registers and documentation will remain in the church office. Hard copy files will be maintained in a secure location. Access to these files is restricted to those individuals specifically authorized by the Treasurer. All financial records maintained on the church computer network shall be protected by electronic security methods including passwords and access rights established by the Treasurer (coordinated with the Office Administrator). All copies and data remain the property of Ebenezer Bible Fellowship Church.
- B. The following Financial Records may be made available upon request, to any member of the Ebenezer Bible Fellowship Church: Treasurer's financial statements, budget vs. actual reports, balance sheets, loan, mortgage and insurance policies. Copies may be made at the discretion of the Treasurer.
- C. No exemption shall be granted for any record containing personal information or personal attributes unless the request is for one's own donation or other personal record. In all instances, the Treasurer shall have the right to deny access. The Elder Board is the appeal authority.

D. Donation records.

- 1) The official record of donations shall be maintained on the church computer system. Donation records will be retained for the previous 7 years. Individual donation statements will be provided NLT than the last day of January for the previous tax year. Individuals, may, at any time, request a copy of their donation record.
- 2) Other donation records such as offering envelopes, canceled check copies will be retained for the previous year or until completion of the annual audit.
- 3) The Bookkeeper shall record all donations on the church computer.

E. Other financial records, such as property, loan, budget, and other records deemed historically significant shall be maintained permanently.

F. Information Management and Security.

- 1) Responsibilities: The Treasurer is the gate keeper for the financial management system and financial records maintained on the church computer system/network. This includes QuickBooks, and all other financial documents. The Treasurer shall identify those persons authorized access to the financial management system. The Treasurer shall ensure those authorized have the appropriate access rights and permissions to perform their duties.
- 2) Authorized users shall access the financial management system via login/password and are responsible for ensuring their password(s) is not compromised or given to unauthorized users. It is recommended that Passwords be changed/deleted every 180 days. Accounts and passwords will be deleted upon the departure/termination of individuals possessing access to said computer systems.
- 3) The safe combination will be changed as deemed necessary upon the departure/termination of individuals authorized access to the church safe.

## **SECTION XI – COLLECTIONS**

A. Collections and Counting

- 1) The counters are responsible for receiving the offering from the ushers and counting the funds each Sunday.
- 2) At least four counters will be identified and will work in pairs. The pairs will rotate.

B. Designated Donations

- 1) Designated gifts will only be accepted for funds set up and approved by the Elder Board (must be recorded in Board Meeting minutes stating the specific purpose of the fund.)
- 2) A current list of approved funds will be maintained by the Treasurer.
- 3) Any designated gift for a purpose other than the current list will be returned to the donor. If the donor is anonymous the funds will be assigned to the general fund.

All funds collected for a designated purpose (an approved fund) will be used for that purpose until the time the purpose is fulfilled. When the purpose of a designated fund is complete, the Elder Board may redistribute any remaining funds.

## SECTION XII – NON-CASH DONATIONS

- A. All non-cash donations must be approved by all the appropriate ministry leaders and captured in meeting minutes or other documentation.
- B. Ministry Leaders are responsible to ensure that all impacted ministry leaders approve the non-cash donation *prior* to accepting the property.
- C. Upon notification of the above, the treasurer will provide the individual with a receipt.
- D. It is the Donor's responsibility to value the gift and to follow the tax law. At no time will the church accept responsibility for assigning a value to the property.
- E. This policy covers tangible property and does not cover services provided to the church.

## SECTION XIII – FINANCIAL STATUS

### A. GREEN

- 1) All current obligations are met.
- 2) All commitments are programmed.
- 3) Revenue is steady -- At least 95% of budget glide path Expenses (burn rate) –Less than 105% of budget glide path
- 4) Checking and savings account balances exceed previous 90 days total expenses.

### B. YELLOW

Some, but not all of these conditions exist

- 1) All current obligations are met.
- 2) All commitments are programmed, but some may not be obligated. Revenue is unsteady – **less than 90% of budget** for the previous 90 days.
- 3) Expenses – greater than **110%** of the budget for the previous 90 days.
- 4) The checking and savings account balances have less than a 60-day operational cash flow.

*When a Yellow condition exists, the Finance Committee will notify the Elder Board and the Church membership. Notification may be either in writing or verbal announcement. The Finance Committee will make recommendations to resolve the status. These recommendations may include but are not limited to the suspension of a capital improvement program, curtailment of discretionary spending, reduction in budgeted initiatives, cutback hours for non-salaried employees.*

C. Red

Some but not all previous conditions exist.

- 1) Current financial obligations are at risk of not being paid.
- 2) Revenue is less than 90% of budget for the previous 90 days.
- 3) Expenses exceed current actual revenue or expense plan by more than 10% for the previous 90 days.
- 4) The savings account has to be used to cover current obligations.

*When a Red condition exists, the Elder Board shall notify the church membership through a special members-only meeting. The Treasurer will approve all disbursements and all discretionary spending will be suspended. All unnecessary expenditures will stop. All non-essential employees will be placed on unpaid furlough. (The Finance Committee will post a list of necessary expenditures).*