

Church of Christ Mount Washington

Financial Policies and Procedures

The purpose of the manual is to set financial policies and procedures that are consistent with the mission of the church.

Accounting Guidelines and Internal Controls

To ensure that record keeping is in accordance with Generally Accepted Accounting Principles (GAAP) and appropriate internal controls are maintained, the following procedures will be followed:

1. Standard accounting procedures will be utilized for all financial functions.
2. Accounting will be done on an accrual basis.
3. Periodic, unannounced, internal audits may be performed by the head deacon.
4. Functional responsibilities will be separated to the extent possible based on staffing resources.
5. All financial records will be retained in accordance with Federal, State, and local law.

Annual Budget

The annual budget process will be designed and prepared to direct the most efficient and prudent use of the revenues generated by the church. The following steps will be taken:

1. The Treasurer will present the annual budget to the congregation at the annual meeting held after the penultimate service. During this meeting the congregation will vote to accept or reject the proposed budget. If rejected, the Treasurer will amend the budget per the input from the congregation and re-present it for a vote. If a new vote is required, the pastor and the deacons will call for a special meeting to take place after the final service of the summer, as provided for in Bylaw 3.
2. The budget will be developed based on historical as well as projected costs.

Financial Statements

The basic financial statements of the church will include:

1. Statement of Financial Position (balance sheet), which will reflect the assets, liabilities and net assets of the church.
2. Statement of Activities (income statement), which reports on the revenues, expenses, and other changes in net assets of the church.
3. These documents will be presented along with the budget at the annual meeting.

Insurance Coverage

The head deacon and the insurance broker will review the insurance policy limits on the property and contents based on the current value and new capital purchases upon policy renewal. The head deacon will present the findings of this evaluation to the other deacons, treasurer, and secretary. The head deacon will make the final decision about insurance coverage.

Security

The treasurer will password protect any and all software used for the accounting process, and take appropriate physical and cyber security measure consistent with current professional standards.

Record Retention

The treasurer will keep all reports, ledgers, bank statements, audits and other documentation for the past seven years.

General Ledger

All revenue and expenses will be recorded in a general ledger. This ledger will record all checks written and revenue received either in donations or through the collection plate.

Revenue Processing

The treasurer is responsible for acquiring the money in the collection plate. The treasurer will endorse any checks and deposit them with the cash as soon as possible (preferably the following day). These deposits will be designated in the general ledger as contributions made during the church services.

All other donations and contributions will be endorsed and deposited by the treasurer as soon as possible. These deposits will be designated in the general ledger as contributions outside the collection plate. The treasurer will write charitable deduction letters to all donors.

For the Church Fair, the treasurer is responsible for creating seed money for each station and providing change as necessary during the event. At the event's conclusion, the treasurer counts the revenue, signs the checks, and deposits them as soon as possible (preferably the following Monday). This deposit will be designated in the general ledger as proceeds of the Fair. The treasurer will then present a report to the congregation the next day (Sunday) on the results of the Fair along with an historical prospective.

Third Party Use of the Church

The head deacon and the treasurer will determine the amount of revenue to charge for any third-party use of the church. The treasurer is responsible for generating an invoice and collecting the moneys from this use and logging it accordingly in the general ledger.

Cash Disbursements

The treasurer is responsible for writing checks to all vendors and contractors.

Each Sunday, the treasurer will distribute checks to the minister and organist for one tenth of the amount approved in the annual budget.

Upon request, the treasurer will reimburse members for reasonable expenses relating to the Church Fair, in consultation with the Fair Chair. Larger expenses for which reimbursement is sought must be approved in advance by the Fair Chair and treasurer.

Benevolences

After the Fair, the treasurer will create an estimated income statement to determine how much money can be distributed for benevolences. This amount should not exceed an amount which would create a negative income result for the current year.

The treasurer will then present this amount to the chair of Benevolence Committee and attend the meeting at which the Benevolence Committee determines its proposed gifts for presentation at the Annual Meeting. The treasurer will ensure that the total amount does not surpass the amount presented to the committee.

The treasurer will then write the checks to the entities once the congregation has approved the recommendations of the Benevolence Committee at the church annual meeting.

New Projects

The head deacon will include the treasurer at any meetings that discuss new projects or any project that requires funding that is not included in the annual budget. They will discuss how the project(s) will be funded and ensure that whatever decision is made does not jeopardize the financial solvency of the church.