

## **Financial Policies(SAMPLE)**

### **Fiscal Foundations:**

Money is a means of enabling ministry.

Money is a personal and corporate medium of spiritual growth through stewardship.

### **Fiscal Goals:**

#### ***Stewardship:***

Base our annual budget on 90% of last year's tithes and offerings.

Save the remaining 10% toward future ministry opportunities.

Keep at least one month's worth of expenditures in checking account.

Keep at least two months' worth of expenditures in savings account.

#### ***Ministry:***

Money is to be a zero-sum entity. We are not to build bigger barns to store up our wealth (Luke 12:13-21) but rather to use our surplus for ministry. 5% of our annual budget to Strategic Partnerships as a minimum.

### **Cash Receipts:**

Cash receipts shall be counted and deposited by a team of at least two unrelated tellers as appointed by the Board. One shall fill the role of Head Teller, and the other of Assistant Teller. There shall be alternate tellers as appointed by the Board.

#### **Tellers:**

- Empty offering buckets
- Count tithes and offerings
- Sort cash by denomination and total
- Sort checks alphabetically
- Write name and amount onto deposit slip and Weekly Giving Log
- Stamp checks "For Deposit Only"
- Log total giving for week in Weekly Giving Notebook
- Create adding machine tape from checks and cash to be deposited
- Head Teller, Assistant Teller, or Alternate Teller will take deposit bag into night deposit at bank

#### **Office Manager:**

- Enter amounts in ledger
- Produce annual giving reports and donation receipts upon request

### **Cash Disbursements:**

The Office Manager and (Assign another person) are the only authorized signatories for checks. The Office Manager receives and processes invoices from ministry leaders, prepares accounts payable and cash disbursements on a weekly basis, and sends out payments in a timely fashion so as to avoid fees and interest.

## **Accounting:**

**Bank Reconciliations:** These will be performed on a monthly basis by the Office Manager for all accounts, and reviewed annually by the Treasurer or an individual designated by the Board.

**Payroll:** Handled by an external contracted payroll firm.

**Reporting:** Office Manager prepares monthly financial report for review by Senior Pastor and Board. The Treasurer is responsible for monitoring actual expenditures versus budget amounts for each line item on a monthly basis, and reporting concerns to the Senior Pastor and the Board.

## **Ministry Budgeting Policy:**

(Name of Church) operates under a line item system of budgeting. The rules for such line items will be as follows:

- Line item amounts shall be suggested by a Budget Team as appointed by the Board or by individual ministry leaders.
- Suggested line items amounts will be presented to the Board.
- The board will review and approve the annual budget during their May Board Meeting.
- The annual budget will recommended to the congregation during the Local Church Conference to be held annually near the start of the new fiscal year in June.
- Ministry area leaders will be informed of their annual budgets.
- Line items shall be paid out by the Office Manager on an as-needed basis.
- All amounts needed over budget shall require approval by the Board.
- Dollars left over at the end of the budget year shall not transfer to the following year's budget, except by special approval by the Board.

## **Purchases:**

Only the pastoral staff and the Office Manager will be issued church credit cards. Purchases made on credit cards should be limited to church-related business, office, professional development and travel expenses.

All persons other than ministry leaders require prior approval for purchases. Requests can be approved by a pastoral staff member, ministry leader, or Board member (based upon the availability of funds). No reimbursements will be made without pre-approval except in unusual circumstances to be approved by the Board.

Non-budgeted items and purchases over \$500 require the approval of the Board. In an emergency situation, Board approval can be made by phone or email contact.

Receipts must be turned into the Office Manager for every purchase. The receipt should include the purchaser's signature and budget line item to be debited.

Office Manager will provide tax exempt forms when requested.

For purchases of \$500 or over, reasonable attempts should be made to obtain several estimates.

Reimbursements will be made within 30 days. During times of financial hardship, as determined by the Board, all spending must be pre-approved by the Treasurer based on availability of funds.

