

Platt Springs United Methodist Church  
Financial Policy and Procedures

**1) Finance Committee**

A. Committee Composition

There shall be a committee on finance, elected annually by the charge conference upon recommendation by the committee on lay leadership or from the floor, composed of the chairperson; the pastor(s); a lay member of the annual conference; the chairperson of the church council; the chairperson or representative of the committee on pastor-parish relations; a representative of the trustees to be selected by the trustees; the chairperson of the ministry group on stewardship; the lay leader; the financial secretary; the treasurer; the church business administrator; and other members to be added as the charge conference may determine. It is recommended that the chairperson of the committee on finance shall be a member of the church council. The financial secretary, treasurer, and church business administrator, if paid employees, shall be members without vote.

Additional members added by the charge conference: Committee Representative from In-reach, Out-reach, Up-reach and Down-reach, Membership Secretary, Recording Secretary and two (2) Members-at-Large who serve for up to three (3) years.

B. Committee Responsibilities and Duties

The committee on finance shall establish written financial policies to document the internal controls of the local church. The written financial policies should be reviewed for adequacy and effectiveness annually by the committee on finance and submitted as a report to the charge conference annually.

1. All financial askings to be included in the annual budget of the local church shall be submitted to the committee on finance. (Item 7)
2. The committee on finance shall compile annually a complete budget for the local church and submit it to the church council for review and adoption. (Item 7)
3. The committee on finance shall be charged with responsibility for developing and implementing plans that will raise sufficient income to meet the budget adopted by the church council.
4. It shall administer the funds received according to instructions from the church council.
5. The committee shall carry out the church council's directions in guiding the treasurer(s) and financial secretary. (Items 2 & 3)
6. The committee shall designate at least two persons not of the immediate family residing in the same household to count the offering. They shall work under the supervision of the financial secretary. (Item 4)

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7. A record of all funds received shall be given to the financial secretary and treasurer. Funds received shall be deposited promptly in accordance with the procedures established by the committee on finance. (Item 4)
8. The financial secretary shall keep records of the contributions and payments. (Item 3)
9. The committee shall recommend to the church council proper depositories for the church's funds. Funds received shall be deposited promptly in the name of the local church.
10. Contributions designated for specific causes and objects shall be promptly forwarded according to the intent of the donor and shall not be used for any other purpose. (Item 8c)
11. After the budget of the local church has been approved, additional appropriations or changes in the budget must be approved by the church council.
12. The committee shall provide annually a report to the church council of all designated funds that are separate from the current expense budget.
13. The committee shall make provision for an annual audit of the records of the financial officers of the local church and all its organizations and shall report to the charge conference. The audit shall be conducted for the purpose of reasonably verifying the reliability of financial reporting, determining whether assets are being safeguarded, and determining compliance with local law, local church policies and procedures, and the *Book of Discipline*. (Item 11)

C. Committee Minutes and Reports

1. Committee Meeting Minutes
2. Unified Budget
3. Financial Reports
4. Financial Policy and Procedures Review and Update
5. Annual list of staff and members who require bonding.

**2) Treasurer**

- A. Treasurer Appointment – Selected by the Nominations Committee and approved by the Charge Conference. The treasurer will be bonded.
- B. Treasurer Term of Service – Appointed for a period up to three (3) years. May be appointed again after a one (1) year break in service.
- C. Treasurer Responsibilities and Duties
  1. The treasurer is responsible for the proper receipt, accounting and disbursement of church monies. The treasurer shall not be involved with the handling or counting of any monies received into the church.

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2. Maintain accurate financial records using an account program authorized and purchased by the church (currently Church Windows). Keep a locked file at the church with copies of invoices and authorization of payments. Maintain backup of financial records and send updated copies of the information at least twice a month to the church office (Item 9)
3. Reconcile monthly bank statements with ledgers.
4. Write checks in accordance with the church policies and procedures and verify that all supporting data is received for each payment request.
  - a. No check will be signed blank.
  - b. The treasurer can pay reoccurring bills such as utilities, mortgage, etc. without prior authorization forms from the committee chairs.
  - c. For non-reoccurring bills and other reimbursements, the Treasurer will receive a written authorization to pay by a designated person and/or person requesting reimbursement for that expenditure along with copies of any receipts or bills for that expense. Committees shall provide the Treasurer the names of those committee members who are authorized to approve payment authorizations.
5. Contact an assigned church member to sign the checks.
6. Make payments in a timely manner to meet due dates
7. Write payroll checks twice a month, and submit government taxes each month electronically. Secure W-4's from every employee and process and distribute W-2's at beginning of each year.
8. Petty cash of \$50 will be kept in church safe and the records kept by the church secretary. The account will be reconciled with the church treasurer quarterly.

D. Treasurer Reports

1. Provide financial reports to the church as required or requested. (Actual expenses to budget expenses; Fund deposits, expenses and balances; Available cash; Church report to annual conference; Statistical report [Table 3] to the Annual Conference; etc.)
2. Provide requested records to the Audit Committee
3. Members Authorized to Sign Checks – Annually the Treasurer will submit to the Finance Committee for approval the names of those members who

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are authorized to sign church checks. The Treasurer or immediate family of the Treasurer may not sign church checks. No more than one person in a family will be appointed in the same given year. Person signing check should review the check before signing and question any irregularities. Signees may be added or removed according to the bank policies.

**3) Financial Secretary**

- A. Financial Secretary Appointment – Selected by the Nominations Committee and approved by the Charge Conference.
- B. Financial Secretary Term of Service – Appointed for a period up to three (3) years. May be appointed again after a one (1) year break in service.
- C. Financial Secretary Responsibilities and Duties
  - 1. Counters:
    - a. Submit names of counters to the Finance Committee for approval annually and as needed.
    - b. Oversee and assist the counters with the tabulation of weekly contributions as needed.
    - c. Provide list of envelope numbers to counters and keep up to date with any additions/changes made.
    - d. Provide counters with list of approved funds.
  - 2. Contributions:
    - a. Enter weekly contributions into the Church Windows program and run reports to ensure the totals balance with the Counter and Treasurer reports.
    - b. Revise as necessary any previous entries and distribute revised summary to Church Secretary, Treasurer, and master file in church office.
    - c. Receive and acknowledge e-mails from PayPal for any contributions to UB. PayPal will then transfer the amount directly into the church checking account. These deposits will be reflected on the bank statement which the Treasurer receives. Copies of all PayPal transactions are to be filed with the master counter sheets. Total amount received from these transactions will be provided to (1) the Treasurer to verify the amount PayPal transmitted to the bank and, (2) the church secretary.
  - 3. Non-monetary gifts – The financial secretary will send a statement on church letterhead to the person donating the non- monetary gift. It will list the name of the donor, a detailed description of the gift and the date the

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gift was received. The value of the property **will not** be listed on the statement. That is the donor's responsibility for tax purposes.

4. Pledges:
  - a. Receive pledge cards on Consecration Sunday and report total amount pledged.
  - b. Enter pledges into Church Windows program and provide statistical analyses as necessary to set budget for the upcoming year.
5. Contribution Envelopes
  - a. Determine the total number of envelopes that will be needed for coming year and place order.
  - b. Assign envelope numbers and distribute to members prior to December 31.
  - c. Provide list of envelope numbers to counters, maintain and update as necessary
  - d. Maintain master list of member names and corresponding envelope numbers.
6. Approved Funds - Maintain master list of funds as approved by Finance Committee. Provide copy to counters and update as necessary.

D. Financial Secretary Reports

1. Provide financial reports as needed of monthly and year-to-date contributions.
2. Provide statistical data to Stewardship Committee.
3. Print and distribute mid-year individual giving statements by July 31 and end-of-year giving statements not later than January 31
4. Maintain contributions/financial backup of computer data (Item 9)

E. Confidentiality – Maintain all contribution information in strict confidence. Breach in confidentiality may result in removal from position as recommended by the Finance Committee.

**4) Counting Procedures**

A. Counter Appointments – The church shall have a group of members selected by the Financial Secretary. They will be approved by the Finance Committee. Currently there are a total of eight counting partners. Two counters will be assigned each month. Counters will be rotated monthly so no two will count together more than once a year. They will be responsible for counting and recording all monies received during church services, Wednesday meals, and monies received through the mail. The counters should not be of the same

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household and should not be immediate family. Neither the treasurer nor any other financial officer of the church should act as a member of the counting committee. One person will be appointed by the Finance Committee as the Counting Committee Chairperson and will be responsible for the training and scheduling of the counting partners. Any counter not able to count as scheduled should contact the chairperson as soon as possible. All counters shall be bonded.

B. Counters Term of Service – Counters will serve for a period of one year and may be reappointed annually or during the year as needed.

C. Counter Responsibilities and Duties

1. The counters for the month are required to collect the money after a church service. The money will be taken immediately to the office and put in the safe. One of the counting partners from each pair will have the combination to the safe. On Monday morning, or Tuesday if there is a holiday, the counters for that month will meet in the counting room to count and record all the monies collected on the designated Counters' Computer.

2. Counting Partners

- a. Remove envelopes from the Bank Bags and check to make sure that all assigned envelope numbers are posted on any pew envelopes or loose checks. Write l/ck (loose check) on the check if it is not in an envelope. These can be added to the regular envelopes and put in numerical order.
- b. Open the envelopes, write the check numbers on the envelopes and the envelope numbers on the checks, and verify that the donor and payment information match between the checks and envelopes. Make separate piles for the envelopes and checks, keeping them in the same order. For cash envelopes, verify the cash dollar amount with the amount written on the envelope and make two more stacks for cash and cash envelopes. Once all check and cash envelopes have been verified, give the checks and both stacks of envelopes to the counting partner to post on the spreadsheet.
- c. When posting, place the two stacks of checks and envelopes side-by-side. Post the checks and re-verify that the information on the check matches with that on the envelope. A red "X" will appear in one of the first columns on the spreadsheet if the check total does not balance with the postings recorded in the account columns. If there is a donation designated to memorial (M), honorarium (H), Sargent Foundation (F), altar flowers, pavers (record person's name on sheet), etc., click on the Stewardship Report (on bottom left of sheet) to record the information. Report names, addresses, and phone numbers of any

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non-member if included. Click on Check/Cash Sheet to finish recording the remaining checks.

- d. Do not post Family Night or Winter Wednesday checks under the members' names. These checks and cash are totaled separately by the cash counter and entered on the cash sheet. This total is then entered at the bottom of the Check/Cash sheet under WW Meals and credited to the Unified Budget. If a member includes his WW money with his regular offering check, only the offering amount should be posted under his name; the person's name and amount paid for WW meals should be written on a piece of paper and given to the counting partner to add to the other WW checks.
- e. If you have to add another fund column, go to the Stewardship report to make sure the fund is listed properly under that fund.
- f. Once all sheets have been balanced, review the stewardship report to verify that all memorials, etc. are listed.
- g. Enter all received monies under the appropriate section on your cash sheet (loose offering, envelope offerings, WW, Communion, etc.) and verify all figures. Stamp all checks for deposit and run an adding machine tape on them. Prepare all cash and checks for deposit and fill out deposit form. Give figures for cash offerings to the counting partner to put on the spreadsheet and verify your cash, check, and deposit totals with his/hers.

#### D. Counter Reports

After counting, the counters will provide reports of total monies received broken down by purpose such as unified budget, flowers, specific funds, etc. to the treasurer (who also gets a copy of the deposit slip), financial secretary and the church secretary. Additionally, the counters provide the financial secretary a report of amounts received by individuals. Finally, a copy of all reports, deposit slip, check adding machine tape, and remittance envelopes will be wrapped together and locked in a file until they are moved to the permanent locked storage upstairs. The report is then saved on the computer, which is protected by a password that only one of the counting partners will have. Each month the Financial Secretary will save the records on a flash drive and delete them from the counters' computer.

- E. Bank Deposits – The counting partners will take the deposit to the bank after counting.
- F. Confidentiality – All counters will be bonded and maintain all contribution information in strict confidence. Breach in confidentiality may result in removal from position upon recommendation by the Finance Committee.

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**5) Electronic Giving**

- A. Direct Deposit
- B. PayPal – Financial Secretary will receive and acknowledge e-mails from PayPal for any contributions to UB. PayPal will then transfer the amount directly into the church checking account. These deposits will be reflected on the bank statement which the Treasurer receives. Copies of all PayPal transactions are to be filed with the master counter sheets. Total amount received from these transactions will be provided to (1) the Treasurer to verify the amount PayPal transmitted to the bank and, (2) the church secretary.
- C. Credit Cards
- D. Debit Cards

**6) Financial Bonding**

All persons handling money will be bonded by the Conference based names provided annually by the Finance Committee.

**7) Unified Budget Procedures**

- A. Every committee and staff person requesting a budget is responsible for a submitting a detailed budget to the finance committee for the upcoming year no later than October 1.
- B. A budget request form can be obtained from the treasurer. The budget should include a detailed report for each line item to support the requested dollar amount and explain how the funds are intended to be used. The committee should take into account how the budget line items will support PSUMC's mission statement and goals.
- C. The finance committee will review the requests and submit a proposed budget to the Board of Stewards by mid-November. The finance committee will take into account the dollar amount of any existing fund balances and may reduce the requested budget amount by that balance, if not already accounted for in the submitted budget request. The final approval for each budget will be voted on, by the Board of Stewards, by the first week of December.
- D. Budgets will be reviewed quarterly and any adjustments and/or additions can be discussed and recommended by the finance committee at that time. Any changes will have to be presented to the Board of Stewards for final approval.



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**8) Funds**

- A. Fund Source – All designated funds and purpose for the designated fund or account will be approved by the finance committee and the church Board of Stewards.
- B. Fund Expenditure – Any funds that also have a budget line will need to be spent before the budget is used.
- C. Donor Designated Fund Policy - Platt Springs United Methodist Church has a responsibility to be good stewards of our resources. The church also has an obligation to insure that all donor gifts are used for their intended purpose. To prevent donor gifts to the church being designated for a purpose for which they cannot be used the church has adopted this *Donor Designated Fund Policy*. PSUMC knows that all donors to the church want their gifts to be used effectively to further the mission of the church and will ensure a fund has been established prior to giving a designated gift.

The process for establishing a donor designated fund by the church:

1. Any member of the church or community may request the establishment of a donor designated fund.
2. The member must present a written request to the Finance Committee. The request must include:
  - a. The purpose of the fund and how it furthers the mission of Platt Springs United Methodist Church.
  - b. How the fund will be spent and who can authorize disbursements from the fund must be stated.
  - c. How the fund can be closed and, if applicable, when the fund will be closed must be stated.
  - d. How to disperse any money left in the fund after the fund is closed must be stated.
3. The Finance Committee must approve the establishment of the requested designated fund by a majority of the Finance Committee's members present and voting.
  - a. For an immediate need basis, the fund can be established with approval after consultation with the Minister, Lay Leader, Chair of Finance, majority of Finance Committee members present or any combination thereof.
  - b. A copy of the approved form shall be provided to the Financial Secretary.
  - c. The Financial Secretary shall maintain a master list of all funds.

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4. Before the church accepts a contribution for the designated purpose, the designated fund must be approved.
5. If the Finance Committee fails to approve a request for a designated fund, the designated fund cannot be established and the church will not receive any money.
6. A list of contributors and their contributions is maintained for Internal Revenue Service required record keeping.

Requests for contributions to an approved donor designated fund must state how the fund will be used and how any money left when the fund is closed will be dispersed.

Donor designated gifts to a non-approved fund cannot be accepted but should be handled in accordance with the *Counter/Financial Secretary Procedures for Non-Approved Funds*. If the Finance Committee determines that a gift cannot be used within a reasonable period of time, the donor(s) will be contacted and asked if the gift can be redirected or should be returned. Because of the confidentiality of donor information, it will be the responsibility of the Financial Secretary to contact the giver(s). In the event of an anonymous donation to a non-approved fund, the gift shall be transferred to the Unified Budget.

D. Fund Raising Policy and Procedures

1. Purpose - PSUMC recognizes that from time to time it may be necessary to ask for or raise funds beyond regular tithes. These could be in the form of approved fundraising events or special collections. These fundraisers should support the church mission statement and will be approved by the finance committee. The finance committee may make exceptions to this policy when deemed appropriate or necessary. The church will not permit fundraising in which all or part of the proceeds is retained by an individual or a for-profit organization. PSUMC will not generally sponsor or endorse additional fundraiser activities to supplement budget items unless the annual budget is not sufficient for unexpected expenses. Fundraisers will not be held for unnecessary items that may be luxuries when other essential needs in the church are not being met. It is also suggested that all groups that have a fundraiser that uses the church facilities consider donating 10% of their profits to the unified budget.
2. Principles - The following principles are offered to help PSUMC practice good stewardship, act respectfully toward the congregation and others asked to support its fundraisers, and support the goals of groups and individuals that participate in fundraising.

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- a. The fundraising activity must address essential elements, and not gratuitous wants or luxuries of the group or individual.
- b. Church groups, in planning their fundraising activities, must be respectful of the members of the church, and of the sacredness of the church's liturgy and space.
- c. The church should be informed before, during, and after any fundraiser as to its goals and accomplishments, including timely reporting of totals.

**3. Categories**

- a. Assistance for individuals attending camps, retreats, seminars, mission trips, and other similar events. Persons may be required to participate in the approved fundraiser in order to attend the activity.
- b. Support for new missions that are not currently funded by the operating budget.
- c. Support from companies and other church groups for programs and missions (Chairpersons and other groups may solicit monetary and nonmonetary gifts to support their programs. Ex. Door prizes, food, supplies, etc.)
- d. Fund raising requests from outside ministries officially supported by the Church (ex. Souper Bowl Sunday, etc.)
- e. UMW, UMM, Scouts, and other approved non-profit groups will be allowed to plan annual pre-approved fundraisers.
- f. Company charitable reward programs (those that reward our members' patronage such as grocery stores, restaurants, cash back programs, etc.)
- g. Urgent Needs – The pastor will approve and announce any needs such as medical assistance, disaster relief, etc.

**4. Policies and Procedures**

**E. Approvals**

1. All fundraising activities must be submitted in writing and approved in advance in accordance with this policy. Requests may be submitted as recurring or one time approval.
2. All requests must be approved by the finance committee at least 30 days before the fundraising activity begins. The finance committee reserves the right to consult with the board of stewards prior to making a final decision regarding a request.
3. The decision for or against approval may not be immediate, depending on the need for further information or consultation.
4. Fundraising activities may not be added to the church calendar and/or promoted until approved by the finance committee

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5. The finance committee and/or the board of stewards reserve the right to refuse any fundraising activity request.
6. Communications can include the KIT, the bulletin, church website, or any e-mail communication released from the church and must comply with church procedures and deadlines. Flyers, brochures, newspaper ads and other items may be used.
  - a. Use of church facilities and grounds
    - i. Fundraisers taking place on church grounds will occupy the locations as approved on the fundraiser request. It is the responsibility of the requestor to go through the proper channels to reserve the approved locations, dates, and times by filling out a facility request form.
  - b. Records – All approved funds and fundraisers will be recorded in the minutes. Funds will be reviewed at least once a quarter.

**9) Computer Backup Requirements**

- A. All financial records on the Treasurer’s Computer, Financial Secretary’s Computer, Counter’s Computer and the Church Secretary’s Computer shall be backed up at least monthly by the use of off-site storage media or online backup service.

**10) Record Retention Policy**

**The following table provides minimum record retention requirements.**

<b>Type of Document</b>	<b>Minimum Best Practice Requirement</b>
Accounts receivable & payable ledgers & schedules	7 years
Articles of Incorporation, charter, bylaws, minutes and other incorporation records	Permanently
Audit reports, Financial Statements (yearend): general/private ledgers, trial balance, journals	Permanently
Bank Reconciliation	7 years
Bank statements, deposit records, electronic fund transfer documents, & cancelled checks	7 years
Chart of accounts	Permanently
Checks (for important payments & purchases)	Permanently
Contracts, mortgages, notes and leases (expired)	7 years

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Committee Minutes and Reports	Permanently
Contracts (still in effect)	Permanently
Correspondence (general)	3 years
Contributions and Donations	7 years
Correspondence (legal and important matters)	Permanently
Deeds, mortgages, and bills of sale	Permanently
Depreciation schedules	Permanently
EEOC reports	Permanently
Expense Analyses/expense distribution schedules	7 years
Garnishments	7 years
Insurance Policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports	7 years
Invoices (to customers, from vendors)	7 years
Inventory records	7 years
Loan documents and notes	Permanently
Patents and related papers	Permanently
Personnel files (terminated employees) (Title VII, ADA, ADEA)	7 years after termination
Purchase orders	7 years
Tax returns and worksheets	Permanently
Timesheets	7 years
Withholding tax statements* (FICA, FUTA, Federal Income)	7 years
Workers compensation documentation	10 years after 1 <sup>st</sup> closure

- A. Storage: Records shall be stored in a manner to provide protection from damage and security provided for confidential records.
- B. Record Destruction: The destruction of records requires the approval of the Chairperson of the Board of Stewards, Finance Committee or Trustee Committee. Records to be destroyed per the above schedule shall be shredded and made available for recycling where possible.

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**11) Financial Audits**

- A. Audit Committee Appointment – Four members elected by the Nominations Committee and approved by the Charge Conference.
- B. The audit shall be performed by an audit committee composed of persons unrelated to any member of the Finance Committee or by an independent certified public accountant (CPA), accounting firm, or equivalent.
- C. Audit Committee Term of Service – Appointed for a period up to three (3) years. May be appointed again after a one (1) year break in service. The initial Audit Committee member terms shall be: Three years (2 members), two years (1 member) and one year (1 member).
- D. Audit Responsibilities and Duties
  - 1. Complete annual audit of the financial statements of the church and all its organizations and accounts.
  - 2. The annual audit is to be completed following the latest “The Local Church Audit Guide. (available from Conference Office and web site).
- E. Audit Reports
  - 1. Annual Fund Balance Report to the Finance Committee to be submitted to the Annual Charge Conference.
  - 2. Other reports as deemed necessary by the Finance Committee.