

8 FINANCE MINISTRY TEAM

8.1 STATEMENT OF PURPOSE

The purpose of the Finance Ministry Team is to provide expertise and advice to the Session regarding the financial planning, budgeting and spending of all Session approved fund sources so that resources are used as planned and that appropriate accounting practices are in place with respect to the financial affairs of the church as a whole. A major emphasis shall be the Session's annual operating program (budget). The Ministry Team shall also provide technical assistance to the several Sessional Ministry Teams to ensure understanding and appropriate use of other funds approved for each said Ministry Team.

8.2 SPECIFIC MINISTRIES

- A. The Ministry Team will carefully prepare and submit to the Session the annual operating program (AOP) budget and the Our Other Front Door (downstairs renovation) budget, the goals of which are to ensure the expenditure of funds within the Session-approved parameters for the next quarter or calendar year.
- B. The Ministry Team may, in conjunction with the Stewardship Ministry Team, recommend to Session authorization of the collection of special funds, including those of capital improvement or special funds for local or denominational mission concerns.
- C. The Ministry Team will keep the Session apprised monthly through appropriate and requested reports communicating the income received as well as the expenditures under AOP.
- D. The Ministry Team will provide technical assistance and consultation to the Stewardship Ministry Team relative to proposed annual operating estimates and assist that Ministry Team as requested.
- E. To encourage the responsible stewardship of the corporate finances of the church, the Ministry Team will conduct the annual operating program (budget preparation process) annually in consultation with all Ministry Teams of the Session. This Ministry Team will:
 - 1. Receive budget requests from Ministry Team chairs each year.
 - 2. Estimate and project annual income.
 - 3. Prepare AOP and submit to Session.
 - 4. Review budget performance and recommend adjustments.
- F. The Ministry Team will nominate the Treasurer, Assistant Treasurer, Financial Secretary, and Bookkeeper who are elected by the Session for each calendar year. The Ministry Team will also supervise the work of these positions.
- G. The Ministry Team will oversee the disbursements of all funds, keep accurate records and make appropriate reports on transactions. At each stated meeting of the Session, a monthly financial report will be presented.
- H. The Ministry Team will monitor the use of the Voucher Payment System as described below. The Ministry Team will review these procedures with the Treasurer annually and recommend changes when necessary. Expenditures shall be paid only in the approved manner, which requires that such expenditures be a part of a Session-approved AOP, or with explicit approval of Session. Neither individuals, officers, ordained nor non-ordained staff shall authorize

expenditures which are not a part of the Session approved AOP.

The Voucher Payment System will be implemented in the following manner:

The Treasurer will issue a check only after receiving a signed voucher from the appropriate Ministry Team chair or Session-approved designee, provided it is either budgeted or explicitly approved by the Session.

- I. The Ministry Team will exercise oversight of the money counters' program, including the naming, scheduling, and training of the volunteers who serve this program. Procedures and forms are found in "Suggested Procedures for Money Counters" in related appendices contained herein.
- J. The Ministry Team will accept other responsibilities assigned by the Session.

8.3 SPECIAL FUNDS

The following are special funds of this church:

- A. CAPITAL REPAIR AND REPLACEMENT FUND is a reserve fund available to provide a ready source of funds to finance major capital repairs and replacements.
 1. Major capital repairs and replacements are defined as follows:
 - a. Repair or replacement of the exterior or interior structure resulting from damage, depreciation or obsolescence, including structure related equipment such as HVAC, electrical, elevator. Structure as referred to in these policies and procedures includes the church building(s) and related grounds (real property).
 - b. Deferred maintenance of the exterior or interior structure, including painting, parking lot re-paving and similar maintenance needs which occur less frequently than annually.
 - c. Improvements to the exterior or interior structure, including lightning protection and similar betterment needs.
 - d. All items meeting the definitions as shown above must cost \$5,000 or more to be considered major.
 2. Capital repairs and replacements may be in the form of emergencies resulting from events such as flood damage, boiler failure or may be non-emergency in nature such as scheduled roof replacement, exterior painting.
 3. Major capital repairs and replacements will not include:
 - a. Acquisition of land and buildings or construction of buildings and building additions.
 - b. Routine annual maintenance or repair of the structure.
 - c. Non-structure related equipment, furnishings, and similar personal property such as office equipment, tables, chairs, sound system, video equipment or computer equipment.
 - d. Maintenance or repair of any kind to non-structure related personal property such as office equipment maintenance, sound system repairs, organ repairs or piano repairs.
 - e. Any item costing less than \$5,000.
 4. The Capital Repair and Replacement Fund will have a goal of maintaining a balance of five (5) percent of the insured value of the church property, with such present goal being approximately \$100,000.

5. On a routine basis, either upon request or at the time of insurance policy renewal, the church insurance representative will provide the insured value for purposes of establishing the Capital Repair and Replacement Fund goal.
 6. The Capital Repair and Replacement Fund investment policy should attempt to maximize investment earnings while maintaining reasonable investment protection in line with the overall church investment policies.
 7. All investment earnings generated from the Capital Repair and Replacement Fund investments will be retained in the Fund and available for major capital repair and replacement expenditure.
 8. In order to help ensure compliance with the five- percent goal, no more than one third of the beginning of the year balance in the Capital Repair and Replacement Fund may be expended in any one calendar year.
 9. Funds previously contributed to the Contingency Fund designated solely for emergencies, in the approximate amount of \$5,000 as of December 31, 2006, will be appropriately accounted for in order to ensure compliance with all applicable restrictions.
 10. The Finance Ministry Team will present to the Session on at least an annual basis a recommendation regarding the transfer of undesignated general operating fund reserves to the Capital Repair and Replacement Fund.
 11. The Building and Grounds Ministry Team will bring requests for expenditure from the Capital Repair and Replacement Fund for approval to the Finance Ministry Team. The Finance Ministry Team must bring all approved requests to the Session for action.
 12. The Finance Ministry Team will be responsible for the administration of the Capital Repair and Replacement Fund, with such administration to include the maintenance of all accounting and banking records.
 13. The Finance Ministry Team will present to the Session a financial report for the Capital Repair and Replacement Fund on at least an annual basis.
 14. The Finance Ministry Team will consult as appropriate with the Trustees in connection with all aspects of the administration of the Capital Repair and Replacement Fund including expenditure requests and investment alternatives.
- B. MANSE FUND is composed of the residual equity from the sale of the church manse. Some past usage has been to provide a housing loan to church clergy.
1. Capital remains in the account; interest is applied to the current operating expenses. Any expenditure would be by Session action.
 2. The Trustees shall administer this fund.
- C. ENDOWMENT FUND
1. The Endowment Fund is designed to seek and receive gifts, bequests, devises, memorials, honorariums and other contributions of all types and amounts. Donations to the Fund may be made through outright gifts (in the form of cash, securities, royalties, art, real property), bequests in wills, assignments of life insurance and other contributions of all types and amounts.
 2. Gifts received into the Fund may be either designated or undesignated.

Donors may designate such contributions for any purpose or cause that is consistent with the purposes and the missions stated in the above Statement of Purpose.

3. The Finance Ministry Team will be responsible for the administration of the Endowment Fund, with such administration to include the maintenance of all accounting and banking records.
4. The Finance Ministry Team will present to the Session a financial report for the Endowment Fund on at least an annual basis

8.4 FUNDRAISING ACTIVITIES

The regular operating budget should include all known Church activities as recommended by Session Ministry Teams and agreed to by the Session in the course of the normal budgetary process. The population of the sources of revenue that currently exist are as follows, with the revenue source defined, with examples (not all-inclusive) and with the specific policies and procedures.

- A. Fundraising activities: the process of raising money on behalf of TCPC through the sale of products or services.
 1. Examples: Youth car washes, sub sale, flower sale, baby-sitting; Youth & Families yard sale.
 2. Procedures and processes
 - a. Needs to be part of the annual budget submission (or specifically approved by Session.)
 - b. Detail description of fundraising activity needs to be provided
 - c. Anticipated revenue needs to be provided
 - d. Identify expenses that the revenue will offset (designate use)
 - e. Contact person needs to be identified
 - f. Anticipated timing needs to be provided – start to finish
 - g. TCPC facilities to be used need to be identified
 - h. Products or services must be “sold” at a booth – no individual solicitation
 - i. No fundraising activity in the sanctuary
 - j. Ministry Team chairperson or designee needs to be involved in the advertising to make sure it is appropriate
 - k. Advertising needs to be sensitive and in good taste
 - l. Advertising is allowed in the newsletter and designated bulletin boards
 - m. Advertising is allowed in the bulletin
- B. User fees: charges by TCPC for the use of facilities
 1. Examples: weddings
 2. Procedures and processes
 - a. Needs to be part of the annual budget submission (or specifically approved by Session.)
 - b. Anticipated revenue needs to be provided
 - c. Identify expenses that the revenue will offset (designate use)
 - d. Wedding guidelines as they apply to member and nonmember fees need to be followed
- C. Activity fees: charges by TCPC for the right of an individual to participate in a

- TCPC sponsored activity
1. Examples: Administration Session retreats; Fellowship softball, basketball, nurture retreats; Mission & Service mission trips; Youth Montreat, Logos, Promises Preschool
 2. Procedures and processes
 - a. Needs to be part of the annual budget submission (or specifically approved by Session.)
 - b. Anticipated revenue needs to be provided
 - c. Identify expenses that the revenue will offset (designate use)
 - d. Contact person needs to be identified
 - e. Anticipated timing needs to be provided – start to finish
- D. Pledge Offerings: offerings given as a result of a pledge made in support of the regular church budget or Our Other Front Door; pledge offerings cannot be designated
- E. Special Offerings: Presbytery sanctioned offerings requested during TCPC regular worship services
1. Examples: 2¢ a Meal, Peacemaking, Red Stocking, Witness, One Great Hour of Sharing
 2. Procedures and processes: anticipated revenue for each of the five authorized offerings needs to be provided in the annual budget submission
- F. Loose Offerings: offerings given in support of the annual operating budget or Our Other Front Door but not in connection with a pledge; loose offerings cannot be designated
- G. Freewill cash donations: donations to TCPC as a result of solicitation by a TCPC member or group, or unsolicited
1. Examples: Worship handbells, hymnals; Fellowship kitchen guild, freewill donations at breakfasts or dinners; Building fund donations; Capital Repair and Replacement Fund; memorials; Worship chancel flowers, freewill donations at music events.
 2. Procedures and processes
 - a. Needs to be part of the annual budget submission or specifically approved by Session
 - b. Detail description of solicitation activity needs to be provided
 - c. Anticipated revenue needs to be provided
 - d. Identify expenses that the revenue will offset (designate use)
 - e. Contact person of solicitation activity needs to be identified
 - f. Anticipated timing of solicitation activity needs to be provided – start to finish
 - g. No individual solicitation (one-on-one)
 - h. No solicitation activity in the sanctuary during worship services
 - i. Ministry Team chairperson or designee needs to be involved in the solicitation advertising to make sure it is appropriate
 - j. Solicitation advertising needs to be sensitive and in good taste
 - k. Solicitation advertising is allowed in the newsletter and designated bulletin boards
 - l. Passing of an offering plate or basket in order to collect freewill donations is not allowed. Requesting a suggested donation with an

- offering plate or basket available in a stationary location is acceptable
- m. Solicitation advertising is allowed in the bulletin
- H. Freewill non-cash donations: donations to TCPC of a non-cash item as a result of solicitation by a TCPC member or unsolicited
 1. Examples: Caritas donated goods, food basket, equipment, carpeting, shares of corporate stock
 2. Procedures and processes – Equipment, furniture and supplies: policy approved by Session 6/13/93 needs to be followed
 3. Procedures and processes
 - a. Solicitation information needs to be provided to Finance for approval
 - b. Detailed description of solicitation activity needs to be provided
 - c. Contact person of solicitation activity needs to be identified
 - d. Anticipated timing of solicitation activity needs to be provided – start to finish
 - e. No individual solicitation (one-on-one)
 - f. No solicitation activity in the sanctuary
 - g. Ministry Team chairperson or designee needs to be involved in the solicitation advertising to make sure it is appropriate
 - h. Solicitation advertising needs to be sensitive and in good taste
 - i. Solicitation advertising is allowed in the newsletter and designated bulletin boards
 - j. Solicitation advertising is allowed in the bulletin
- I. Non-TCPC Fundraising Activities: all fundraising activities of outside groups or individuals either sponsored by or associated with TCPC or who simply use TCPC facilities whereby TCPC facilities or newsletter or bulletins are used to either advertise the fundraising activities or to carry out the fundraising activities.
 1. Examples: Boy Scouts, Girl Scouts
 2. Procedures and processes
 - a. Fundraising information needs to be provided to Finance for approval
 - b. Detailed description of fundraising activity needs to be provided
 - c. Contact person of fundraising activity needs to be identified
 - d. Anticipated timing of fundraising activity needs to be provided – start to finish
 - e. TCPC facilities to be used in carrying out the fundraising activity needs to be identified
 - f. No individual solicitation on TCPC premises (one-on-one)
 - g. No fundraising activity in the sanctuary
 - h. TCPC liaison needs to be involved in the fundraising advertising to make sure it is appropriate
 - i. Advertising needs to be sensitive and in good taste
 - j. advertising is allowed in the newsletter and designated bulletin boards
 - k. checks should be made payable to the outside group; not TCPC
 - l. advertising is allowed in the bulletin
- J. Sources of revenue (fundraising activities, user fees, etc.) may be considered outside of the annual budget submission process with the following policies and procedures.

1. Request for a source of revenue outside of the annual budget submission process must be presented to the Finance Ministry Team for approval
2. The request needs to follow the same policies and procedures which apply to its particular source of revenue, as if the request was part of the annual budget submission process
3. If the request is due to an emergency (for example, physical plant needs major repair, church family has unforeseen need for major assistance), Finance will report its approval or disapproval to the Session. If the request is not an emergency activity, Finance will present its recommendation to Session for approval.

8.5 CREDIT CARD USE POLICY

The use of TCPC credit cards to purchase goods and services for the benefit of TCPC by the church staff, church members or independent contractors is discouraged. However, acknowledging the necessity of occasional credit card use, this policy has been developed to ensure proper internal control in connection with all credit card purchases. The following controls need to be followed by anyone entrusted with the use of a TCPC credit card. The term credit card as used in this policy includes any credit relationship with a particular vendor excluding any debt agreements with banking institutions.

- A. All credit cards established in the name TCPC must be approved in advance by the Finance Ministry Team.
- B. The Finance Ministry Team is responsible for maintaining the inventory of TCPC credit cards.
- C. All TCPC credit cards are to be in the custody of the TCPC staff. TCPC members may “borrow” a credit card but only from the church secretary. Once used, any “borrowed” credit card must be immediately returned to the church secretary. The church secretary should use proper discretion in “lending” TCPC credit cards.
- D. A Control Log will be kept of “borrowed” credit cards, noting the date & time (both in & out), name of borrower and purpose.
- E. TCPC credit cards are only to be used to purchase goods or services for the benefit of TCPC, provided the purchase is either budgeted or explicitly approved by the Session.
- F. All credit card purchases receipts must be provided to the church secretary in a timely manner, which should normally be the day of the purchase. This applies to TCPC staff as well as TCPC members.
- G. The church secretary will maintain control of all credit card purchase receipts in order to match the purchase receipts against the monthly credit card billing statements. Once matched, the billing statements will be handled using the TCPC voucher payment system.

8.6 TRAVEL REIMBURSEMENT POLICY

Travel using personal cars for approved out of town trips for church work will be eligible to be reimbursed and will be considered by each ministry team in planning and funding events such as youth trips, conferences, mission trips, etc. Reimbursement will be as follows:

- A. Volunteer drivers will be reimbursed based on mileage using 50% of the current IRS business travel reimbursement rate for out of town travel. **7/1/2008 and thereafter** the official IRS rate is \$0.585 per mile; 50% of that is \$0.2925 per mile.
- B. Non-ordained staff will be reimbursed the full IRS business travel rate for out of town travel.
- C. Ordained staff travel reimbursements are part of the terms of call and travel expenses for ordained staff will not be factored into the event plans/costs.

8.7 MEMORIALS AND HONORARIUMS

Memorials and Honorariums are contributions made to TCPC in memory of or in honor of an individual or individuals. The contributions are usually designated by the contributor for a specific fund or use within the church. All contributions under \$1000 not designated within 4 months, shall be placed in the General Operating Budget.

NOTE: These guidelines are not applicable to contributions made anonymously, or are requested to be kept anonymous.

- A. Receiving the Memorial or Honorarium
 1. All contributions designated as memorials/honorariums (hereafter referred to as a Contribution) shall be received by the Offering Counters.
 2. Upon receipt of a Contribution the Offering Counters shall:
 - a. Record the Contribution on the next Sunday's Regular Offering Count Sheet under "Special Offerings," indicating it as a memorial / honorarium, the amount of the contribution, the first & last names of the contributor(s), and the designated fund(s.)
 - b. Deposit the Contribution with that Sunday's receipts.
 - c. Complete Part 1 of the form, "Memorials and Honorariums" (hereafter referred to as The Form, and shown below) noting any pertinent information (circumstances such as death, anniversary, birth, baptism, etc.), and attaching any accompanying notes (including anything written in the "memo" section of a check.
 - d. Make 5 copies of The Form and distribute as follows:
 - (1) Original – Place in the Secretary's mail box in the WorkRoom
 - (2) Copy 1 – Place in the Pastor's mail box in the WorkRoom
 - (3) Copy 2 – Place in the Associate Pastor's mail box in the WorkRoom
 - (4) Copy 3 – Place in the Financial Secretary's mail box in the WorkRoom
 - (5) Copy 4 – Place in the Treasurer's mail box in the WorkRoom
 - (6) Copy 5 – Place in the Bookkeeper's mail box in the WorkRoom
- B. Acknowledging the Memorial or Honorarium
 1. The Church Secretary shall regularly look for The Form in his/her WorkRoom mailbox.
 2. For each completed Form, the Church Secretary shall, in a timely manner:
 - a. Write an acknowledgement to the Contributor(s) (hand-written and addressed) using cards provided by the church. The

- acknowledgement should include the name(s) of the individuals(s) in whose memory or honor the contribution was given, the amount of the contribution and the designated fund / use.
- b. Notify the honoree(s), closest relatives, or any other appropriate persons that a contribution has been made to the church as a memorial/honorarium; including the contributor's name(s) and the designated fund/use. (Do not include the amount of the contribution.) This shall be written notification to be completed and addressed by hand using cards provided by the church. Usually only one notification will be required.
 3. Complete Part II of The Form
 4. File each Form in the designated space in the church office.

**Memorials and Honorariums
Record of Receipt and Acknowledgement**

Part I – to be completed by the Offering Counters

Date Received	
Contributor(s)	
Name	
Address	
Designated Fund / Use	
Amount	\$
Circle one	Memorial or Honorarium
In Memory Or In honor of	
Comments	

Part II – to be completed by the Church Secretary

Initials / date	
	Acknowledgement sent to Contributor
	Notification sent to family / honoree(s); names:

--	--

**Memorials and Honorariums
Acknowledgement Card**

**To THE GLORY OF GOD
And in loving memory / honor of**

a gift has been presented

to _____

by _____

Three Chopt Presbyterian Church

Gratefully acknowledges receipt of your gift

In the amount of \$ _____

In memory / honor of

Notification has been made to

8.8 PROCEDURES for COUNTING and REPORTING OFFERINGS

- A. Regular Offering
1. Counters' Box is in the Office Closet.
 2. Check Boxes: Cowherd
 3. Separate coin, bills, checks, envelopes (white / yellow), special offerings, Contingency Fund.
 4. Count cash and record (Note" bills and individual coin on side for balancing later.)
 5. Divide checks into member and visitor: VISITOR Record / MEMBER Record.
 6. Separate and arrange numerically white and yellow envelopes and blue.
 7. Balance and enter TOTAL LOOSE top and bottom.
 8. Record any loose offerings (flowers, mission, etc.) USE #'s on ACCOUNTING LISTING SHEET.
 9. Separately list flower checks and give information to Church Secretary.
 10. Any HONORARIUM or MEMORIAL gift is highlighted on record sheet and individual acknowledgement sheet filled out and given to Church Secretary.
 11. Record individual offering envelopes (if combined checks {regular / building} received.) Take cash to fill yellow envelope as necessary.
 12. TO HELP FIND MISTAKES:
 - a. NOTE CASH bu using small "c" in # box with amount.
 - b. ENTER CASH and keep running total on adding machine.
 - c. WRITE CASH on envelopes with amount.
 - d. KEEP ALL ENVELOPES in numerical order.
 13. Total Numerical Sheet.
 14. Balance – Sign and date.
 15. Stamp each check with ID# Stamp.
 16. Make out bank deposit.
 17. Check envelopes by # against Numerical Sheet to verify each is recorded.
 18. Make 5 copies of Numerical Sheet:
 - a. Original – to Church Secretary
 - b. Copy 1 – Pastor
 - c. Copy 2 – Associate Pastor
 - d. Copy 3 – Bookkeeper
 - e. Copy 4 – Treasurer (both sides, plus deposit slip)
 - f. Copy 5 – Financial Secretary (both sides)
 19. Separate Count Sheet for each fund: Joy, Red Stocking, Easter, Giving Thanks, etc. recorded by numbers.
- B. Building Fund (Other Front Door)
1. Record each envelope by number.
 2. Note any cash offering on envelope and sheet.
 3. Keep running balance of cash on adding machine.
 4. Balance – Sign and date.
 5. Stamp each check with ID# Stamp.
 6. Make out bank deposit.
 7. Check envelopes by # against Numerical Sheet to verify each is recorded.
 8. Make 4 copies of Numerical Sheet:

- a. Original – to Church Secretary
 - b. Copy 1 – Pastor
 - c. Copy 2 – Associate Pastor
 - d. Copy 3 – Treasurer (plus deposit slip)
 - e. Copy 4 – Financial Secretary
- C. Contingency Fund
1. Count – separating cash and checks.
 2. Record on count sheet under envelope number. (Use count sheet that is for Operating Fund and re-title Contingency Fund at top.)
 3. Over \$250 needs to be acknowledged. For non-members be sure to get address from check.
 4. Make 4 copies of Numerical Sheet:
 - a. Original – to Church Secretary
 - b. Copy 1 – Pastor
 - c. Copy 2 – Associate Pastor
 - d. Copy 3 – Treasurer
 - e. Copy 4 – Financial Secretary
 5. Deposit to savings account, account number and blank slips in back of white account book.

8.9 PLANNING CALENDAR

JANUARY

Treasurer prepares year-end payroll forms and returns
Re-figure staff withholding
Provide financial annual report information to Clerk of Session for submission to Presbytery
Distribute end-of-year pledge reports to members
Recommend to Session revised Annual Operating Plan budget based on stewardship campaign results
Recommend to Session amount of Statement of Intent to Presbytery
Annual Congregation Meeting Reports Presentation
Monthly Treasurer's Report to Session

FEBRUARY

Monthly Treasurer's Report to Session

MARCH

Receive Church Financial Review Report and implement recommendations as appropriate
Monthly Treasurer's Report to Session

APRIL

Distribute quarterly pledge reports to members
Treasurer prepares quarterly payroll returns
Monthly Treasurer's Report to Session

MAY

Ministry Plan Update
Monthly Treasurer's Report to Session

JUNE

Request Ministry Teams prepare next year budget requests and submit by August
Policy & Procedure Manual review & update
Monthly Treasurer's Report to Session

JULY

Distribute quarterly pledge reports to members
Continue budget planning process
Treasurer prepares quarterly payroll returns
Monthly Treasurer's Report to Session

AUGUST

Ministry Team budget requests due
Plan Rally Day presentation (September)
Monthly Treasurer's Report to Session

SEPTEMBER

Rally Day presentation
Present preliminary budget for Session approval
Monthly Treasurer's Report to Session

OCTOBER

Distribute quarterly pledge reports to members
Treasurer prepares quarterly payroll returns
Monthly Treasurer's Report to Session

NOVEMBER

Monthly Treasurer's Report to Session

DECEMBER

Nominate church Financial Officers for the new year
Prepare for Annual Congregational Meeting Annual Report
Distribute pledge envelopes for upcoming year
Monthly Treasurer's Report to Session