

Finance Committee Policies:

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EMMANUEL LUTHERAN CHURCH
FINANCE COMMITTEE

**Approved By The
Congregation Council
June 9, 2020**

BORROWING BY THE CHURCH

This revision supersedes and replaces all previous versions and revisions of a Policy & Procedure with this Title, Subject or Content.

Policy Objective

To establish guidelines by which the church may borrow funds to address the operating budget shortfalls. Also serves as a means to educate Emmanuel Lutheran Church Congregation members, Employees and Committee members on how to properly handle Church funds.

Procedure

There may be occasions when the church's operating expenses cannot be met by current contributions or currently available cash on hand. In these instances, the Finance Committee will evaluate the need and develop a recommendation for the Congregation Council to resolve this shortfall.

To develop its recommendation to address this shortfall, the Finance Committee must consider the following:

1. Borrowing funds from the dedicated account funds to pay operating expenses from the general checking.
2. If borrowing from one fund to another is not feasible in the Finance Committee's opinion, borrowing funds from a financial institution should be considered.
3. As part of the recommendation to address the operational shortfall, the Finance Committee should include a plan to repay the borrowed account funds including necessary adjustments to the current and/or future budgets.

In its deliberations concerning the development of a recommendation to address the operational shortfall; the Finance Committee should not restrict its thought process based upon the original intended use of restricted or unrestricted funds. The focus should be upon what is best for the long term well being of the church and congregation.

The Congregation Council may eliminate, or revise/modify this Policy & Procedure at any time.

EMMANUEL LUTHERAN CHURCH
FINANCE COMMITTEE

Approved By The
Congregation Council
APPROVED July 14, 2020

FINANCIAL RECORDS RETENTION POLICY

This revision supersedes and replaces all previous versions and revisions of a Policy & Procedure with this Title, Subject or Content.

Policy Objective

To establish guidelines for retaining and/or destroying financial documents relating to Emmanuel Lutheran Church finances. Also serves as a means to educate Emmanuel Lutheran Church Congregation members, Employees and Committee members on how to properly handle Church funds.

Procedure

Records to be kept permanently:

1. Annual audit reports.
2. Treasurer's report and the congregational budget attached to the minutes of the annual meeting.
3. Information on permanent bequests, gifts and endowments.
4. Deeds, mortgages, bills of sale.
5. Retirement and pension records.

Records to be kept for seven (7) years:

1. Paper copies of year-end statements detailing member giving from the Church accounting program.
2. Financial Secretary's Counters reports.
3. Bank deposit slips.
4. Copy of the year-end check registers for all bank accounts from the Church accounting program.
5. Bank statements/reconciliations.
6. Payroll administration records such as W-2s, tax deposit receipts and payroll registers.
7. Cash receipts journals.
8. General invoices.
9. Expired service contracts, promissory notes and lease agreements.
10. Expired insurance policy documents including accident reports and filed claims.
11. Monthly audit pack documents and notations.

Records to be kept for one (1) year plus current year:

1. Offering envelopes.
2. A computer backup of the Church accounting program should be created at the end of each year and kept off-site. Once the backup copies are created, the financial information on the computer can be deleted.

Other:

1. Major repairs and/or equipment purchase receipts, keep for life of asset.

The Congregation Council may eliminate, or revise/modify this Policy & Procedure at any time.

EMMANUEL LUTHERAN CHURCH
FINANCE COMMITTEE

Approved By The
Congregation Council
June 9, 2020

GUIDELINES FOR FUNDS RECEIVED

This revision supersedes and replaces all previous versions and revisions of a Policy & Procedure with this Title, Subject or Content.

Policy Objective

To set a policy for all Emmanuel Lutheran Church Congregation members, employee's and Committee members to follow relating to receipt of funds intended for the Church. Also serves as a means to educate Emmanuel Lutheran Church Congregation members, Employees and Committee members on how to properly handle Church funds.

Procedure

- 1. All Funds** received must go through the counter report and the church checking account(s). **There should never be cash in the office or safe other than petty cash.**
2. If a check is received payable to the church for the Pastor, it must be deposited in a church checking account and the Treasurer will issue a check payment to the Pastor.
3. If a check is received payable to the Pastor, those funds are not church funds. The check should be forwarded directly to the Pastor.
4. If change funds are needed, e. g. for the meatball supper or a bake sale, funds should be taken from and returned to petty cash. If this means that more petty cash is needed, the Treasurer will issue the necessary check payment and then reduce the petty cash back to \$100 after the event, documenting the transaction on the petty cash log sheet.
5. The reconciliation of net income from each event should be completed and reported by the Treasurer. Through the counters report the Treasurer will document the gross income for each event, less attributable expense payments to determine the event's net receipts. This will be done immediately after all the expected event expenses are paid as per the completed Unbudgeted Revenue and Expense Report form for the event. Preliminary numbers should not be printed unless so stated as not final.

The Congregation Council may eliminate, or revise/modify this Policy & Procedure at any time.

EMMANUEL LUTHERAN CHURCH
FINANCE COMMITTEE

Approved By The
Congregation Council
June 9, 2020

ADMINISTERING THE PETTY CASH FUND

This revision supersedes and replaces all previous versions and revisions of a Policy & Procedure with this Title, Subject or Content.

Policy Objective

This policy was established to provide Guidelines for the administration of the Petty Cash Fund at Emmanuel Lutheran Church. Also serves as a means to educate Emmanuel Lutheran Church Congregation members, Employees and Committee members on how to properly handle Church funds.

Procedure

1. Petty cash is to be used for small purchases and it is to be kept in the church office.
2. A small purchase is defined as a purchase of items or services with a total cost of \$50.00 or less.
3. Initial funding of the petty cash fund will be \$100.00 and will be replenished with a check from the Treasurer when the cash on hand drops below \$25.00.
4. Petty cash must be reconciled on a minimum of quarterly basis. The reconciliation is performed by the Emmanuel Lutheran Treasurer.
5. The attached log sheet is to be kept for all petty cash expenditures along with legible receipts for all expenditures.
6. If an actual expenditure receipt is not available, a typed or written receipt stating the amount, date, payee and description of the petty cash expenditure must be signed by the purchaser.
7. When the petty cash fund needs to be replenished, the applicable expenditure receipts must be attached to the completed log sheet and submitted to the Treasurer.

PETTY CASH LOG SHEET

<u>Date</u>	<u>Vendor</u>	<u>Committee or Account</u>	<u>Person</u>	<u>Deposit</u>	<u>Withdrawal</u>	<u>Amount</u>
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The Congregation Council may eliminate, or revise/modify this Policy & Procedure at any time.

EMMANUEL LUTHERAN CHURCH
FINANCE COMMITTEE

Approved By The
Congregation Council
June 9, 2020

RECORDING AND ACKNOWLEDGEMENT OF CONTRIBUTIONS

This revision supersedes and replaces all previous versions and revisions of a Policy & Procedure with this Title, Subject or Content.

Policy Objective

To create guidelines for the Treasurer, Financial Secretary, and Church Secretary so recording and acknowledgement of contributions are consistently and accurately completed. Also serves as a means to educate Emmanuel Lutheran Church Congregation members, Employees and Committee members on how to properly handle Church funds.

Procedure

1. All funds received by Emmanuel must be deposited in an Emmanuel bank account.
2. All cash receipts should be recorded against the member envelope number and against the applicable fund as indicated by the donor.
3. All cash receipts will appear on the member giving statements. In addition to the year-end giving statements, the frequency of interim giving statements will be recommended by the Finance Committee to the Congregation Council.
4. All non-cash contributions will be acknowledged by a letter to the contributor, recognizing the gift but not setting a value on it. The Pastor will be responsible for writing the acknowledgement letters in a timely fashion.
5. When cash is received from selling the non-cash donations, it will be entered against envelope number 9999 – Cash from Illiquid Donations.
6. For non-cash contributions that are used to meet a pledge, a special statement will be prepared acknowledging that the gift has been appropriately applied to the member's pledge without setting a value on the non-cash contribution.
7. All cash contributions by members or non-members that have been issued envelopes will be recorded against the envelope number if it can be determined.
8. When it is determined that a non-member has been attending and contributing regularly, they should be offered a set of envelopes so that their giving can be documented.
9. Contributions by members or non-members that do not have an envelope number, whether by check or cash, will be recorded against loose receipts.
10. Special contributions will be acknowledged with a "Thank You Letter". The Pastor will be responsible for writing the thank you letters in a timely fashion.
11. The In/Out revenue account should only be used when members purchase something with church funds for their own personal use and are reimbursing the church. These receipts should not be applied to the member's envelope number. This procedure will avoid In/Out appearing on a member's statement since it is non-descriptive.
12. If an applicable fund does not exist for a cash receipt, it should be recorded against the General Miscellaneous fund.

The Congregation Council may eliminate, or revise/modify this Policy & Procedure at any time.

EMMANUEL LUTHERAN CHURCH
FINANCE COMMITTEE

Approved By The
Congregation Council
June 9, 2020

RECORDING AND ACKNOWLEDGEMENT OF MEMORIAL GIFTS

This revision supersedes and replaces all previous versions and revisions of a Policy & Procedure with this Title, Subject or Content.

Policy Objective

To create a procedure for the recording of and the acknowledgement of donations given as memorial gifts. Also serves as a means to educate Emmanuel Lutheran Church Congregation members, Employees and Committee members on how to properly handle Church funds.

Procedure

1. Memorial gifts should be entered against an envelope number if it can be determined.
2. When memorial gifts are received, the Emmanuel Lutheran Financial Secretary will notify the Memorial Committee so they can send a "Thank You" note.
3. The Memorial Fund Committee should keep a log of all memorial gifts indicating any preferred use by the donor.
4. All other memorial gifts will be deposited into either the designated or undesignated Memorial Fund dedicated account. Easter and Christmas memorial gifts will be deposited into the appropriate dedicated fund as per the completed member form.
5. When memorial funds are spent, a letter should be sent by the Memorial Fund Committee to the donor thanking them again and stating what their memorial giving was spent on.

Note: It is very important when a memorial gift is received, that the **address of the donor** is obtained so correspondence can be sent.

The Congregation Council may eliminate, or revise/modify this Policy & Procedure at any time.

EMMANUEL LUTHERAN CHURCH
FINANCE COMMITTEE

Approved By The
Congregation Council
June 9, 2020

SALE OF STOCK AND OTHER ILLIQUID ASSET GIFTS

This revision supersedes and replaces all previous versions and revisions of a Policy & Procedure with this Title, Subject or Content.

Policy Objective

To establish a guideline as to how stock or other types of illiquid assets that are gifted to the church will be addressed. Also serves as a means to educate Emmanuel Lutheran Church Congregation members, Employees and Committee members on how to properly handle Church funds.

Procedure

1. When stock or other illiquid assets are gifted to the church, the Congregation Council will be immediately advised.
2. As soon as practical, the Finance Committee will research options on how best to address this donation taking into consideration the donor's wishes. The Finance Committee will then make a recommendation to the Congregation Council. For stock contributions, the stock should be sold as soon as possible unless directed otherwise by the donor.
3. Upon approval of the recommendation by the Congregation Council, or as directed by the Congregation Council, the Finance Committee will initiate appropriate actions to implement the recommendation or directions.

The Congregation Council may eliminate, or revise/modify this Policy & Procedure at any time.

EMMANUEL LUTHERAN CHURCH
FINANCE COMMITTEE

Approved By The
Congregation Council
August 11, 2020

CHURCH USAGE FEES

This revision supersedes and replaces all previous versions and revisions of a Policy & Procedure with this Title, Subject or Content.

Policy Objective

To create standardized fees to be charged for use of the church facilities by congregation members and non-members. Also serves as a means to educate Emmanuel Lutheran Church Congregation members, Employees and Committee members on how to properly handle Church funds.

Procedure

1. The Finance Committee will annually review usage fees being charged for use of the church facilities and update them as they believe appropriate per the current Facility Use Policy and Procedure adopted by the Congregation Council.
2. A chart outlining usage fees will be given to the Church Secretary annually.

The Congregation Council may eliminate, or revise/modify this Policy & Procedure at any time.

EMMANUEL LUTHERAN CHURCH

FINANCE COMMITTEE

Calendar Year 2020

USAGE FEE CHART

The following church usage fees were approved by the Emmanuel Lutheran Congregation Council on August 11, 2020.

Fellowship Room (for showers, receptions, etc.)

\$100: Non-members and Inactive members

\$35: Members

\$50: Cleaning Deposit (Everyone) – If the Fellowship Room is left in the same condition as it was before its use, as determined by the Church Secretary, the Cleaning Deposit will be refunded.

Sanctuary (for weddings, etc.)

\$200: Non-members and Inactive members

\$0: Members

\$50: Cleaning Deposit (Everyone) – If the Sanctuary is left in the same condition as it was before its use, as determined by the Church Secretary, the Cleaning Deposit will be refunded.

EMMANUEL LUTHERAN CHURCH

FINANCE COMMITTEE

**Approved By The
Congregation Council
August 11, 2020**

CHECK ACCOUNTING PROCEDURE

This revision supersedes and replaces all previous versions and revisions of a Policy & Procedure with this Title, Subject or Content.

Policy Objective

This procedure outlines the process that must be followed when checks are written against Emmanuel Lutheran Church account to ensure that all pertinent information is recorded for later entry into the church accounting program. Also serves as a means to educate Emmanuel Lutheran Church Congregation members, employees and Committee members on how to properly handle Church funds.

Procedure

1. The Treasurer must look at each invoice at a minimum of weekly and note on the invoice which checking account and the applicable expense account or fund it is to be paid from.
2. The authorized individual writing the check or engaging in an Electronic Funds Transfer (EFT) must ensure that all the pertinent information is provided so the Treasurer can enter the information into the current church accounting program for the appropriate checking account by listing the:
 - a. Vendor type
 - b. Payee
 - c. Check #
 - d. Date
 - e. Status
 - f. Memo – additional information regarding who, what or purpose for the expenditure
 - g. Ledger account number and name corresponding to church accounting program fund.
 - h. Amount
3. Some of the items will be auto-filled in by the church accounting program, however, it is important that a full description of what the payment was be entered for accurate record keeping and review. Some of what is listed in paragraph 2 above may be duplication; however, it is important that all fields be filled out to easily track spending.

The Congregation Council may eliminate, or revise/modify this Policy & Procedure at any time.

EMMANUEL LUTHERAN CHURCH
FINANCE COMMITTEE

Approved By The Congregation
Council August 11, 2020

CHECKING ACCOUNT REQUIREMENTS

This revision supersedes and replaces all previous versions and revisions of a Policy & Procedure with this Title, Subject or Content.

Policy Objective

To create guidelines for writing checks against Emmanuel Lutheran Church Checking Accounts. Also serves as a means to educate Emmanuel Lutheran Church Congregation members, employees and Committee members on how to properly handle Church funds.

Procedure

CHECKING ACCOUNT SIGNATURES

The individuals currently holding one of the following positions with Emmanuel Lutheran Church are authorized to sign checks issued from Emmanuel Lutheran Church checking accounts for amounts below \$10,000. Checks for amounts of \$10,000 or more require a signature from two (2) of the position holders listed below.

POSITIONS AUTHORIZED TO SIGN CHECKS

1. TREASURER
2. CHURCH SECRETARY
3. CONGREGATION COUNCIL PRESIDENT

The Finance Committee must ensure that checking account signature cards are updated with the bank immediately when new individuals are elected to the above positions. The Finance Committee may give a copy of this "APPROVED" procedure to the bank, thus notifying the bank of this checking account requirement.

Checkbook Security

All checkbooks, check registers, money market account books, money market account registers or other documents relating to these accounts are to be in the custody of the Emmanuel Lutheran Church Treasurer. The Finance Committee may allow the Treasurer to keep these documents at his/her residence, provided they are kept in a locked fireproof safe. A spare key for this safe will be kept in the safe at Emmanuel Lutheran Church.

The Congregation Council may eliminate, or revise/modify this Policy & Procedure at any time.

EMMANUEL LUTHERAN CHURCH
FINANCE COMMITTEE

Approved By The
Congregation Council
April 13, 2021

PROCEDURE FOR UNEXPECTED GIFTS & DONATIONS

Policy Objective

This procedure creates a process by which the Financial Secretary and/or the Treasurer can properly assign Gifts & Donations revenue to the correct Emmanuel Lutheran accounts. This procedure also serves as a means to educate Emmanuel Lutheran Church Congregation members, employees and Committee members on how to properly handle Church funds.

Procedure:

When funds are received via direct office delivery, by mail, or a telephone call is received advising that a gift/donation will be made, the office staff needs to ask the contributing individual, group, or organization the questions outlined below and make a written record of the responses. The church office will then communicate with the Treasurer and/or Financial Secretary and provide them the recorded information.

Information Needed From Individuals, Groups, or Organizations making a Gift or Donation to Emmanuel Lutheran Church:

1. Name, Address and telephone number for the donating individual, group or organization. Include the name of a contact person for a group or organization.
2. Amount of the Gift or Donation.
3. Ask if there are any specific wishes or conditions that the donor is asking the Church to observe relating to the donation? For example: its for a specific purpose like the Kitchen Fund, World Hunger, Christmas Baskets, Alter Flowers, etc.
4. After the donation is received, the Church Secretary will be responsible to send a "Thank-You letter" to the donor(s) or a Thank-you communication can be published in the Church Sunday Bulletin or The Messenger.

The Congregation Council may eliminate, or revise/modify this Policy & Procedure at any time.

EMMANUEL LUTHERAN CHURCH

FINANCE COMMITTEE

**Approved By The
Congregation Council
Approved November 11, 2021**

CREDIT CARD POLICY & PROCEDURE

Policy Objective

The purpose of this policy is to ensure that credit cards issued on Emmanuel Lutheran Church's credit card account are used only for authorized and appropriate purposes. This policy will set controls for the use of these credit cards.

Procedure

This policy and procedure applies to all Church employees and members who have been authorized to use a credit card issued on Emmanuel Lutheran's Credit Card Account.

The Congregation Council must approve which Emmanuel Lutheran Church employees and members may use Credit Cards issued on Emmanuel Lutheran's Credit Card Account. A list of who has been issued a credit card and its associated number will be maintained by Emmanuel Lutheran Church's Treasurer.

Prior to giving an individual a credit card issued on Emmanuel Lutheran's Credit Card Account, the individual receiving the card must sign a document that outlines authorized usage of the card and the Agreement for use of the credit card.

Responsibilities of Credit Card Holders

1. Always keep the credit card in a secure location to prevent unauthorized use or theft.
2. Use the credit card only for authorized Church business expense needs, never use this credit card for personal purchases.
3. Retain receipts for all credit card transactions. Credit card transactions require an itemized original vendor receipt that is issued for each credit card transaction. If a receipt for a credit card transaction was lost or not provided, a written explanation will be required that is acceptable to the Church Treasurer or the transaction will be considered unauthorized.

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4. Credit card transactions of \$500.00 or more must be approved by the Church Treasurer in advance of the purchase.
5. Individuals who have been issued an Emmanuel Lutheran credit card must immediately return the credit card to the Church Secretary upon request or when no longer employed by Emmanuel Lutheran church Church.
6. Immediately report a lost credit card to the Church Treasurer.

Church Treasurer Responsibilities

1. Only issue individuals an Emmanuel Lutheran Church Credit Card after approval by the Congregation Council and after the individual signs the Emmanuel Lutheran Church Credit Card Understanding and Agreement document. A copy of this document is attached to this policy and is a part of this policy.
2. Provide each authorized credit card user a copy of this Credit Card Policy and Procedure.
3. On a timely basis, review each credit card transaction made by an authorized credit card user to insure that the transactions are consistent with Church business needs and this policy.
4. Make payments on the Emmanuel Lutheran Church Credit Card Account on a timely basis to avoid late payment charges.
5. Should any charges on the Emmanuel Lutheran Church Credit Card Account appear inappropriate, follow-up with the user that made the transaction prior to disputing the charge with the Credit Card Company.

The Congregation Council may eliminate, or revise/modify this Policy & Procedure at any time.