



2009

Financial Handbook

Purpose

The purpose of this document is to consolidate the financial policies and procedures for the administration and disbursement of church funds. This document also provides guidelines for the yearly budget process, procedures for obtaining estimates, procedures for initiating contracts and procedures/policies for fundraisers. Fiscal control is important and therefore warrants procedures, policies and controls to manage spending, the commitment of funds and the solicitation of funds.

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Financial Policies and Procedures

1. The Church Treasurer shall be custodian of all money, insurance policies, valuable papers, etc. The Treasurer shall meet regularly with the Stewardship/Finance Committee and shall be responsible for the preparation of the monthly financial statement with the assistance of the Office Manager.
2. All checks drawn against any account of Centerville Baptist Church (e.g. Group Home, Church, Preschool and Extended Care) shall be counter-signed. Normally these signatures shall be those of the Treasurer and the Office Manager. Additional church members may be designated in writing with the approval of the Treasurer and Stewardship/Finance Committee chairperson to counter-sign checks in the event that the Office Manager or Treasurer is unavailable to do so. However, one signature must be that of the Treasurer or the Office Manager.
3. **Handling of money**
 - Sunday collections: The ushers shall be responsible for delivering monies to a Teller, the Pastor or the Treasurer after the conclusion of services. The Teller, Pastor or Treasurer will put the money in the church safe. The Office Manager and the Church Secretary or a Teller will be responsible for processing the monies and making deposits at the earliest possible time each week. All monies received during the week will be recorded to the appropriate accounts and a report furnished, if appropriate. Careful attention is given to proper recording of each individual's gift to the budget and all designated causes.
 - Group Home, Preschool and Extended Care funds: All monies are to be passed to the Office Manager, Pastor or Treasurer. The preferred method for tuition payments is by check. If cash payments are made, a receipt must be provided for tax purposes and accounting reasons.
4. **Purchases**
 - **Requisition Process:** All purchases of supplies, equipment and services shall be made only on the authority of a requisition (see Appendix VIII, IX and XI). The process is summarized as follows:
 - a. **All organization heads, committee chairpersons, ministry team leaders and program directors must submit a list of personnel that are authorized to make purchases on behalf of their organization.** The Pastor will submit a list of staff members authorized to make purchases. The number of personnel per organization should be kept to a minimum for control purposes. All lists must be submitted to the Office Manager within the first two weeks of the calendar year. The Treasurer and the Stewardship/Finance Committee will approve the lists. The Office Manager will retain the approved lists. Requisitions submitted by personnel other than those listed will not be processed.
 - b. All requisitions submitted by ministry teams must be endorsed by the team's staff liaison or Pastor.

- c. The requisition is to be submitted to the church office for approval a minimum of two weeks prior to the need of the requested expense. The request for approval is to be submitted prior to the purchase. Only emergencies relating to properties and expenditures for contracted services are excluded from prior approval (e.g. insurance, equipment maintenance, etc.). Services were justified during the budget process. All requisitions must include an estimate or other documentation for the requested amount. Please be as accurate as possible. If the requested amount is exceeded and the allowable budget is consumed, the individual making the purchase may be held accountable for the overage.
- d. Approvals will be as follow:
 - 1) All requests must be approved by the Treasurer. In the absence of the Treasurer, the Finance/Stewardship Committee Chair will approve the requests.
 - 2) If there are not sufficient funds in the line item or if the request does not fall within a budget line item or a designated fund, the Stewardship/Finance Committee must approve the request.

The approval process may take up to seven (7) days. If a request is submitted on Sunday, it should be processed by the following Sunday.

Once the approval/disapproval process has been completed, the requisition will be placed in a mail slot in the supply/mail room by the library for pick up by the submitting organization. If approved, the expenditure can be made. If disapproved, the expenditure is not authorized and will not be reimbursed. [See methods of payment and reimbursement below.]

-Signature authority on requisitions:

During the approval process above, per telcon endorsement may be utilized to expedite the approval process. If the Treasurer or Stewardship/Finance Committee Chair is not available, the requisition may be submitted with one endorsement if waiting for signatures will not support the requested need and the following criteria is met:

- i) the expenditure is not in excess of \$200;
- ii) approval will not over expend the line item for the year; and
- iii) approval will not expend more than one-fourth (1/4) of the budget in one quarter.

The approver is to note the reason for the endorsement on the request form.

-Methods of Payment and Reimbursement:

A. Methods of Payment

a) **Church credit cards [Purchases made utilizing a church credit card via a staff member is the preferred method.]**

Credit cards will be provided to staff and select committees/ministry teams with the approval of the Treasurer and Stewardship/Finance Committee. It is noted that all requisition and reimbursement policies must be followed. Abuse of the credit card will result in the privilege being revoked.

All parties making purchases must ensure that an approved requisition authorizes the expenditure prior to making a purchase. In cases where the requestor does not have a credit card, the Office Manager, Pastor or other authorized staff member may purchase the items satisfying the requisition. If this happens, the approved requisition and accompanying receipt must be returned to the Office Manager and a copy provided to the requestor. Copies will be placed in the appropriate mailbox in the mailroom next to the library for pick up. If the purchase will exceed the requested amount, the staff member will not make the purchase until the discrepancy can be resolved.

Organizations with credit cards: if the expenditure exceeds the requested amount, the submitting organization is responsible for verifying the following:

- 1) The line item is not over expended; and
- 2) The additional expense can be justified.

If these criteria are not met, the person making the purchase may be held responsible for the difference between the amount requested and the amount spent.

b) **Draft Check**

If the staff cannot make the purchase or the requestor does not have the means by which to make the purchase, the Office Manager will arrange for a check to be drafted for the approved amount. This process will take several days due to the signature policy noted above. Any excess funds are to be returned with the resubmittal of the approved requisition and accompanying receipt. These funds will be redeposited into the budget line item or designated fund for future use. If the expenditure exceeds the requested amount, the submitting organization is responsible for verifying the following:

- 1) The line item is not over expended; and
- 2) The additional expense can be justified.

If these criteria are not met, the person making the purchase may be held responsible for the difference between the amount requested and the amount spent.

c) **Personal Credit Cards, Checks or Cash**

Only persons on the approved purchasers list can request reimbursement for items and/or services paid for utilizing personal credit cards, personal checks or cash. Ensure that the requisition has been approved prior to making purchasing using any of the methods listed in this section. After the purchase has been made, the approved requisition and accompanying receipt must be returned. If the expenditure exceeds the requested amount, the submitting organization is responsible for verifying the following:

- 1) The line item is not over expended; and
- 2) The additional expense can be justified.

If these criteria are not met, the person making the purchase may be held responsible for the difference between the amount requested and the amount spent.

If the expenditure is made without prior approval, the person making the purchase may be held responsible for the total cost.

B. Reimbursement

After processing the returned requisition and accompanying receipt, a check will be drafted in the amount approved for reimbursement. The checks will then be placed in an envelope marked with the person's name and placed in the appropriate mailbox in the mailroom next to the library for pick up by the submitting person.

- 5) All Church Funds collected through the church organizations or ministries which are to be administered by the Treasurer shall be turned in to the Office Manager.
- 6) The Church recognizes the following special offerings each year. Special envelopes will be provided for each of these offerings.
 - a. Lottie Moon Offering for International Missions
 - b. Annie Armstrong Offering for North American Missions
 - c. Alma Hunt Offering for State Missions
 - d. Norfolk Baptist Association Week of Prayer

These offerings are not considered part of the Budget and no amount is suggested as a goal. The WMU shall work with the Pastor to set a goal for each of these offerings on an annual basis.

- 7) The Church recognizes the need for other special offerings which may include Benevolence offerings, Love offerings for guest speakers and musicians; Building Fund offerings and Special Event or Retreat offerings. These are not considered part of the budget and no amount is suggested as a goal.

Policies and Procedures for Developing the Unified Budget

- 1) Development of the church budget is the responsibility of the Stewardship/Finance Committee. The staff program managers are responsible for developing the Extended Care and Preschool budgets. The Extended Care and Preschool budgets will be submitted to the Stewardship/Finance Committee and Treasurer for final approval. The Stewardship/Finance Committee and Treasurer will submit all three budgets for approval.
- 2) Budgets will be voted on in the morning worship service following their submittal in Church Conference. Submittal will be the third Wednesday in October and voting will be on the Sunday immediately following.
- 3) The budget process should begin in July and conclude in October. Refer to the attached timetable, Appendix VI, for guidance.
- 4) The Stewardship/Finance Committee, with assistance from the Treasurer, will author a memorandum requesting that the budget line item responsible organizational leaders provide budget requests for the upcoming fiscal year. The memorandum will be issued under the Stewardship/Finance Committee Chair's signature requesting budgetary information. All staff, committee chairs, program managers and ministry team leaders will be given the opportunity to submit new line items for consideration. The church budget requests are to be submitted on forms similar to those attached (Appendix I and IV). As a minimum, the forms shall solicit the following information: the amount requested, the basis for the amount requested, the planned use of the amount requested and the requesting individual's signature.
- 5) The Treasurer will develop a spreadsheet for the administration of the budget during the budget process. The Chair of the Stewardship/Finance Committee will maintain and update the spreadsheet during the budget process.
- 6) Interviews with the requesting individuals are to be used as a budgetary tool by the Stewardship/Finance Committee and Treasurer at their discretion.
- 7) The Treasurer will create a brochure summarizing the budget totals for each category in the proposed budget. The areas of emphasis are: missions, personnel, operations, ministries and debt. The purpose of the brochure is to give an overview of how the proposed budgeted money will be allocated.
- 8) The Stewardship/Finance Committee and Treasurer, at their discretion, may use commitment cards as a budgetary tool.
- 9) The budgetary year is from January 1 to December 31.
- 10) Budgets are to be developed based on the anticipated income for the upcoming year. The goal is to maintain a balanced budget throughout the year.
- 11) The Office Manager will assist budget line item owners with historical data and in determining the expected cost of services for the upcoming year.
- 12) The Stewardship/Finance Committee and Treasurer, at their discretion, may use historical spending trends to adjust requested line item amounts.
- 13) The Stewardship/Finance Committee and Treasurer will adjust line item requests by considering the use of designated funds to supplement the requested amount. It is desired to utilize designated funds where applicable prior to utilizing the budgeted line amount.

Procedures for Obtaining Estimates / Materials and Supplies Costs

The following guidelines apply when obtaining estimates for materials, supplies, support services, repairs, maintenance and/or renovations:

- Always obtain several estimates. Getting three estimates is ideal, getting two will suffice.
- In the case of repairs/maintenance/renovations, if only one estimate can be obtained due to limiting factors such as only one company is willing to give an estimate or only one company could be located that could do the work, etc., the one estimate will be considered acceptable. Provide documentation stating the reason why only one estimate was obtained.
- When submitting the accompanying request for expenditure of funds, attach a copy of all estimates obtained.
- In the event of an emergency, the Properties Committee Chair or designee may wave estimates and/or cost comparisons. However, the requisition request process should be followed (see "Financial Policies and Procedures" #5 Purchases).
- When expenses are related to service agreements in which the service provider will perform the repairs/modifications the above process is not required.

Procedures for Initiating / Signing Contracts

When entering into contracts for support services or repairs/maintenance/renovations, the following guidelines apply:

- The Program Manager/Office Manager for administrative support reasons and the Properties Committee Chair (or designee) for repairs/maintenance/renovations are the only persons authorized to initiate contracts.
- Contracts for services must be reviewed every three years as a minimum to ensure that continuation with the service advisor is monetarily beneficial.
- Contract service providers must provide proof of insurance (Workers Compensation) prior to entering into agreement with said party.
- Contract services must be submitted via a request for expenditure of funds. No contract can be initiated without prior approval of the request. [The Properties Committee has access to a limited fund available for emergencies. Requisition guidelines should be followed after-the-fact.]
- Contracts shall clearly specify services to be provided. If services are provided that are not required by the contract, reimbursement will not be provided for the service.
- Contracts may obtain an additional work clause if deemed necessary. This clause shall not exceed 10% of the contract or \$300.00, whichever is less. The Stewardship/Finance Committee and Treasurer may approve changes to the above limits on a case-by-case basis. If the clause is not in the contract or the additional work exceeds the limits, the additional repairs must be submitted and approved prior to service being rendered.

Policies and Procedures for Fundraisers

- Fundraisers will not be held within a two-week period of special offerings such as Annie Armstrong, Lottie Moon, etc. or on the fourth week of the month (Benevolence Sunday).
- Fundraisers must be scheduled at least two months in advance with a maximum of one event per month.
- Two fundraising events per calendar year may be held for a charity, church event, etc. The fundraisers must be at least 4 months apart.
- An individual or group of individuals may only schedule two fundraisers per calendar year. The fundraisers must be at least 4 months apart.
- Fundraisers should not be utilized to supplement a budget line item unless the plan to do so is submitted along with the budget request for the upcoming fiscal year. The submittal must provide the typed of fundraiser, the target amount to be raised and the desired timeframe or date.
- All fundraisers must be approved by the Stewardship/Finance Committee and Pastor. To obtain approval for a fundraiser, the attached form (Appendix XII) must be completed and submitted to the Office Manager. The Stewardship/Finance Committee has the authority to override the above rules when circumstance warrant.
- The Office Manager will put fundraisers on the Church Calendar upon approval of the Stewardship/Finance Committee and Pastor.
- Fundraisers will be considered on a first come/first serve basis with fundraisers in support of church ministries having priority. As a result, it is recommended that those who desire to have fundraisers should submit the request early since only 12 (one per month) will be allowed in a calendar year.

Budget Line Item Responsibility

Budget line items are to be assigned cognizant owners. These owners are the responsible parties for managing the funds to meet the organization, committee, ministry team or program goals. The Stewardship/Finance Committee is responsible for assignment and providing the assignments to the organizational heads, committee chairs, team leaders and programs directors. See Appendix V.

[APPENDIX I]
2009 BUDGET REQUEST FORM
Exsting Line Item

PERSON/COMMITTEE/ORG: _____

BUDGET ITEM #: _____ **DESCRIPTION:** _____

2008 BUDGETED AMOUNT: _____ **SPENT TO DATE:** _____

AMOUNT REQUESTED FOR 20____: _____

In the space below, please give a rationale for this request and the purpose of the budget line item:

Have the other members of your committee/organization been consulted in relation to this line item? _____ **Yes** _____ **No**

Signature

Date

[APPENDIX II]
2009 BUDGET REQUEST FORM
Existing Line Item
[CORRECT EXAMPLE]

PERSON/COMMITTEE/ORG: Properties Committee

BUDGET ITEM #: 670-701 **DESCRIPTION:** Electricity

2008 BUDGETED AMOUNT: \$ 40,000.00 **SPENT TO DATE:** \$ 16,765.47

AMOUNT REQUESTED FOR 2009: \$ 40,000.00

In the space below, please give a rationale for this request and the purpose of the budget line item:

This line item covers the electricity needs for the church.

Based on the first half of the year the average bill has been \$ 3,000.00. Projecting this out for the remainder of the year the total will be \$ 36,000.00. Based on a projected 10% increase in the rate or $\$ 36,000 \times .1 = \$ 3,600.00$ or \$ 4,000.00. The total requested is $\$ 36,000.00 + \$ 4,000.00 = \$ 40,000.00$. The total is based on this years projected total plus a projected 10% increase.

(When providing the purpose of the budget line item try to be specific as possible especially if the line item title is not specific (e.g. Special Projects, 640-403)).

(When providing the rationale for the requested funds try to be specific as possible. The rationale should be based on specific expenditures planned for next year and the amount (see the example above)).

Have the other members of your committee/organization been consulted in relation to this line item? Yes No

Signature

Date

[APPENDIX III]
2009 BUDGET REQUEST FORM
Existing Line Item
[INCORRECT EXAMPLE]

PERSON/COMMITTEE/ORG: Properties Committee

BUDGET ITEM #: 680-803 **DESCRIPTION:** Repairs

2008 BUDGETED AMOUNT: \$ 3,000.00 **SPENT TO DATE:** \$ 350.75

AMOUNT REQUESTED FOR 2009: \$ 3,000.00

In the space below, please give a rationale for this request and the purpose of the budget line item:

This line item provides funds for administering repairs to the church buildings and grounds.

This was the amount requested last year.

**THIS IS THE IMPROPER WAY TO COMPLETE
THE REQUEST FORM**

Have the other members of your committee/organization been consulted in relation to this line item? Yes No

Signature

Date

[APPENDIX IV]
20__ BUDGET REQUEST FORM
New Line Item

PERSON/COMMITTEE/ORG: _____

DESCRIPTION: _____

AMOUNT REQUESTED FOR 20__: _____

In the space below, please give a rationale for this request and the purpose of the budget line item:

Have the other members of your committee/organization been consulted in relation to this line item? Yes No

Signature

Date

APPENDIX IX

Purchasing Policy for Centerville Baptist Church

This policy applies to all purchases of supplies, equipment and/or services for use by Centerville Baptist Church and its organizations.

The aforementioned purchases shall be made only on the authority of a requisition which has been approved in the following manner:

- a. Requests for approval should be submitted prior to the purchase. It is recognized that there will be instances where this is not possible, but these should be the exception, not the rule.
- b. All requests must be approved by the Treasurer. In the absence of the Treasurer, the Finance/Stewardship Committee Chair will approve the requests.
- c. If there are not sufficient funds in the line item or if the request does not fall within a budget line item or a designated fund, the Stewardship/Finance Committee must approve the request.

Requests and expenditures are to be made for line items only by the appropriate staff, organization heads, committee chairpersons, or program directors. Purchasing of consumables (paper products, printing supplies, office supplies, etc.) should be coordinated through the Office Manager to take advantage of bulk discounts and free delivery services.

All requests for reimbursements must include the original dated receipt or invoice showing the item(s) purchased. If these are not available, other documentation must be provided. All requests for reimbursements must be submitted to the Office Manager within thirty (30) days of origin.

Receipts for any credit purchases must be submitted to the Office Manager within one (1) week of date of purchase to facilitate reconciliation of the credit statement.

Any rewards, rebates, promotional gifts, etc. received as a result of a purchase for the Church and its organizations are considered property of the Church and are to be surrendered to the Church Office Manager upon receipt.

This policy is in effect as of September 1, 2007.