

Refuge.Church FM Corp Financial Policy and Procedures

Introductory Statement

We believe that no one person has more authority than the other, but instead, each submits to and empowers the others to lead where they are most gifted. In scripture, we see God giving broad principles, not narrow rules for organization of the church. We believe that God wants us to organize around the purposes for which he designed the church, and to utilize the unique gifts and talents of each member of the body for its mission. In this sense, we see a decentralization of authority and resources as often as possible.

As we seek to achieve this mission, we must also be good stewards of the financial resources received. The church is accountable to its membership to make sure the resources of the church are handled with the highest level of trust and integrity as possible. Then ultimately, the church is responsible to God for the stewardship of its funds. If a financial conflict arises, the instruction in Matthew 18 should be followed as a guiding principle.

Our purpose in developing this manual is to establish clear and specific policies and procedures regarding the financial and operational affairs of Refuge Church to assure responsible stewardship of resources for ministry and compliance with legal duties, create member confidence in the handling of Church funds, and give volunteers clear guidance in performing their responsibilities.

No manual can anticipate every circumstance or question about policy. As Refuge Church continues to grow, the needs may arise and the Board reserves the right to revise, supplement, or rescind any policies or portion of the manual from time to time as it deems appropriate.

Fiscal year

The church fiscal year shall begin January 1 and conclude December 31.

Budget

An annual budget will be prepared to cover the ministries, administrative and practical needs of the Church. The budget process will begin in September with input from all of the committees and ministries of the church. A draft budget is prepared by the Treasurer and presented to the leadership and Board by November 15. Based on adjustments to the draft, the Treasurer will present a final budget for church adoption by the Board before December 15. The annual budget must be submitted by the pastoral team, and approved by the Eldership team and Board of Directors. The budget is a benchmark to be used to judge spending decisions. The Treasurer has the responsibility for monitoring the budget, reviewing and providing recommendations on proposed changes, providing on-going financial reports and guidance to the church's leadership and assuring compliance with the financial policies. Any significant variances from the budget should be pre-approved by the Board. Also included in the budgetary preparations will be a two year estimated projection based on current finances, membership and growth projections.

Bank Account

The Treasurer, with approval of the Board, will be authorized to open and close church bank accounts under the control and authority of the church. Only bank accounts controlled by the church may be allowed to use the church's federal identification number. The Board President and Treasurer are the authorized signers for accounts maintained by the Church.

Handling of Funds and Receipts

Weekly Offering Count

Two people are needed each week to count the monies of the church that are collected each Saturday. The Treasurer is responsible for appointing, training and assigning the counters each week. The two counters that work together should not be from one family. Counters will sign a confidentiality statement prior to participating in the counting process. The Treasurer will fill in when a counter is unable to perform their duties, but may not be a counter two weeks in a row. At the end of each service or collection, offerings will be placed in a bank bag and locked in the safe. When placing funds in the safe, the individual must sign the Safe Access log. On the agreed counting day the two counters will open the safe, sign the safe opening log and retrieve the bank bag. Offerings will be counted in a secured area for counting and the bag will be opened in the presence of both counters. The counters will:

1. Separate offerings in these categories: envelopes, loose checks, loose currency.
2. Open and remove checks and cash from envelopes, checking to ensure the amount written on the envelopes balances with the amount of money or checks inside. Scan copies of all envelopes for later posting to donor records.
3. Endorse all checks with bank endorsement stamp.
4. Count loose currency and enter totals in Cash Counting sheet.
5. Separate checks by designation (see Designated Funds for additional information) and record in the appropriate category on offering tally sheet.
6. Complete bank deposit slip, properly identifying currency, coin and check totals.
7. Place bank deposit slip, checks and currency in a sealed bank bag. Total will be written in the bank bag and both counters will sign. If a deposit will not be immediately taken to the bank, the deposit will be placed in the safe.
8. Depositors will sign the Cash Counting Sheet and will deliver deposit to the bank and placed in the Bank's night depository.
9. Treasurer will verify the amounts on the Cash Counting Sheet against the bank posted deposit once a week.

Digital Offerings

The Treasurer will oversee the establishment and reconciliation of all digital offerings.

Other Cash Receipts

Monies collected during the week will be placed in the safe for counting during the weekly offering count.

Designated Funds

Individuals can give designated gift; however, the designated fund must be established before the church receives the cash or cash equivalent designated gift. If an offering is designated by the donor to a specific fund that has not been approved by the church, the offering will be placed in a separate envelope and placed back in the safe. A copy of the check will be given to the Secretary to contact the donor. If donor is not agreeable to funds being used in an approved designated fund or general fund, the check will be returned to the donor.

Designated fund will be established as:

1. Any member of the church may request the establishment of a designated fund.
2. The member must present a verbal or written request to the Pastor or the Board.
3. The Board must approve the funds before any contributions for the designated purpose are accepted.
4. The established designated fund must meet the following requirements in writing:
 - a. The purpose of the fund and how it furthers the mission of the church must be stated.
 - b. Procedure on how the fund will be spent.
 - c. Procedure on how the fund can be closed.
 - d. Procedure on how any money left in the fund will be dispersed after the fund is closed.
5. Designated funds shall be restricted solely for the designated use, and may not be diverted to other purposes without the written authorization of the donor.

Fundraising Events

The normal practice of financial operations of the church is for members to give their tithes and offerings through the general budget of the church. The Board must approve all fundraising events. Contribution credit will not be given for items purchased at a fundraising event.

Non-Cash Receipts

Gift of negotiable securities should be sold immediately and converted into cash. The Board, where appropriate, must agree to the receipt of real property and make recommendations to the Church regarding the acceptance and use of such gifts. Gifts of other items of personal property must be approved by the appropriate ministry or committee. All gifts will become property of the church and their use and/or disposal is at the sole discretion of the church.

Donor Records

The Treasurer will periodically compare the tally sheets to the actual bank deposits. Before the end of each month, the treasurer will enter all donor records for offerings received during the current month as a basis to provide donor acknowledgement for all contributions. For all gifts accepted by the church, a donation letter will be sent to the donor by January 31. All non-cash gifts will be specifically noted in detail as to the type of property donated, but it is the donor's sole responsibility to justify his or her tax deduction value. Personal services or free use of some personal asset may not be donated for deductible purposes.

Disbursement of Funds

The church treasurer and other designated individuals shall be responsible for the disbursement of church funds according to the budget adopted by the church; therefore, the following principles will apply:

1. All bills will be paid in a timely manner
2. Written documentation must be obtained for all disbursements.
3. Check requests should be given at least one week in advance and be accompanied by the appropriate invoice or check request form.
4. All receipts shall be provided to the Treasurer by the individual requesting the funds.
5. Recurring expenditures, such as utility bills, or other expenses that have been adopted in the church budget may be approved by the pastor.
6. Any non-reoccurring check over \$1,500 requires an approval form with the signatures of the President and Treasurer.
7. No signer is authorized to sign blank checks.
8. Any expenditure that will cause a budget line item to be over the budgeted amount requires Board approval prior to the expenditure.
9. The reconciliation of the bank statement will be performed monthly.

Debit Cards

When goods and services are procured for the church, the vendor should be requested to bill the church so payment can be made directly to the vendor. This is especially important for large purchases since it will allow the finance office to arrange to make incremental payments when needed.

Church debit cards may be made available to the Treasurer and to Members of the Pastoral Team to facilitate the planning and purchase of items required in their ministry areas. These cards are to be used only for purchases for use by the church. Sales receipts must be submitted to the church treasurer within 7 days of purchasing an item. Proper use and accountability of the card is documented in a Debit Card Agreement (Exhibit A), which all cardholders must sign. The Church Treasurer is responsible for obtaining and maintaining all debit card agreements and substantiation receipts.

Expense Reimbursement

The church will reimburse only reasonable and pre-approved ministry-related business expenses incurred by a minister or employee. A receipt must accompany the documentation. Any expense reimbursement requests must be submitted within 30 days of incurring the expense by submitting an expense reimbursement request.

Reserve Fund

The goal of the church will be to maintain two months of reserve funds to be used in the case of emergency or temporary budget shortfall.

Financial Reports

Monthly and annual financial reports will be prepared by the Treasurer and made available to the Board for review. Once reviewed by the Board, financial reports will be published on the church's website. Financial records shall be reviewed annually by an independent third party.

Financial Records

The church will be responsible for maintaining adequate financial records at the church facilities. Members can request to review financial records, with the exception of donor information as outlined in the donor Privacy Policy, by submitting a written request to the Treasurer. The church financial records or copies will not be removed from the church premises without the Treasurer's approval.

Exhibit A

Refuge.Church FM Corp Debit Card Agreement

Refuge.Church FM Corp is providing you with a debit card. The Church will be responsible for the balance on the corresponding account. You, as a member of the Pastoral Team, are charged with the responsible use of this debit card. Acceptable charges must be within the budget adopted by the Church, and include expenses specifically related to the conduct of ministry for your area of responsibility within the Church. Substantiation of all charges is required.

I, _____, in my capacity as _____, in signing this statement, agree to the following conditions set forth by the Church Budget and Board of Directors, with regard to the issuance of a debit card held by me:

☐ I will use this debit card for Church business purchases related only to Church ministries and Church business, over which I have authority.

☐ I will account for my purchases to the Treasurer, and provide sales receipts within 7 days of purchasing an item. Charges incurred because of late submittal will be my responsibility.

☐ I will forfeit my debit card upon termination of service on the Pastoral Team and/or upon request by the Board of Directors, and I will be personally responsible for any purchases that have not be accounted for at the time of forfeiture of the card.

☐ I am aware that purchases that are not accounted for within the prescribed time period will become my responsibility, and are due back to the Church within 30 days of the expense.

Pastoral Team Member Signature

Date

Treasurer Signature

Date