

# [Church Name]

## FINANCE COMMITTEE PRACTICES POLICY

### DISBURSEMENT FORMS

*\*\*Give special attention to requests from treasurer and other officers\*\**

*\*\*\*No checks will be written without a complete, and approved by council, disbursement form\*\*\**

- All areas must be filled in
- Supporting IRS approved documents must be attached
  - reimbursements must include original invoice/receipt(s)
  - donations to organizations must include letter requesting assistance
  - bills must include invoice
  - Review receipts to ensure taxes are not paid and/or are not reimbursed/paid by church
- Reviewed by finance committee and approved by council.
- If approved: signed forms with invoices/receipts are given to Treasurer and the check is written.
- **NON-BUDGETED EXPENSES:**
  - If it is not a budgeted item and/or has not been preapproved by council:
    - Payment requests should contain as much information as possible in order to provide an explanation of the expense and a reason that the expense was incurred.
    - Request containing insufficient information, or missing information or signatures will be returned to the requestor for completion.
    - If all information is provided-Ensure Council is aware of the request
    - The Council will vote on request
    - If approved: signed form and receipts are given to Treasurer and the check is written.
- **BUDGETED:**
  - Recurring Administrative Invoices:
    - Normal invoices are paid upon receipt by Treasurer
    - If amount is questionable:
      - Ensure Council is aware of the issue.
      - Council will decide on action to take
  - Kitchen reimbursements(used for individuals only):
    - The Treasurer may write out checks up to \$25.00 a month for authorized persons purchasing kitchen items (disbursement forms and supporting documents are still required).
      - Verify receipts to ensure taxes are not paid and/or are not reimbursed to individuals.
      - Review and approve if no discrepancies.
    - If monthly amount is over \$25.00
      - Ensure council is aware of the request.
      - The Council will vote on request
      - If approved: give completed form and receipts to Treasurer for payment.
  - Travel:
    - Ensure the worksheet is attached to disbursement form and any receipts.
    - Check receipts to ensure taxes are not reimbursed.
    - See Travel policy.
  - Benevolence: See Benevolence policy (3 page document)

Approved: \_\_\_\_\_ Date: \_\_\_\_\_

# [Church Name]

## FINANCE COMMITTEE PRACTICES POLICY

### **BANK STATEMENTS:**

- Beginning, Ending balances and Dates match QB reports
- Review against Reconcile Report and/or Transaction Detail Report.
  - Mid-month (checking):
    - Verify all checks written are documented in QB.
    - Verify all deposits are documented in QB
    - Verify all transfers are documented in QB
    - Verify any interest paid is documented in QB
    - Any unexplained transactions need to be addressed by council
    - If all items match: Write “OK” sign and date statement
  - End of Month (savings):
    - Verify all Electronic Fund Transfers (EFT) are documented in QB.
      - These are usually payroll payments and AFLC admin fees.
    - Verify deposits are documented in QB
    - Verify any interest paid is documented in QB
    - Any unexplained transactions need to be addressed by council
    - If all items match: Write “OK” sign and date statement

### **OFFERINGS:**

- Verify offering forms are signed by 2 (two) persons, not the same 2 people every Sunday.

### **DEPOSIT BOOKS:**

- Verify totals on offering forms match deposited amounts in bank book and QB report (see bank statements).

Approved: \_\_\_\_\_ Date: \_\_\_\_\_

# [Church Name]

## FINANCE COMMITTEE PRACTICES POLICY

### FINANCIAL REPORTS

- Balance Sheet
  - Date: last month
  - Quick view of where the money is and the net income
  - Used to see if spending vs. donations is in proportion to each other (if net income is a negative number spending is higher than donations)
- Monthly Contributions (columns by week)
  - Date: last month
  - Used to verify (tithe) AFLC 10% Charitable Contribution
  - Amount of contribution taken from the General Unrestricted total.
- Transaction Detail by Account
  - Date: last month
  - Compare with checkbook (see bank statements)
  - Verify internal transfers (General to Kitchen if used)
  - If check has been written and is not in QB let the bookkeeper know and have reports rerun prior to council meeting
- Unrestricted Income & Expense by Class
  - Date: last month
  - Shows interest and donation total
  - Used for tracking where the money is by account and class
- Temporary Restricted-Designated by Class
  - Date-Custom: 1/1/2012 through end of last month
  - Shows funds still in designated accounts
  - Used for tracking and approval prior to treasurer writing checks.
- Unrestricted Funds & Expense-Prev Year Comparison
  - Date-Custom: beginning of current year through end of last month, (example: 1/1/13 through 3/31/13)
  - Shows last year compared to this year by account
  - Used to view any changes and bring concerns to council's attention
- Budget vs. Actual
  - Date- This Fiscal Year
  - Shows estimates for year and how the church is spending

Approved: \_\_\_\_\_ Date: \_\_\_\_\_

# [Church Name]

## FINANCE COMMITTEE PRACTICES POLICY

### **END OF YEAR REPORTS:**

- Balance Sheet
  - Date: Last Fiscal Year
- EOY-Summary-council-Contributions
  - Date: Last Fiscal Year
- EOY-Designated Funds (Restricted)-Expense detail
  - Date: Last Fiscal Year
- EOY-Statement of Income & Expense
  - Date: Last Fiscal Year
- EOY-NON Designated Funds-Transaction Detail By Account
  - Date: Last Fiscal Year
- Pastor Transaction Detail by Account (book keeper may give spreadsheet for easier review)

### **DONATION STATEMENTS**

- End of year donor statements completed by bookkeeper and reviewed by finance committee. If no issues they are mailed, emailed, or hand delivered no later than January 31<sup>st</sup>.

### **W-9's**

- Ensure a W-9 is given and returned for all payments concerning income (Janitor, Guest Speakers, etc.) and are kept in file.

### **W-2 & W-3**

- Ensure all dollar amounts match QuickBooks reports.
- Upon approval bookkeeper will:
  - Fill out forms online and mail, email or hand deliver to employee by January 31<sup>st</sup>
  - And the Social Security Administration no later than February 28<sup>th</sup>.

### **1099-misc.**

- Ensure all independent contractors are tracked (W-9 in file)
- Ensure dollar amounts match QuickBooks reports.
- Upon approval bookkeeper will:
  - Fill out forms online and mail, email or hand deliver to employee by January 31<sup>st</sup>.

### **MI Form 165**

- Michigan Department of Treasury filled out correctly

?? (Not sure who is responsible for audit)

### **INTERNAL AUDIT:**

- Schedule internal audit, contacting audit committee, Treasurer, and bookkeeper to set date.
- If any issues, try to resolve them, if unable to resolve; bring items to council's attention.
- Give audit final results to committee.

Approved: \_\_\_\_\_ Date: \_\_\_\_\_