

## Unitarian Universalist Congregation of Rockville Fiscal Policies and Procedures

(Supersedes Board approved Policies of June 1967, September 1979, June 1983,  
September 1984, December 1996, October 2008 and June 2015)

Approved: Board President Ellen Rohan Date April 18, 2017

### A.1. Procedures

As specified in the By-Laws, all church groups are required to deposit all collected funds with the Treasurer.

#### *a. Collections*

Monies collected by mail, collection basket, or any other means shall be placed in the church safe by the Church Administrator and kept in locked storage until deposited. Any other individual placing cash in the safe should include a signed document describing the nature and total amount of the deposit.

#### *b. Deposits*

The Church Administrator shall total the undeposited cash and checks, and prepare a deposit summary that properly categorizes each item. The total of the deposit summary must agree with the bank receipt for the amount deposited. Deposits are to be made once a week on a regular day suitable to the Church Administrator and also on the last day of the month. The last day of the month deposit should be prepared on that day, but may be taken to the bank on the regular day for deposit. The interval between deposits should not exceed eight working days.

#### *c. Access to Accounts*

Only the Treasurer and two Assistant Treasurers, as elected by the congregation and authorized by the Board, will have access to church accounts. This authorization will follow the validation policy of each institution where an account is held. The Treasurer shall be given limited power of attorney to trade within the accounts and review transactions, but shall not be authorized to make withdrawals or sign checks. The Assistant Treasurers shall be given full power of attorney to make fund withdrawals and/or fund transfers both by check and electronically. If the church rents a safety deposit box, the Treasurer and both Assistant Treasurers shall be authorized to access it.

### A.2. Expenditures

Payment of Church obligations shall be by check, credit card, or electronic payment. Checks shall be signed by the Assistant Treasurer for Disbursements. If the Assistant Treasurer for Disbursements is not available, the Assistant Treasurer for Receipts may sign checks. At the Board's discretion, the Board President may also be granted check-signing authority.

*a. Expense Vouchers*

For each expenditure, there must be a voucher drawn, except as noted under "recurring vouchers" below. Expense vouchers may be obtained in the Church Office. Receipts, bills, or explanatory material should be attached, and the voucher should be signed by the person authorized to approve those expenditures. The signed vouchers must be checked by the Assistant Treasurer for Disbursements as to proper signature.

Church staff, Committee Chairs, and heads of church events, or their designees, are authorized to approve expenditures within their assigned budget responsibility areas. A list of individuals currently authorized to sign vouchers is maintained by the Finance Committee. The list of authorized signers should be provided to the Assistant Treasurer for Disbursements and kept on file in the Church Office. It is the responsibility of those signing vouchers to be sure that the expense does not exceed their budgeted amounts. The Finance Committee shall notify authorized signers (such as Committee Chairs and heads of Church events) of their budgeted amounts.

*b. Recurring Vouchers*

Payment of the following recurring expenses shall be coordinated between the Church Administrator and the Assistant Treasurer for Disbursements:

- \* denominational contributions
- \* pension contributions
- \* insurance (all kinds)
- \* utilities

*c. Credit Cards*

Credit cards may be issued to the Church Administrator, Minister(s) or other staff member to be used when credit is required for payment. The Treasurer or an Assistant Treasurer shall be the account holder and approve who is assigned use of a credit card.

*Details of UUCR's credit card policy may be found in the Board's Credit Card Policy document.*

**A.3. Restricted Funds**

*a. Restricted Funds Procedures*

Authorization to establish such funds is a function of the Board of Trustees (see Section B.I. below). The funds shall be accounted for and shown

separately in the Church financial records. The balance in each fund shall be included in the monthly Treasurer's report. Monies may be obtained from these funds as specified above in paragraph A.2.a. Individuals who may sign vouchers for restricted funds are to be approved by the Board.

*b. Minister's Discretionary Fund*

The church shall maintain a Minister's Discretionary Fund to assist persons in need. Expenditures from this fund may not inure to the benefit of the minister. Expenditures will be at the discretion of the minister and will be held confidential. The minister will use a checkbook for this purpose with the Treasurer being the only church official with access to individual check records. The minister shall carry out this function following Board approved policy for this fund.

*c. Emergency Use of Restricted Funds*

If operating cash reserves are depleted, restricted funds may be borrowed by the Treasurer to pay operating expenses with prior approval of the Board of Trustees.

**A.4. Records**

*a. Bookkeeping*

The Treasurer shall be responsible for assuring the financial books and records are properly maintained. The Treasurer may choose to delegate routine maintenance of the church books to a bookkeeper, who may be either a paid employee or a volunteer member of UUCR approved by the Board to perform this function.

*b. Pledge Records and Statements to Pledging Units*

Unless the pledger requests otherwise, the Assistant Treasurer for Receipts will send each pledging unit a statement indicating the amount of the total pledge, the pledge amount prorated to the end of the current month, and the sum of payments received by the end of the previous month.

For weekly or monthly accounts, statements should be sent monthly. For accounts not specified or quarterly, statements should be sent quarterly. All statements should be sent no later than the tenth business day of the month.

*c. Supporting Documents*

All vouchers, bank statements which list checks and deposits, and all other supporting documents and papers shall be maintained for seven years, subject to the legal requirements. Payroll, tax, and financial statement documents shall follow Internal Revenue requirements. Records related to acquisition of fixed assets should be retained until the asset is disposed of.

*d. Acknowledgments to Non-Pledge Contributors*

If contributions are received from non-pledging friends or members, a letter of thanks should be sent by the Assistant Treasurer for Receipts to the donor within a month of receipt of the gift.

**A.5. Reports**

*a. Treasurer's Financial Report*

The Treasurer shall prepare a monthly financial report for distribution to the Board and Finance Committee. The Treasurer's report shall include the following statements:

1. A combined balance sheet titled "Statement of Financial Position" showing the current balance and prior year-end balance for each asset, liability, and equity account. Restricted fund balances are reported in the equity section of the balance sheet.
2. An income statement titled "Statement of Activities" which summarizes current-year activity for each account in the operating budget as well as noncash items, such as depreciation and unrealized gains, which generally accepted accounting principles require to be included in net income for the current year. The income statement shall include a comparison of current income and expense to prior year amounts and to the annual budget for the current year, as prorated through the current month.

In addition to the basic financial statements included in the Treasurer's monthly report, supplemental reports may also be prepared and presented to the Board at the discretion of the Treasurer and/or Finance Committee. Examples of such reports are a historical report of investment balances and a detailed report of current-year activity within restricted funds, or charitable giving within pass-through accounts.

*b. Pledge Status Report*

Based on pledge records, a monthly report shall be submitted to the Finance Committee. The report shall indicate the status of pledges with respect to total amounts received, amounts owing, new pledges, and canceled pledges. Names shall not be included. The Assistant Treasurer for Receipts, after consultation with the staff, shall perform any follow-up concerning those monthly pledge accounts which are in arrears of three or more months.

*c. Investment Report*

The Treasurer shall prepare a semiannual Investment Report to be submitted to

the Finance Committee and the Board of Trustees at the end of each calendar and fiscal year. This report shall list fund locations (brokerage, mutual fund family, bank, etc.), the current balance in each account, year-end balances for the five preceding years, and other information useful to characterize the investments for the purpose of review.

#### **A.6. Interest Bearing Accounts**

The Treasurer shall recommend transfer of excess monies of the congregation not necessary for meeting day-to-day expenses to an interest bearing account. The Treasurer shall follow the guidelines set forth in the most recent UUCR Investment Policy.

#### **A.7 "Pass Through" Collections**

The Treasurer shall monitor the use of "pass through" accounts which contain amounts held for transmittal to non-UUCR recipients. Cash and checks made out to UUCR for payment to an outside organization will be deposited in the Church bank account; checks made out to the recipient organization will be kept in the safe and forwarded to the organization. Any amount held in a pass-through account should be transmitted to the intended recipient as soon as it is practical to do so and, if possible, before closing the books for the fiscal year.

### **B. Responsibilities**

#### **B.1. Board of Trustees**

- a. Establish all financial policy for the Church.
- b. Designate individuals with limited or full power of attorney to church banking and investment accounts. Sign and have notarized any required account agreement forms.
- c. Appoint a Finance Committee Chair, Canvass Committee Chair, Investment Committee Chair, Planned Giving Committee Chair. The Board may appoint other committees as necessary to support the Board's responsibility for the financial health of the congregation.
- d. Enter into any binding contracts which may be necessary to conduct Church business. Approve investment recommendations made by the Investment Committee.
- e. Authorize any loans, floating of bonds, or other financial transactions which incur Church indebtedness.
- f. Review on a monthly basis the financial statements submitted by the Treasurer.

The Board is responsible for seeing that these reports are submitted in a complete and timely manner.

- g. Authorize any setting up of a restricted fund to be used for a special purpose, or earmarked expenditure. Unless prohibited by terms of the gift, the Board also has authority to close such funds.
- h. Approve the annual canvass pledge goal, and the Church annual operating budget each fiscal year. Approve capital expenditures, as required.
- i. Make whatever decisions may be required with regard to hiring and compensation of Church employees.

## **B.2. Treasurer**

The Treasurer has overall fiduciary responsibility and limited power of attorney for the proper execution of financial activities of the church. The Treasurer supervises and assists an Assistant Treasurer for Receipts and an Assistant Treasurer for Disbursements who have full authority to act for the Treasurer, as described in Sections B.3. and B.4. To ensure proper checks and balances, only the Assistant Treasurers may sign checks or have any signing authority of Church assets.

The primary duties of the Treasurer are to:

- a. Serve as a voting member of the Board of Trustees and Finance Committee.
- b. Keep the church books and perform monthly reconciliations of all asset accounts. Assistant Treasurers shall not reconcile asset accounts.
- c. Verify the accuracy and completeness of payroll records maintained by the church's outside payroll service.
- d. Prepare a monthly financial report as described in A.5.a.

The Treasurer may delegate the task of reconciling accounts and maintaining the financial records to a bookkeeper, but responsibility for the accuracy and completeness of the records remains with the Treasurer.

*A detailed description of the duties of the Treasurer can be found in the Board document "UUCR Financial Duties and Responsibilities".*

## **B.3. Assistant Treasurer for Receipts**

The primary responsibilities of the Assistant Treasurer for Receipts are to:

- a. Accurately record all gifts of cash or stock received by the church and prepare the appropriate acknowledgements.
- b. Maintain the pledge status database and generate statistical reports.
- c. Consolidate bank deposit summaries prepared by the Church Administrator into a monthly Cash Receipts Journal for entry into the church books.

*A detailed description of the duties of the Assistant Treasurer for Receipts can be found in the document "UUCR Financial Duties and Responsibilities" which was approved by the Board on April 28, 2014.*

#### **B.4. Assistant Treasurer for Disbursements**

The primary responsibilities of the Assistant Treasurer for Disbursements are to:

- a. Prepare checks (based on correctly submitted expense vouchers) to pay operating expenses, reimbursements, pension and insurance payments for minister and staff, denominational contributions, social action disbursements, and other church obligations.
- b. Verify that each expenditure has been authorized by the appropriate individual, properly documented, and charged to the correct account in the church financial records.

*A detailed description of the duties of the Assistant Treasurer for Disbursements can be found in the document "UUCR Financial Duties and Responsibilities" which was approved by the Board on April 28, 2014.*

#### **B.5. Church Administrator**

The primary financial responsibilities of the Church Administrator are to:

- a. Provide to the payroll service (ADP) all of the information necessary for timely and accurate payment of employees' wages and related tax liabilities.
- b. Prepare the weekly bank deposit and act as custodian of undeposited funds.
- c. Maintain church financial records in consultation with the Treasurer and Chair of the Finance Committee.

*A detailed description of the duties of the Church Administrator can be found in the document "UUCR Financial Duties and Responsibilities" which was approved by the Board on*

*April 28, 2014.*

### **B.6. Finance Committee**

The Finance Committee is a standing committee whose Chair is appointed by the Board of Trustees. The Committee's responsibilities are to:

- a. Prepare an annual budget and budget revisions for submission to the Board.
- b. Support an annual canvass of Church members and friends.
- c. Meet once a month to review the financial statements submitted by the Treasurer and financial matters of the Church, and make appropriate recommendations to the Board of Trustees.
- d. Review fiscal policies and recommend amendments to the Board each year, as necessary.
- e. Review financial activities of the church, perform assessments, and provide fiscal advice to the Board of Trustees.
- f. Cause a financial review of the church books and report the results to the Board. This review shall be performed at least once every three fiscal years by a committee of no fewer than three members of the congregation.

### **B.7. UUCR Staff and Heads of Committees**

- a. Prudently spend budgeted funds as needed, remaining within the current budget limit. Any expenditures which would exceed this budget limitation must be approved by the Finance Committee before any obligation is incurred. The Treasurer shall notify the Board of any expenditure that exceeds the allocated budget by \$500.
- b. Assist the Finance Committee in preparing a budget for the next fiscal year.
- c. Approve vouchers for submission to the Treasurer for payment and ensure that all vouchers are submitted within the appropriate fiscal year. Note: Budgeted amounts are not carried to the next fiscal year.

### **B.8. Canvass Committee**

Conduct a Pledge Drive each year to support the annual operating budget of the church. Canvass new members of UUCR in coordination with the Membership Committee.



### **B.9. Pledging of New Members**

The Membership Committee shall assure that all new members receive information about the financial stewardship responsibilities of Church membership, either prior to or within one month of their joining. If not already pledging, new members shall be asked by the Canvass Committee to pledge as a part of their membership commitment.

### **B.10. Financial Review Committee**

This committee, appointed by the Finance Committee, shall conduct a financial review of the Church books upon the closing of the designated fiscal year and present a report of that review to the Board of Trustees. This review should consist of a statistical sampling of the various transactions to vouch that the appropriate procedures and policies have been followed, and shall confirm the balance of assets of the church books.

### **B.11. Ushers Committee**

The ushers shall be responsible for the collection, safekeeping, and reporting of collections at services. Two ushers, working together, will count the cash and checks collected. They will then record the total cash and total checks separately on a standard receipt form (provided in the church office), and sign the receipt. The collection and accompanying receipt shall be placed in the church safe immediately after counting is completed.

### **B.12. Investment Committee**

The Investment Committee reports directly to the Board and is responsible for carrying out the Board's Investment Policy. The committee is responsible for reviewing and recommending UUCR investments to the Board. Significant investment decisions, such as changing investment firms or transferring into new investment types, shall be approved by the Board. Routine decisions, such as rebalancing, or reallocating to similar funds in existing accounts shall be done with approval of the Treasurer.

### **C.1. General Policies**

- a. No person, group, or committee shall hold a fund raising event without following the UUCR Fund Raising Policy established by the Board of Trustees. Fund raising events shall be coordinated on the Church calendar to ensure that excessive fund raising does not occur on any given Sunday or any given time period. Funds collected should not promote or benefit single individuals of the church.
- b. All major budgetary actions (e.g., construction projects, changes in church indebtedness) shall be submitted to the congregation for advisory opinion prior to final approval by the Board of Trustees.

- c. All non-cash donations, such as assets, property, etc., will be either placed in service or liquidated within a reasonable time of receipt.
- d. All Church monies will be deposited in Church accounts and maintained on the Church records. No Church organization shall maintain any funds separate from the Church accounts.
- e. Unless otherwise directed by a donor, every annual pledge donation check will be applied entirely to a single pledge year. If the current fiscal year's pledge is fulfilled, the donation will be first applied to a previous year's outstanding amount, if any, and second to the next year's pledge (provided one exists). Donors are able to redistribute previously-donated funds among pledge years upon request.
- f. When concluding the term of office, the Treasurer shall turn over to the incoming Treasurer all financial records of the church in his or her custody and shall account to the incoming Treasurer for all receipts and disbursements since the date of the last financial report examined by the Board of Trustees.
- g. The Treasurer and Assistant Treasurer's terms of office shall not end with the election of their successors, but shall continue, in coordination with the new fiscal officers until August 1<sup>st</sup> to permit orderly close out of church books for the fiscal year ending on June 30<sup>th</sup>.