

Christ Church Episcopal
February 2020
APPROVED by the Vestry, February 16, 2020

Procedures for the Receipt and Disbursement of Parish Funds

I. Receipt of Funds

1. The 8am offering is combined with the plates used at 10:30.
2. Following the 10:30am service, the counting team (two people) receives the plates in the working sacristy from the altar server.
3. The counting team, using the **Weekly Counting Form**, records the amount of cash and number of checks received, then stores the offering with the executed form in the church office.
4. At the beginning of the business week, a **finance volunteer** updates the executed counting sheet to record checks received at the church office.
5. Prior to deposit, a **finance volunteer**:
 - a. Updates the pledge tracker to record contributions against pledges;
 - b. Completes the **Funds Classification Report** to identify designated funds received and emails the report to the Accountant, Wardens, Treasurer, and Parish Administrator.
6. At the earliest convenience, a **finance volunteer**, deposits the cash and checks into the operating account. A deposit slip is agreed to the executed counting sheet.

II. Disbursements - Authorization

1. Authorization Required: **Unauthorized disbursements are not permitted.** The Bylaws vest the Board of Directors (the Vestry together with the Rector) with the exclusive power to authorize disbursements from Parish income or assets (Bylaws, VIII.1). **The Vestry gives formal authorization through the approval of a budget (para. II.2 below), the acceptance of designated funds (para. II.3 below), and as needed (para. II.4 below). No one director or group of directors (Vestry members or Rector) has the power to authorize disbursements independent of a formal motion of the Board.**
2. General Fund as Budgeted - The General Fund Budget as approved by the Vestry is a formal authorization for appointed staff, committee chairmen, project managers, and parishioners to disburse parish funds in amounts and by purpose consistent with the Budget. Only appointed staff, committee chairmen, project managers, or parishioners may request disbursements from their assigned budgeted funds (“Authorized Request”), subject to approval (para. III.1 below). The Vestry may alter the Budget at any time.
3. Designated Funds - Staff, committee chairmen, project managers, and parishioners may also be authorized to spend funds set aside for a specific purpose, subject to further limitations on amount or purpose that the Vestry may impose. Only appointed staff, committee chairmen, project managers, or parishioners may request disbursements

from designated funds consistent with limitations as to amount or purpose (“Authorized Request”), subject to approval (para. III.1 below).

4. Other Authorization to Spend (Ad Hoc Requests) - Requests for authorization to spend an amount or purpose not budgeted or designated may be made to the Vestry consistent with the Vestry’s process for slating agenda items. The Vestry in its discretion may commit the request to the Finance Committee for review and recommendation. Ad Hoc Requests should be submitted to the Vestry Liaison to the Finance Committee using the Ad Hoc Request Form. In the interest of time, the Vestry Liaison may request the Finance Committee review and make recommendations on the request prior to the Vestry’s formal motion to commit the request to the Committee. Only the individuals designated on the Ad Hoc Request may request disbursements (“Authorized Request”), subject to approval (para. III.1 below).

III. Disbursements - Approval

1. Approval Required: Authorized Requests must be approved prior to disbursement, excluding items designated as exempt under paragraph III.5 below. Where an Authorized Request is consistent with the authorization’s amount and purpose, the request will be approved; all others will be denied. Only Authorized Requests may be submitted for approval.
 - a. Designated funds may only be disbursed when the request conforms clearly to the donor’s intent, as narrowly construed and, if applicable, as further purposed or limited by the Vestry. Where a request’s intended use is not clearly within the scope of a fund’s designated purpose, the request will be denied.
2. Request - Credit/Debit Card Purchases and Online Transactions: The Purchase Order Form is completed and submitted to the church office for approval.
3. Request - Payment by Check: The Check Request Form is completed and submitted to the church office for approval.
4. Approval: A finance volunteer reviews the Authorized Request for compliance, both as to amount and purpose, with the approved budget, designated fund, or other authorization to spend, and approves the expenditure or refers to the Treasurer and Wardens, who communicate any denial of unauthorized expenditures.
 - a. The Wardens or Treasurer may also approve or deny a request compliant with the approved budget, designated fund, or other authorization to spend, provided the appropriate documentation has been completed.
 - b. No party may approve his own Authorized Request or an Authorized Request that creates a conflict of interest for the approver (see, IV.4.a).
5. Exemption: The Treasurer with the consent of the Finance Committee may exempt certain disbursements from the approval process. The exemption is limited to items that are budgeted from the General Fund, recurring in nature, and non-discretionary.

Examples include utilities, payroll of salaried employees, or fixed installment payments. Disbursements exempt from approval are assigned by budget line. Designated fund disbursements are not eligible for exemption under this para. III.5.

IV. Disbursements - Payment

1. Request by Purchase Order Forms (para. III.2 above): Following approval of the Purchase Order Form, arrangements are made with the Parish Administrator to obtain the credit/debit card or to make the online purchase.
 - a. The credit/debit card is returned to the Parish Administrator along with an itemized receipt confirming only the amount and items approved were purchased.
 - b. Receipts for all credit card transactions including those from online purchases are submitted to the Parish Administrator along with the approved Purchase Order Form for submission to the Accountant in para. IV.2 below following receipt of the corresponding monthly credit card statement.
2. Request by Check Request (para. III.3 above): On Tuesday (Process Day 1), the Parish Administrator scans all invoices and receipts, attaching related Purchase Order forms or Check Requests, to the Accountant, Wardens, Treasurer, and Finance Volunteer together with a cover sheet listing the items scanned.
 - a. Method 1 - Physical payment:
 - 1) By Wednesday of the next week (Process Day 8), the Accountant delivers unsigned checks to the Parish Administrator.
 - 2) By Thursday (Process Day 9), an Authorized Signatory signs the checks at the church office.
 - 3) By Friday (Process Day 10) the Parish Administrator mails the checks or makes arrangements with the payee to receive the check at the church office from the Parish Administrator.
 - b. Method 2 - Electronic payment (ACH or check e-delivery):
 - 1) By Wednesday (Process Day 8), the Accountant submits to the Authorized Signatory an electronic request for signature or other approval to release funds.
 - 2) Signature or approval must be submitted back to the Accountant by Thursday (Process Day 9).
 - 3) For both Methods 1 and 2 (paras. IV.2.a and b), appropriate delays are made when a scheduled Process Day falls on a holiday.
 - c. Method 3 - Immediate Payment (No Payment Approval or Signature Required):
 - 1) The Treasurer with the consent of the Finance Committee may direct the Accountant to pay certain disbursements i) immediately upon receipt of the invoice or disbursement approval without need of signature or other payment approval, or ii) by autopay. Appropriate items include utilities, credit card bills, and fixed installment payments. An approval for immediate payment under this

para. IV.2.c.i is not an approval or authorization for disbursement under paras. III.1 or II.1 above, respectively.

3. Payroll

- a. Semi-monthly: Salaried employees are paid by direct deposit on the 15th and last day of the month.
 - b. Bi-weekly: Before Tuesday (Process Day 1), hourly employees submit for approval their **Timesheet** for the prior two weeks to the Treasurer, a Warden, or Rector. Approved timesheets are sent to the Accountant with the Tuesday batch (Process Day 1) (para. IV.2 above), who schedules direct deposit for the immediate Friday (Process Day 4).
4. The Authorized Signatories of the parish are limited to the Wardens, Treasurer, and others assigned at the discretion of the Finance Committee with the consent of the Rector, Wardens, and Treasurer.
- a. No one may sign for payment of an expense which he also approved (see III.4.b).

V. Transfers of Funds

1. Following weekly deposits, a finance volunteer transfers to the appropriate nested fund any money received into the operating account. Notification is sent to the Wardens, Treasurer, and Accountant.
2. When necessary, a finance volunteer transfers funds among accounts. Notification is sent to the Wardens, Treasurer, and Accountant.

VI. Amendments

1. The Parish Administrator, Treasurer, Wardens, and Accountant may agree among themselves to adapt the timing or sequence of events or to alter the divisions of labor as they deem necessary provided the signatory controls of III.4.b and IV.4.a are maintained.
2. The Treasurer together with the Finance Committee and with the consent of the Rector and Wardens may provide church debit, credit, or charge cards to individual parish members or staff to use in a manner consistent with their authorized disbursements provided all spending is approved and the cards have a daily purchase maximum of no greater than \$500.
3. The Vestry desires that procedures prescribed will be performed electronically to the extent possible.