

# Presbytery of the Coastlands

## FINANCIAL POLICIES

## **ACCOUNTING POLICY**

The financial books and records of the Presbytery of the Coastlands will be maintained in using a modified cash basis of accounting for not-for-profit entities. Accordingly, all assets, liabilities, revenues and expenditures will be reported as without donor restriction or with donor restriction. Resources without donor restriction which have been designated by trustee action for specific purposes will be reported in accordance with such designation. All investments will be carried at Fair Market Value. Appropriate software will be used to maintain accurate books and records.

Receipts and disbursements are recorded in the Presbytery books contemporaneously by the designated staff member (Financial Administrator) under the direction of the treasurer. The Treasurer will establish procedures for reviewing financial records, bank account reconciliations, etc. The Treasurer, with assistance from the Financial Administrator, compiles reports for reporting to the Trustees monthly and to the full Presbytery at least quarterly.

## **DESIGNATED RESOURCES**

The trustees will approve any designation of resources without donor restriction. Trustees will determine compatibility with the mission and ministry of the Presbytery as well as time limits, if any, on designation. Should the trustees determine that the designation is significant enough to warrant a formal separate policy to administer, trustees will designate a working group to develop and recommend such policy for approval by trustees. Administration of and accounting for revenues and disbursements of such designated resources shall be performed in accordance with such policy.

## **FINANCIAL REVIEW**

The Financial Review Committee is appointed annually by the trustees. The Committee is charged with examining the books and records and accounting procedures and controls of the Presbytery and reporting their findings and any recommendations to the Trustees.

## **BUDGETS**

The Trustees are responsible for submitting the annual operating budget to the Presbytery. The Treasurer is responsible for preparation of the annual budget in consultation with the Trustees and Presbytery Leader/Head of Staff with input from the Personnel and other appropriate committees.

## **BANK ACCOUNTS AND INVESTMENT FUNDS**

The Treasurer and Trustees will determine the financial institution(s) with which Presbytery funds will be deposited. The trustees will delegate authority to the Treasurer and Stated Clerk to act on behalf of the Presbytery in regards to accounts with financial institutions (banks, brokerage accounts, etc.) including authorization to sign checks, authorize electronic payments and transfer funds.

Cash management is the responsibility of the Financial Administrator in consultation with the Treasurer. Cash should be held in interest bearing accounts as much as is practical. The Trustees have responsibility for

oversight of cash management and for determining any possible need for depositing excess cash at more than one financial institution.

Investment Funds shall be managed and reviewed in accordance with an Investment Policy separately adopted by the trustees.

#### **INSURANCE**

It is the responsibility of the Trustees, with the assistance of the Presbytery Leader/Head of Staff, to ensure that the Presbytery is covered by adequate insurance for all operating purposes.

#### **RECEIPT OF FUNDS**

All funds received by the Presbytery should be promptly secured and accounted for. Accounting should be in accordance with designation of payor. Any designation for a purpose/mission not already part of Presbytery operations shall be approved by the Trustees. Funds should be deposited into the appropriate account. Deposit receipts should be retained with copies of checks and detail of accounts credited in the books. If donations are received from individuals, the Financial Administrator shall provide an appropriate receipt for tax purposes. Quarterly statements regarding Per Capita will be sent to all congregations to encourage timely payment of Per Capita.

#### **DISBURSEMENT OF FUNDS**

Funds will be disbursed on a regular schedule to be established by the Treasurer and Financial Administrator. All invoices submitted for payment must be accompanied by a voucher and appropriate documentation. The voucher must identify the account to be charged in accordance with the approved budget or resource designation. At the discretion of and with approval of the Treasurer, disbursements will be made by electronic payment or by check mailed to the appropriate vendor or other recipient. Disbursements of \$2,500 or more require two signatures on check or electronic payment authorization. Vouchers and documentation will be retained in Presbytery files as specified in the document retention policy below. Such records may be retained in hard copy or electronic medium so long as such electronic medium is automatically backed up at least daily.

Vouchers will be approved by the appropriate staff member or committee chair responsible for the budget area as well as the Treasurer. No voucher shall be signed for approval to oneself. All staff expense account vouchers must be supported by receipts, invoices or other documentation in accordance with the expense reimbursement policy. The Treasurer may approve all routine budgeted expenditures or expenditures for designated purposes such as disbursements of restricted gifts and offerings, etc. Recurring disbursements may be authorized by a standing transaction authorization for the fiscal period.

Items that will exceed budgeted amount by 10% or less must be approved by two of the following: the Treasurer, the President and Presbytery Leader/Head of Staff of the Presbytery. Expenditures that will be more than 10% in excess of budget must be approved by the Trustees either specifically or by amendment of the budget.

Staff members may be provided with a business credit card. The holder of the card will submit a voucher and receipts for each bill in a timely manner, indicating to what account the items are to be charged and providing documentation as required by the expense reimbursement policy. Cards should be cancelled immediately upon the holder's termination of employment with the Presbytery.

#### **PAYROLL AND TAX COMPLIANCE**

The Financial Administrator is responsible for processing payroll checks for employees based on salaries set and communicated by the Personnel Committee. The Presbytery will contract with a third-party payroll processing vendor for processing of payroll checks and timely filing of payroll tax returns, W-2s, 1099s, etc. Financial Administrator is responsible for compliance with Form 1099 reporting requirements and should obtain necessary tax identification numbers, etc. prior to disbursement.

#### **DUE DILIGENCE FOR SUPPORTED ORGANIZATIONS**

Organizations which receive donations and grants from the Presbytery in excess of \$2,500 per year are required to submit to the Presbytery copies of annual reports, audited financial statements if available and other documentation of the activities of the organization and the use of funds received from the Presbytery.

#### **RECORDS RETENTION**

The financial records of the Presbytery shall be retained for the period specified in the following table. Records which relate to employees must be stored in a secure manner to preserve confidentiality. When the recommended retention period has passed for such confidential records, they should be shredded or otherwise disposed of in a manner that does not compromise confidentiality. If retention is to be by electronic media, such electronic media must be backed up and secured appropriately.

#### **Type of Record - Retention Period**

- Annual financial reports - Indefinitely
- Financial Review committee reports - Indefinitely
- Bank statements, bank reconciliations, cancelled checks and deposit records - 6 years
- Brokerage statements - 6 years
- Budget work papers - 3 years
- Deeds and titles - Indefinitely
- Insurance policies - Indefinitely
- Interim financial reports - 3 years
- Journals and registers - 6 years
- Mortgages - Indefinitely
- Notes and leases - 6 years after termination
- Payroll related records:
  - Personnel files - 6 years after termination
  - Tax returns, W-2s, etc. - 6 years
  - Time records - 6 years
  - Vouchers and expense documentation - 6 years