

First Unitarian Universalist Congregation of Ann Arbor, MI

Finance Policy

Last Reviewed: June 2, 2014

The Senior Minister is responsible for ensuring these policies are implemented with support from the Executive Director.

Check Issuance:

All checks issued by UUAA from designated, operating or restricted funds shall have two signatures. The two signatures shall typically be those of the Executive Director and the Treasurer of the Board of Trustees. In the event that the Executive Director or Treasurer is not available to sign a check, the second signature may be that of the Senior Minister or the President of the Board of Trustees.

Contribution Statements:

A record of charitable contributions made by each individual is maintained in ACS, the church's membership database. Charitable contributions include, but are not limited to pledge payments, regular and special offerings, as well as contributions to specific programs where no goods or services are exchanged for the contribution. Proceeds received thru activities and events in which the contributor received specific goods or services, such as book and coffee purchases or event and retreat registration, are not considered charitable contributions, unless the proceeds exceed the estimated value of the provided goods and/or services.

The Office Administrator inputs contribution data into ACS each week, taken from copies of any checks received and the deposit paperwork. Contribution statements are mailed to contributors at the end of the year with any reported errors investigated and corrected as needed.

Designated Funds:

Specific recognized ministries and programs shall be granted status as a designated fund with income and expenses regularly recorded and reported on the UUAA balance sheet. Such funds shall be intended to provide these programs the capacity to manage the receipt of income designated specifically for a respective ministry or program and the related expenditure of collected funds. Designated funds shall not be used by any ministry or program to bypass or circumvent the annual operating budget approved by the Board of Trustees. The Senior Minister or Executive Director shall approve the creation of any new designated fund.

Deposits and Money Counting:

It is the policy of UUAA that all cash contributions be counted in a manner that will place congregation members, friends and staff above potential suspicion.

- All cash contributions to the organization made thru Sunday morning or special collections, special event activities, sales of goods or services or any other means shall be turned in to the Executive Director or his/her designee in the Church Office, as soon as feasibly possible after the activity or event has been held. In order to discriminate and track contributions for special activities or programs, monies shall be submitted in a sealed and signed envelope with the specific activity or program noted on the envelope.

- Mail is retrieved daily and opened by the Office Administrator. Cash or checks included in the mail are immediately placed in the Church Office safe.
- In the case of Sunday worship or special plate collections, all monies shall be turned in by two of the on-duty ushers immediately after the offering has been collected. All other contributions shall be turned in by the paid or volunteer staff person with primary responsibility for the related activity or event where the money was collected.
- Once received, the Executive Director or Office Administrator shall deposit all monies into the Church Office safe for immediate security.
- On Monday or each week (Tuesday when Monday is a holiday), the Church Office safe shall be opened by the Office Administrator with at least one other lay volunteer present and all monies shall be retrieved and counted by at least two, unrelated volunteer money counters. Monies for deposit shall then be placed in deposit bags and stored in the Church Office safe. All checks or money orders received are copied and stored in the Church Office.
- The Office Administrator shall prepare a written deposit report detailing contributions for the previous week and their stated purpose. Stated purposes may include pledged and unpledged contributions to the operating fund or designated contributions related to specific fundraising activities or congregational programs. Any undesignated donations shall be considered contributions to the operating fund. A copy of this report shall be submitted to the congregation's bookkeeper and the original report shall be filed along with copies of all checks and other pertinent documentation.
- The Executive Director (or Office Administrator in cases where the Executive Director is unavailable) shall take the deposit of all prior week contributions to United Bank & Trust by 5:00pm on Tuesday afternoon of each week (Wednesday when Monday or Tuesday are a holiday).

Employee Credit Card Use:

In the course of conducting official business on behalf of UUAA, there are instances when a credit card may be the most effective and efficient way for an employee to pay appropriate and approved expenditures. The following policies shall guide employee credit card use:

- While any UUAA employee may request a credit card to use to pay organizational expenses, the Executive Director shall approve all issuance of credit cards to particular employees. Such approval shall be based on the employee's proven adeptness and integrity managing expenses, his/her need to make regular and routine purchases for which a credit card is the most effective and efficient manner to make payment, and the unavailability of reasonable alternatives for payment, such as the use of petty cash or established account billing.
- Organizational credit cards shall be used only for the purchase of goods or services related to the official business of the organization, and shall not be used to charge personal expenses. The use of credit card shall be limited to the following circumstances: the purchase of capital outlays of up to \$1,000; for travel, meals and accommodations while on congregation business (*excluding expenses incurred in operating a privately owned automobile*); and the purchase of other budgeted operating or designated expenses.
- All congregational expense and purchasing policies shall be complied with when using a credit card and an original receipt for the merchandise or service shall be submitted by each respective employee at the end of each credit card statement period, The Executive Director or Office Administrator shall review each credit card statement as soon as possible to ensure that transactions comply with this policy. Any transactions that appear on the statements that

are not documented with an original receipt shall be investigated. Transactions that do not appear to comply with this policy may be reported to the Board of Trustees.

- Any employee who is issued a credit card shall be responsible for its protection and custody. If a credit card is lost or stolen, the Executive Director or Office Administrator shall be notified. The entity issuing the lost or stolen credit card shall be immediately notified to cancel the card.
- Intentional misuse or fraudulent abuse of any may result in disciplinary action, up to and including and/or criminal sanctions. In addition, the authorized holder of the card shall promptly reimburse the organization for any unacceptable purchases.
- Any employee issued a credit card shall return the credit card to the Executive Director immediately upon termination of his or her employment or service with the organization.

Expense and Reimbursement Payments:

- Checks to pay approved congregational expenses and invoices shall be processed every two weeks by UUAA's contracted, offsite bookkeeper. The Church Office shall not process checks onsite. The bookkeeper shall be primarily responsible for recording all income and expense entries, preparing checks for signature, reconciling bank statements and preparing basic financial reports. The bookkeeper shall not have direct access to UUAA banking or investment accounts.
- Invoices for previously contracted services shall be approved for payment and initialed by the Senior Minister or Executive Director.
- An *Expense or Reimbursement Payment Form* shall be completed for all other payments made on behalf of the congregation within 60 days of the expense. (Forms are available in the Church Office.) All *Expense or Reimbursement Payment Forms* must have supporting documentation attached to the form. An original receipt or invoice should be used as a supporting document and be attached to the back of the form or onto an 8 ½ x 11 plain piece of paper.
- In order to process payments to guest ministers and musicians or other individuals providing contracted service to the congregation, a copy of the related letter of agreement between UUAA and the person should be attached to the *Expense or Reimbursement Form*. In most cases, a W-9 form should also be submitted for proper tax reporting. See the Executive Director with any questions.
- All nonexempt employees, including building attendants, childcare providers and custodial staff, shall submit a timesheet signed by the employee and employee's supervisor in order to process payment.
- Leaders of formal program areas, such as the Board of Trustees, Music, Pastoral Care, Religious Education, Small Group Ministry, Stewardship and Social Justice may submit a completed *Expense or Reimbursement Payment Form* for any budgeted expenditure. *Expense or Reimbursement Payment Forms* must have an approval signature from a senior staff member. Senior staff members include the Senior Minister, Associate Minister, Director of Spiritual Growth & development, Music Director and Executive Director.
- Staff members submitting an *Expense or Reimbursement Payment Form* that would provide reimbursement to themselves shall have the form signed by a senior staff member. A senior staff member shall have the form signed by a different senior staff member.

- See separate Board of Trustees' Accountable Reimbursement Plan and Senior Ministers Discretionary Fund policies for additional requirements on business/professional and Minister Discretionary Fund expenditures.

Fiscal Year:

UUAA's fiscal year shall be January 1-December 31 of each year.

General Fund Budget:

Each fall, recognized ministries and programs of the congregation, along with UUAA staff shall submit budget requests for the next fiscal year. Each recognized ministry or program group may submit a completed *Budget Request Form* identifying their goals, planned activities and anticipated expenses for the coming year. *Budget Request Forms* shall be submitted to the appropriate senior staff members for review and modification, and then, forwarded to the Executive Director for compilation into a comprehensive operating expense budget. The operating income budget shall be compiled by the Executive Director using current giving trends, historical data and available results from the most recent stewardship campaign.

A draft of the combined income and expense budgets shall be provided to the Senior Minister for additional review and modification. The final version of the operating budget shall be presented by the Senior Minister to the Board of Trustees for their approval...

Each month, UUAA's bookkeeper and Executive Director shall prepare a summary report for the Board of Trustees, updating them of organizational financial performance, i.e. comparing budgeted versus actual income and expenses.

Governing Policies:

The Board of Trustees oversees the First Unitarian Universalist Congregation of Ann Arbor's (UUAA) governing policies related to asset and financial management, and also establishes and maintains the following policies –

- Accountable Reimbursement Plan (appendix 1)
- Investment Operating Guidelines (appendix 2)
- Minister's Discretionary Fund Policy (appendix 3)

Purchase and Service Agreements:

All goods or services purchased for the operation of the congregation that annually cost over \$5,000 shall go through an initial competitive bidding process. This process shall entail writing up of specifications and dispersing these either via fax, e-mail or regular mail to a minimum of three bidders and setting a deadline for receiving their respective bids. The best bid shall be granted approval by the Senior Minister or Executive Director. (Note - best and lowest price are not necessarily identical. "Best" may defined as performing the service in a way consistent with the organization's values. For example, "best" might be defined as purchasing recycled as opposed to non-recycled copy paper, which might cost more.)

The Senior Minister or Executive Director may mandate additional competitive bidding actions to secure particular goods or services. However, should no material changes occur to any established service contract, then the contract commitment may indefinitely continue.

In the event of an emergency, defined as anything that threatens the health, safety or welfare of the congregation, its members and guests, and/or property (e.g., building flooding problem), this

policy may be suspended and staff allowed to use their best judgment to choose a vendor or service provider to address the emergency. A brief, written report of the emergency which required a suspension of the policy and the related expenditures must be presented to the Senior Minister or Executive Director for review immediately afterwards.

Sales of Goods and Services:

The sale of goods and services shall be permitted only under the following circumstances:

- Goods or services may be sold to directly benefit the congregation with permission of the Senior Minister or Executive Director. Such sales shall only occur with the intent of fundraising for the congregation and the seller shall not keep any monies resulting from sales. An exception is granted art displayed as part of a scheduled exhibit, where an artist can designate a percentage of his/her sales receipts as a donation to the congregation.
- The Senior Minister or Executive Director must approve the sale of any items intended to raise funds for another nonprofit organization.
- Exceptions to any of the above shall be presented to and decided upon by the Senior Minister.

These policies are subject to change by the Senior Minister or Executive Director.

Edit and changes:

- Section regarding contribution statements added, December 5, 2007.
- Section regarding governing policies added, November 17, 2011.
- Office Manager changed to Office Administrator, June 2, 2012.
- Notice about potential W-9 requirement added, June 2, 2012.
- Senior staff approval requirement added to Expense and Reimbursement Payment section, June 2, 2012.
- Religious Education changed to Spiritual Growth & Development, June 5, 2013.
- Operating Budget changed to General Fund Budget, June 2, 2014.