

**ST. JOHN'S UNITARIAN UNIVERSALIST CHURCH**

# Finance Policies

December 1, 2021

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Revisions History	
8/12/2012	Judith Strong: add new cash reserves policy
8/12/2012	Judith Strong: changes to Minister's discretionary fund policy
4/19/2017	Carol Fencl: Finance Policy completely rewritten
12/2/2020	Nancy Henry: Removed references to Council Directors and included language for Teams. Policies became a separate document including formatting changes.
12/16/2020	Nancy Henry: Amended Policy on Gifts and added Policy on Information Security
3/24/2021	Nancy Henry: Amended Policy on Liability Funds
12/1/2021	Nancy Henry: Adopted Cash Reserves Calculation Policy



## Overview

Purpose: To set guidelines for the checks and balances within the church's financial system, following generally accepted accounting practices.

These policies, accompanied by procedures within these parameters, developed by those responsible for each area, will provide that no related persons should do any two of the following functions:

1. Handle money or other forms of income
2. Approve payments for expenditures
3. Sign checks
4. Reconcile bank accounts or produce financial reports

### Overview of financial system

The Board-appointed Financial Secretary shall oversee the procedures and people for handling assets received, including cash, checks, and other assets given to the church.

Cash and checks will be counted by two people, following church procedures.

The Office Administrator/Bookkeeper will record all income and pledges in the church software system.

Approval of payments, on the appropriate Request for Funds form (RFF), will have two signatures. The Approval Line must be signed by the appropriate Team/Committee signer or Staff member for the program under which the expense occurs. The Authorization Line must be signed by the Finance Director or, if the Finance Director is unavailable, a Board selected designee.

Checks will be prepared by the Office Administrator/Bookkeeper.

Checks will be signed by one of the three Board-appointed Check signers, accompanied by the appropriate documentation.

All bank statements and other financial records are reconciled by the Board-appointed Treasurer, who also oversees production of needed financial reports and any financial reviews or audits.

## A. Policy on Income/Revenue

### Policy on Bank Accounts

Policy adopted 2005, amended April 19, 2017, and July 19, 2017

All monies collected for committees, group or organizations within St. John's must be kept in church bank accounts. Procedures for accessing these will be the same as described below under Expenditures and Liability Funds.

## Policies on Donated Assets, Gifts and Pledges

### Policy on Donated Assets

Policy adopted April 20, 2005

A donated asset will be defined as a gift of something valuable without reciprocity. Donations of property, equipment or other assets will be recorded at the fair market value of the asset transferred, and reflected in financial statements at their estimated values, when ownership changes. Ownership changes when title and insurance process takes place. The estimated value of these items is determined, based on the cost of obtaining comparable items and services, at their fair market value at the time received. If necessary, an independent appraisal to determine the fair market value of the asset will be done.

### Policy on Gifts

Policy adopted April 18, 2002, amended December 15, 2004, amended May 18, 2011, amended December 16, 2020.

Either Donations or Bequests to St. John's which are specifically earmarked by the donor must be approved by the board before they are accepted by the church  
If the gift is made to one of the already established Endowment Funds of St. John's, it will be added automatically to that fund.

In the spirit of protecting and growing gifts made to the church, all unrestricted or undesignated gifts or bequests to St. John's will be distributed as follows:

1. Any unpaid pledge from the current or previous years will be deducted from the bequest and transferred to the current year's Operating Budget.
2. Any balance after paragraph 1 above, will be transferred to the Legacy Fund and will be distributed per the current Legacy Fund policy.
3. The Board may vote to deviate from the prior policies (1,2) and vote to use part or all of the gift or bequest for a specific expense.
4. Gifts provided as stock, or other investment vehicles, will be immediately liquidated and be distributed as above.

### Policy on Pledges

Policy adopted May 21, 2001 and December 14, 1993, amended April 21, 2004, and April 19, 2017

Purpose: To clarify the use of pledge money.

Pledges provided as stock or other investment vehicles, will be immediately liquidated and deposited into the Operating Fund

St. John's will not accept designated pledges for the General Operating Fund. A pledge cannot be designated to a specific program or line item.

Privacy of Pledge Information

The dollar amounts of pledges are considered personal information and shall not be revealed to anyone other than those individuals who require access to such information in order to perform the financial functions of the church. Those individuals permitted access would include but not be limited to:

- Finance Director
- Treasurer
- Financial Secretary
- Assistant Financial Secretary
- Stewardship Team Leader
- Minister

### Policy on Fundraising

Adopted April 20, 2005, amended on April 19, 2017

Fundraising is defined as raising money by either asking, individually or collectively, or by selling items or services.

Groups or individuals within St. John's whose fundraising helps the congregation, as a whole or through the activities of a particular group, to achieve its mission are not required to share proceeds with St. John's General Operating Fund.

Groups that rent space from St. John's for fundraising events are not required to share proceeds with the church.

Groups and individuals within St. John's that raise funds to benefit outside causes or organizations with which St. John's or one of its committees does NOT have an official affiliation are not required to share proceeds with St. John's.

#### Authorization for fundraisers

All fundraisers must be approved in advance, with decisions made in a timely manner.

The Finance Director shall be responsible for the development, revision, and publicizing of the procedures, in consultation with the Board. The current Procedures should be distributed to all committee chairs in even numbered years, and made available to the general congregation when requested. See Fundraiser Proposal Form and Fundraiser Report Form in the Appendix.

### Policy on Grants

Approved July 19, 2017

Any grant submitted in the name of St. John's must be approved by the board before submission, and signed by the President, or Vice President in the absence of the President. If the grant is received, financial records are to be maintained by the Treasurer. A copy of the final report for any grants received should be shared with the Board and the Treasurer.

## Other Revenue

### Art Gallery

Policy adopted July 19, 2017

If an artist's work is purchased while or as a result of being on exhibition in the Haehnle Gallery, 15% of the sales price will be paid to St. John's.

For information about sales of the Art Gallery, see St. John's Board Policies.

### Policy on Special Plate Collections

Policy adopted Dec. 11, 2016, amended July 19, 2017

#### Special Plate Collections

In the event of an emergency situation or natural disaster that requires immediate funding, the Board, in consultation with the minister, may designate a special plate collection. In this case, it may decide to postpone a previously scheduled Split Plate Collection, and the entire collection would be designated for the cause.

#### Split Plate Collections Guidelines

1. Designate the second Sunday of each month between September and June to include a "special split plate" justice collection.
2. The Outreach Committee will select recipients with suggestions from church and Justice Ministry members.
3. Provide two-week advance notice of "special plate" in order to provide time for publicity in newsletters and prior week order of service.
4. Include in the above notice, a report of the amount collected in the prior month.
5. Cash collections on the designated Sunday will be split 50/50 between the organization and St John's. All checks should be written to St. John's, and if a person would like to donate a percentage of their check different than 50% to the given organization, they should designate this in the memo line of their check, and St. John's will act accordingly. If a person would like to donate a specific percentage in cash, they can designate this by putting the cash in an envelope and marking it appropriately.

### Information Security Policy

Adopted December 16, 2020

No credit card information is ever to be saved or stored by church staff or volunteers, on paper or electronically. Written authorization to set up recurring Automated Clearing House (ACH) withdrawals are stored in a locked file cabinet and destroyed when no longer in force.

## B. Policy on Expenditures

Policy adopted August 21, 1991, amended April 21, 2004, May 21, 2008, and April 19, 2017.

### Overview of Expenditures

Purpose: To clarify authorization for expenditures.

The Board authorizes the following individuals to make or authorize expenditures on behalf of St. John's to the limits described below:

All Board Members, Team/Committee Leaders and Staff, to the extent of the budget approved for those purposes.

Transfers of money from a line item in the budget to another line item is prohibited without Board approval,

Any exceptions to the above guidelines must be approved by the Finance Director and documented for audit purposes. The Finance Director reserves the right to bring any exceptions to the Board of Trustees for their approval at the next Board meeting.

### Cash Reserves Calculation Policy

Policy approved December 1, 2021

At the end of each fiscal year the Treasurer will calculate the amount of cash to be designated as Cash Reserves for the new fiscal year. The Treasurer will provide the cash reserve calculation to the Board of Directors for planning in July.

### Policy on Cash Reserves Protection

Policy approved July 25 2012, Amended April 19, 2017

The Board has the fiduciary responsibility to maintain cash reserves sufficient

- a) to allow for adequate cash flow in the operating budget and
- b) to respond to emergencies without disrupting the approved fiscal-year budget.

An amount equivalent to at least 2 ½ months of the operating budget shall be held in reserves. No more than 25 percent of the remaining cash reserves may be accessed to erase a deficit budget in any given year

A proposed budgeted deficit cannot exceed the guidelines above.

### Policy on Check Signing

Policy adopted April 19, 2017

All check signers shall be approved by the Board.



After the checks are prepared by the Office Administrator/Bookkeeper, the Check Signer will check the accompanying payment, and only sign if the required documentation and authorized signatures are present.

### Policy on Contracts

Policy adopted August 21, 1991, amended April 21, 2004 and July 19, 2017

Purpose: To clarify signatory authorization on contracts.

#### Contracts

Board authorization is needed for any contract that goes beyond budgeted amounts for the specific line item. If this is the case, the Finance Director will work with the appropriate person to decide the timing and need. Amounts within budget guidelines need only the authorization as detailed under *Policies on Expenditures*.

All contracts for St. John's are to be signed on behalf of the Board by the President, or the Vice-President, in the absence of the President, after the recommendation from the Finance Director or staff member.

### Policy on Liability Funds

Policy adopted May 21, 2004, amended May 21, 2008, July 19, 2017, March 24, 2021

Purpose: To give clarity on how a Liability Fund may be created and used. A Liability Fund is defined as an account of monies received for a specific cause, group, or event.

#### Creation of a Liability Fund:

Liability Funds will be used as a "parking place" for a committee or organization to keep track of their money.

No monies from line items that are a part of the Operating Fund may be put into a Liability Fund, with the following exception:

Major Repair carry over from Property (adopted 9/1999)

Financial Audits (adopted 3/2021)

Ministerial Sabbatical (adopted 3/2021)

The following guidelines apply to the Liability Funds:

#### Amount:

There is no minimum or maximum amount that may be put into or stored in a fund

#### Responsibility:

All Liability Funds will be assigned a Team Leader or Staff Member to sign RFF's for expenditures.

Assignments will be documented and retained for audit purposes

#### Inactivity:

The Treasurer will audit these accounts annually and inform the Finance Director of any line items that are inactive. The Board may move funds inactive for two or more years into the church's reserve funds.

## Policy on Request for Funds (RFF's)

Policy adopted April 21, 2004, amended December 12, 2007, September 16, 2009, September 21, 2011, April 19, 2017 and September 18, 2019.

Purpose: To clarify the use of and procedures for making a Request for Funds (RFF) in order to execute payment or reimbursement for reasonable expenses.

Each RFF must have a receipt, letter of agreement, email correspondence, meeting minutes or other form of expense justification attached. See RFF form in the Appendix.

The appropriate account name and account number must be included. (A listing of current accounts is available in the church office.)

Signatures are required as follows:

The **Approval Line** must be signed by the appropriate Team/Committee signer or Staff member for the program under which the expense occurs.

The Approval Line may not be signed by the person receiving the check. So, Teams and Committees may need to designate a backup signer.

The **Authorization Line** must be signed by the Finance Director, who will verify the documentation, account name and numbers, and that funds are available in the account. If the Finance Director is unavailable, the Board may select a designee to authorize expenditures.

In addition, any expense that is over the budgeted amount for a line item must have the Finance Director's prior approval. The Finance Director reserves the right to bring any expense over the budgeted amount for a line item to the Board of Trustees for their approval at the next Board meeting.

All payments must be made directly to contractors and may not be paid to a third party.

Sales tax will be reimbursed, although a sales tax exemption should be used whenever possible. (Exemption forms may be found in the office in the file with the RFF's).

Mileage will be reimbursed, to minister and staff only, at prevailing IRS rates and must be submitted within 30 days of travel.

Any exceptions to the above guidelines must be approved by the Finance Director and documented for audit purposes.

## C. Policy on Budget, Reports, Reconciliation

### Responsibilities for Budgeting

Policy adopted April 19, 2017, amended 7/21/2017

The Finance Director will lead the annual budget planning process. Proposed expenditures will be submitted to Board members, the Personnel Committee in consultation with the Minister, and

other relevant groups. Congregational input as well as total Board review will be solicited before the Board approves the Budget to be voted on by the Congregation at the Annual Meeting. As provided in the By-Laws (Article VII, Section 1) at least 10 days prior to the annual meeting, the proposed budget must be made available in writing to the members.

The Board, through the Treasurer's reports presented by the Finance Director, will monitor the expenditures compared to the budget throughout the year and make any adjustments it deems necessary.

At year's end, any unspent money from the Operating Budget will revert to the church's reserves, except for Property, Major Repairs

### Reports and Reconciliation

Policy adopted April 21, 2004, amended April 19, 2017

The Monthly finance report should be posted in Haehnle by the Finance Director,

The Treasurer is responsible for the Financial Reports. These tasks include Preparation of year-end reports to individual donors, quarterly reports for the Fund Trustees, monthly reports for the Board, year-end reports for the Board and congregation.

The Treasurer is also responsible for reconciling of all church financial records on a timely basis. This includes bank statements and other external financial accounts, internal transfer of funds between accounts, and managing the liability accounts.

The Board will authorize an audit or financial review to be conducted in the even years.

### D. Policy on Endowment Funds

Policy adopted July 19, 2017

The Endowment Funds are managed by the Fund Trustees, elected by the congregation. (Section 10 of By-laws)

Each of the Endowment Funds has a charter, which can be modified by the Board. The Charter sets investment objectives and guidelines, as well as spending policies for that Endowment Fund. See Fund Trustee Request Form in the Appendix. (See the Specific Charters for current information.)

Current Endowment Funds and their purposes

1. The **Legacy Fund**, formerly known as the Memory Fund, was expanded in 2002 to become an unrestricted endowment fund for contributions and for all undesignated gifts to St. John's. The purpose of this fund is to be used by the Board for any purpose that is not included in the regular church operating budget.
2. The **Miller Lorentz Property Fund** is to be used in the erection of a new building or the financing of permanent improvements or major repair to the church property. These are defined as a project or item that has a value over \$4000 and a life expectancy of at least 10 years.

3. The **Music Endowment Fund** was established to support the music program of the church. It has an original restriction, modified over time by previous boards, that a portion of its value (stated in its Charter) is to be transferred to the Cincinnati Conservatory of Music if St. John's ceases to exist or affiliates with any other denomination. The purpose of this fund is to be used for non-recurring expenses associated with the music portion of the church service.

The Board of St. John's must approve all requests for funds from any of the Endowment Funds.

The approval motion shall include:

- Which fund shall be used
- The purpose of the request
- The specific amount, or budget for a project
- The Project Leader who is responsible for the project
- The date funds are needed.

After the Board has approved a request and communicated it in writing to the Fund Trustees, the Fund Trustees will decide if the request meets the requirements of the specific charter of that fund. Their decision will be communicated in writing to the Board and the Treasurer.

The Treasurer will be responsible for reporting the financial status of the project and returning any unspent funds to the Fund Trustees to be reinvested within six months of the estimated project completed deadline unless there has been an extension with proper documentation.

## E. Miscellaneous Financial Policies

### Minister's Discretionary Fund

Adopted June 18, 2004, amended December 15, 2004, revised July 25 2012, revised April 19, 2017

Purpose: Guidelines for income and disbursements of the Minister's Discretionary Fund. As part of our commitment to creating and sustaining a loving community that provides support and care for others through the best and most difficult of times, St. John's Unitarian Universalist Church has provided for a Minister's Discretionary Fund, administered by the Minister. This fund is held in a separate checking account and underwritten primarily through the full amount of the Christmas Eve plate collections and some individual donations throughout the year. To ensure integrity, fairness, transparency and good stewardship in the management of and dispersal of these monies, the following guidelines have been developed:

Both contributions to and disbursements from the fund will conform to IRS guidelines. The fund may not be used to benefit the minister or the minister's family. The fund may not be used for purchase or repair of church equipment, improvements to church property or any existing or potential operating budget expenses including staff bonuses. Financial gifts to the fund may not be designated for specific person's use.

Highest priority goes to emergency assistance to St. John's participants, with exceptions made at the discretion of the Minister.

Records will be kept in a secure location. Records will be reviewed yearly by a person selected by the minister and a member of the Board. Other than the necessary review, records are to remain confidential.

### Settled Search Committee Expenses

Policy adopted ?

Purpose: To provide the means for a Settled Search Committee to

- Cover the cost of expenses, including travel and lodging for candidates and committee members without encumbering members' personal funds.
- To enable the purchase of air travel on line
- To prevent revealing candidate identity during the RFF process

When a Settled Search Committee is established and the Board of Trustees approves the Committee budget an account will be created specifically for the search. The account exists only to hold the amount budgeted for the search.

When the account is established for the Search Committee the vehicle for using the account (*i.e.* purchase card, check) will be selected and set-up such that there will be limits on the credit and/or spending, as well as limits on the kinds of items and services that can be purchased. The Settled Search Committee will be responsible for presenting the Treasurer with monthly receipts. The Treasurer will be required to maintain, in confidence, the name of potential ministerial candidates and therefore will function as an *ex officio* member [without voting privileges] of the Settled Search Committee supporting the Committee members selected to handle the account.

No more than two committee members may have access to the Committee account.

If a member of the committee has out of pocket expenses, they will be reimbursed out of the Committee account. These receipts must be presented to the Treasurer in the monthly reconciliation.

The account will be closed within 30 days of payment of the last bill for the committee's expenses. Monies left in the account once the search is complete will be returned to the source fund or operating budget as appropriate.

# Appendix

## Finance Forms

**FUNDRAISER PROPOSAL FORM**

1) State the name of the Church committee, group or member that is proposing the fundraiser:

2) Describe how the funds will be raised:

3) State the primary use of any funds raised:

4) State the name of the individual(s) who will:

a) Act as point of contact for the fundraiser:

b) Assume responsibility for handling of funds:

c) Issue a written report of the fundraiser's results:

5) State the dates that the fundraiser will take place:

6) State any funds the Church may be expected to commit to cover expenses for the fundraiser; and the approximate amount of that commitment:

7) State the financial gain a third party may realize as a result of the fundraiser; and their name(s) and the estimated amount that each will receive:

8) Estimate the projected revenue, expenses and the dollar amount the Church is expected to raise from the fundraiser:

Submitted by \_\_\_\_\_ Date \_\_\_\_\_

Approved by \_\_\_\_\_ Date \_\_\_\_\_

If you have questions or need help completing the form, please contact the Finance Director.

## FUNDRAISER REPORT FORM

To be filled out by the leader of the group that sponsored the fundraiser.  
The Fundraiser Report Form should be given to the Finance Director.

1) How many people attended the fundraiser (if applicable)?

\_\_\_\_\_

2) How much money was raised?

\_\_\_\_\_

3) Amount to designated recipient of the fundraiser

\_\_\_\_\_

4) Amount to St. John's General Operating Fund

\_\_\_\_\_

Reported by \_\_\_\_\_ Date \_\_\_\_\_



**ST. JOHN'S UU CHURCH - REQUEST FOR FUNDS**

DOCUMENTATION OF THE EXPENSE MUST BE ATTACHED. (receipt, invoice, statement)

Expenditures must be approved by the appropriate Team or Committee Signer/Staff Member

**Provide a description of the expense AND list the accounts(s) to be charged.**

**RFF's without account numbers cannot be processed until the information is provided.**

Allow at least 1 week for check processing.

Submitted by: \_\_\_\_\_ Date Submitted: \_\_\_\_\_

Date check is needed: \_\_\_\_\_ Payable to: \_\_\_\_\_

Amount requested: \$ \_\_\_\_\_ Delivered to: \_\_\_\_\_

OR

Check should be: Mailed to: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Expenses

ACCOUNT NAME & NUMBER	DESCRIPTION	AMOUNT
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
<b>TOTAL</b>		\$

Approval:

Team or Committee Signer/Staff: \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_

Authorization:

Finance Director: \_\_\_\_\_ Date \_\_\_\_\_

## ST. JOHN'S UU CHURCH – FUND TRUSTEES REQUEST FORM

- ∨ Requests must have board approval.
- ∨ Provide a budget/description of the project to be funded.
- ∨ Requests are approved at quarterly Fund Trustee meetings.

Submitted by: \_\_\_\_\_

Date submitted: \_\_\_\_\_

Date check is needed: \_\_\_\_\_

Anticipated Project Completion Date:: \_\_\_\_\_

Amount requested: \$ \_\_\_\_\_

Payable to: \_\_\_\_\_

Check should be:  
(click/check one)

- Delivered to:  
 Mailed to:

at church

Fund	Budget/Description	Amount
(click/check one)  <input type="checkbox"/> Legacy Fund <input type="checkbox"/> Miller-Lorenz Fund <input type="checkbox"/> Music Fund		\$
		\$
		\$
		\$
<b>Total</b>		<b>\$</b>

### Approval Signatures:

Project Lead: \_\_\_\_\_ Date: \_\_\_\_\_

Board Member: \_\_\_\_\_ Date: \_\_\_\_\_

Fund Trustee: \_\_\_\_\_ Date: \_\_\_\_\_

Funds Transfer Date: \_\_\_\_\_

Project Completion Date: \_\_\_\_\_

Unspent Funds Transfer Date: \_\_\_\_\_