


*Andrews Chapel  
United Methodist Church*

**Financial  
Policies and Procedures Guidelines**  
(Prepared by Finance Committee)



***PROCEDURES  
MANUAL***

**Detail Church Procedures**

*Reverend Wimbley Hale, Jr., Pastor*  
122 Watterson Street  
*Jonesboro, Georgia*  
(770) 471-7200

# **Financial, Policies and Procedures Guidelines**

## **(Prepared by Finance)**

### **General Guidelines**

- A procedural audit of financial operations should be performed annually by a designee of the Finance Committee. The purpose of the audit is to verify the church is following sound financial practices; findings should be reported to the Finance Committee.
- A Maintenance Reserve should be established as soon as possible to provide for property and plant repairs. Contributions to the account should become a line item in the annual budget.
- Andrews Chapel carries dishonesty insurance to cover incidences of fraud. Additionally, Finance Office staff are bonded.
- Copies of financial forms are included in this document for reference purposes.
- These guidelines are in conjunction with the Book of Discipline as set up by the Denomination.

### **Cash Collections**

#### **Sunday Morning Collections:**

- Following each Sunday morning service, a staff member on duty will take the total offering collections from the sanctuary to the church finance office for processing and delivery to the bank.
- A staff member gathers the Sunday school offerings from the various classrooms and this will be taken to the church finance office for processing.

#### **Finance Office (Contributions):**

- For each deposit, the money is separated into loose cash and coins, envelopes and loose checks. Envelopes are separated by type of offering (pledge, capital campaign, special offering, etc.) and the contents are verified with the amount designated on the front of the envelopes. If the amounts do not match, the Finance staff corrects the envelope. Envelopes are created for all loose cash and coins. Unmarked or undesignated gifts are allocated to the budget. Calculator tapes are run to total the envelopes and the checks, cash and coins. The tapes are balanced and the staff fills out the deposit slip, placing it in the bank bag along with the cash and coins, the checks and the check tape. All checks are stamped “For Deposit Only”.

**DRAFT**  
*Andrews Chapel UMC*  
*Procedures Manual*

- The Sunday school envelopes are opened; any pledges or designated offerings are removed and the totals on the front are reduced to reflect loose offerings. A separate envelope is made for pledges and designated gifts as described above.
- The same procedures are followed in the Finance Office for midweek collections.
- Two deposits are made during the week.
- Individual envelopes are an effective way of documenting contributions and will be stored for archive purposes for two years in the Finance Office after being recorded. The Finance Office keeps hard copies of year-end contribution statements in an alphabetical file for seven years.
- Contribution statements are mailed out quarterly through September and in November and December.
- Copies of deposit slips should be mailed to the Finance Committee Chairperson as independent verification.

## **Cash Sales**

### Kitchen Sales

- Kitchen sales are handled during fellowship dinners by a volunteer collecting the cost of a meal.
- The total meal proceeds are turned in to the Kitchen Director each afternoon, confirmed by the Finance Office and deposited into the kitchen income account with the next deposit. Fellowship dinner proceeds are turned in the following morning by the Kitchen Director, confirmed by the Finance Office and deposited into the kitchen income account with the next deposit.

### Fund-raiser Sales

- Special sales are approved by the program department and/or council and submitted for approval by the Finance Committee. Items are not purchased until the Finance Committee has approved the project.
- A cash advance for making change is not to exceed \$50. Proceeds are turned in to the Finance Office in a timely manner, so as to not have cash and checks left unsecured in the church. Proceeds are confirmed by the Finance Office and deposited to the specific program income account in the next deposit.

**DRAFT**  
*Andrews Chapel UMC*  
*Procedures Manual*

**Event Collections**

- Funds collected by program staff for retreats, events, etc. should be turned in to the Finance Office in a timely manner.
- Each program group is to keep track of paid participants. A deadline should be set for payment of fees with no refund being made after the deadline unless the event has been canceled and the Church is able to recover any front-end deposits it made for the event.

**Plant Sales**

- Funds are collected for the sale of plants during seasons of the church year with their price preapproved by the Worship Committee. The donor completes the order forms and payment is verified by the Finance Office upon receipt. Funds are deposited as received in the next deposit.

**DRAFT**  
*Andrews Chapel UMC*  
*Procedures Manual*

## **Cash Disbursements**

### **General Guidelines**

- Division budgets (Trustees, Council on Ministries, Staff-Parish Relations, Apportionments, and Administration) should not be exceeded without approval of the Finance Committee.
- Due to the uneven nature of church cash flows, exceptions are made for timing of expenditures, but work area chairpersons are responsible for controlling spending and notifying the Treasurer of anticipated large expenditures in advance.
- In the event a work group receives financial support for a special project or emergency by borrowing from the general fund, the work group is encouraged to repay that debt in a timely manner. The group should include a line item for repayment in the following year's budget if necessary to replenish the general account.

### **Petty Cash**

- A petty cash box is kept locked in the safe. The Financial Secretary and the Treasurer keep keys separately. An additional box is kept by the Chair of Trustees; he has the only key to that box.
- A total of \$500 in cash or receipts is to be maintained at all times by the office.
- At the end of each month, each petty cash box is verified.
- Once a week or at least bimonthly, the cash box is checked for reimbursement. This is done by either the Financial Secretary or the Treasurer. A check request is recorded, itemizing each transaction. This check is either cashed from total cash in a deposit, or taken to the bank and cashed. The money is returned to the cash box.
- Cash advances are made for \$25 or less.
- Cash reimbursements are made for \$50 or less; the receipt must be submitted at that time.
- A receipt must show date, program, general ledger account number and reason for expenditure. Approval may be needed by Program Director.

### **Check Processing**

- A check request form must be completed for any and all transactions.
- A purchase order is required with most vendors and must be listed on each invoice received for verification. The Treasurer keeps the purchase order book.
- When an invoice is received, it is noted and verified by the person who made the purchase and the proper general ledger account is assigned. The invoice is dated and approved for payment.

**DRAFT**  
***Andrews Chapel UMC***  
***Procedures Manual***

- Invoices are processed with a data entry form showing vendor name, date, invoice #, due date, amount owed, etc. These are keyed directly into the accounts payable program on the computer. This entry is made by the Financial Secretary or the Treasurer. An edit list is run to verify accuracy of data entry and then records are finalized to the accounts payable program to be called up by due date.
- Checks are processed on Tuesdays and Thursdays, and require two signatures.
- The accounts payable program processes all invoices and check requests entered for a due date. Each check, after it is printed, is placed with its record and signed by any two of the following people: Treasurer, Financial Secretary, Finance Chairperson.
- A duplicate copy of each check is kept with backup data entry information and placed in an alphabetical file for each year.
- Printouts are maintained in the Finance Office showing each check issued for verification and archive purposes.
- Checks are reconciled to the general ledger. Any information regarding any vendor can be verified by the vendor name or check number.

**Manual Checks**

- Manual checks can be run but are not encouraged.
- The checks are typed or handwritten and signed by any two as stated above.
- A data entry form must be completed for entry into the accounts payable system. The check is then reconciled to the general ledger.
- The duplicate copy of check is kept with the request and filed as above.

**Payroll Processing**

- A separate account is maintained for all payroll processing.
- Each department is responsible for all their employees' work time. A time clock is provided for all hourly employees and must be used.
- A department time sheet is printed from the computer payroll program. The timecard information is transferred to this sheet for data entry. Most departments maintain their timecards; the rest are kept in the Finance Office along with the time sheet if one was generated by the department. A master sheet is kept for data entry. Any questions regarding time are verified by timecard or department head. Payroll is processed twice a month (for the 15th and the last day of the month.) If either of those fall on a weekend, paychecks are generated for the preceding Friday.

**DRAFT**  
*Andrews Chapel UMC*  
*Procedures Manual*

- The general ledger computer program maintains all payroll information. Automated backups are performed nightly and are monitored and maintained by the Finance Office.
- A check request is issued to transfer money to the payroll account from the Operating Account or the Line of Credit, as required, to cover payroll and maintain a \$1,000 balance.
- Payroll tax deposits are made according to current tax laws.

**Bank Statement Reconciliation**

- General operating and Payroll bank accounts are reconciled monthly by the Financial Secretary or the Treasurer using the general ledger computer software.

**Other Financial Matters**

- For personal purchases made from a church vendor, an individual turns in charge receipts with personal and business items identified. Personal payment for any non-business items will be collected at that time, with appropriate documentation made on the receipt. An envelope for deposit is prepared at that time showing individual and business purchase amounts. This documentation is maintained for reference purposes.
- Cash receipts are handled through petty cash. (Refer to Petty Cash procedures.)
- Program and/or work group chairpersons should work with the Finance Office to ensure payments and contributions for trips, retreats, and/or events are handled appropriately.

**DRAFT**  
*Andrews Chapel UMC*  
*Procedures Manual*

## **Designated Funds**

### **General Guidelines**

- The original balance is established as the principal in each fund and should not be depleted. Earnings on each fund, including interest and changes in market value, may be utilized if properly approved.
- In the event a work group receives financial support for a special project or emergency by borrowing from a designated fund, the work group is encouraged to repay that debt in a timely manner. The group should include a line item for repayment in the following year's budget if necessary to replenish the designated fund or the general account.
- Exceptions for the use of principal without planned replenishment and/or in case of financial emergency may be recommended by the Finance Committee and require a 2/3 majority vote by the Administrative Board.
- Funds that no longer serve a purpose may be redistributed upon recommendation of the chair of the funded ministry and approval by the Finance Committee and the Administrative Board.
- Approval by the governing body and a copy of the minutes from the Finance Committee or Administrative Board meeting, as appropriate, is required to access Conference Investment accounts.
- The committee/work area that oversees each designated fund should receive periodic reports regarding fund balances and earnings.

## **Line of Credit**

- A line of credit is maintained at Bank of America. This acts as a cash flow management tool because collections are irregular.
- The line renews annually in July and carries a \$100,000 limit. Interest is billed monthly and must be paid monthly.
- Withdrawals may be made in any amount (depending on the available credit) and repayment may be made at any time.
- Any increases in the line must be approved by the Finance Committee.
- The Treasurer, the Financial Secretary are authorized to make withdrawals, which are deposited into any church account at Bank of America. Activity must be reported to the Finance Committee Chairman and the Pastor.