



**TRINITY EPISCOPAL CHURCH - GREELEY
FINANCIAL POLICIES AND PROCEDURES
PRESENTED BY
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INTRODUCTION

The responsibility for managing and protecting the assets of Trinity Episcopal church rests with the Vestry. Although Vestry members may be “just volunteers”, they need to approach their financial affairs very seriously.

WHY DO WE NEED THEM?

Proper financial policies and procedures help to protect the Treasurer and others who manage the funds of the church, as well as, reduce temptations for anyone involved in managing the assets of the organization.

GENERAL INTERNAL CONTROLS

Specific accounting functions are to be handled by individuals who are assigned these functions in the church’s organizational chart, bylaws, or procedures manual.

SIGNING AUTHORITY

Two signatures are required on all checks. The Treasurer and two or three additional Vestry officers will be approved by the full Vestry as authorized signers. No authorized signer will sign a quantity of blank checks in advance. Authorized signers should always insist on all checks being completely filled in before signing. All supporting documentation must accompany checks presented for signing.

REGULAR REPORTING

The Vestry should specify a regular schedule of financial reporting and the level of detail that they require in those reports. The Treasurer’s monthly financial report should indicate the current cash position of the church, the inflows and outflows for the reporting period and any outstanding expenses or receipts. The report must present the approved budget in comparison to the actual monthly and year to date results. At least quarterly, the Treasurer’s report should include all other funds (besides the general operating fund) and activities, including designated or restricted funds. It is the duty of the Vestry members to ensure that they review and understand the financial reports provided.

The financial books and records of the church are the property of the church and not the Treasurer. They should be open for examination upon written request during normal business hours.

ANNUAL BUDGET

Trinity's annual budget will be approved by the vestry at its December meeting. The Treasurer will present a recommended balanced budget for the upcoming fiscal year. Any changes to the recommended budget must be approved by the vestry and recorded in the minutes of the meeting.

ANNUAL BUDGETS AND SPENDING LIMITS

Spending authority for the authorized check signers is provided in the annual budget of the church. In other words, the Vestry delegates authority to the authorized signers for day to day purchases outlined in the budget.

Expenditures not included in the budget should be approved by motion at the next meeting of the Vestry.

For larger expenditures or for capital expenditures a competitive bidding process should be followed. Written quotes from two to three vendors will be obtained and presented to the Vestry for approval at its next meeting.

CASH/CHECK TRANSACTIONS

Cash and checks received are to be counted and recorded as soon as possible. Apply a restrictive endorsement on the checks before counting and recording is started. Always ensure that there are two people present when handling the cash and checks. Make bank deposits regularly to avoid having large amounts of cash and checks on hand.

CHECKS

Checks provide an easy to follow paper trail for the church. One risk with checks is the possibility of forgery.

- Keep all blank checks in a secure and locked location.
- Keep signed cancelled checks (if applicable) that are returned from the bank in a secure and locked location.

CREDIT AND DEBIT CARDS

Vestry officers should meet annually or semi annually with the church's financial institution to discuss options that can be put in place. These may include daily transaction limits and limits to specific classes of vendors. Clear guidelines in the use of these cards need to be in place. Church credit cards should never be used for personal items even if the individual pays their share of the balance as soon as the statement comes due.

INDEPENDENT FINANCIAL REVIEWS

The church should have its financial statements examined by an independent, objective, and qualified person once a year. The church may find the cost of accounting services to be expensive in comparison to their operating budget. If a volunteer is used to review the accounting records, the following must occur:

- Clear job description that outlines the tasks to be completed.
- What records should be examined and in what detail.
- What type of report is the church expecting and when must the task be completed.

Ensure that the Vestry and the congregation are aware of and comfortable with the level of assurance that will be provided.

This review can be done annually or bi-annually. If done bi-annually the report should cover both years.

RETENTION OF RECORDS

Financial records, of the church, both physical written records (ledgers, checks, receipts, invoices, etc.) and electronic records utilized by the Treasurer and bookkeeper to manage the finances of the church should be kept for seven years.

WRITTEN POLICIES

Written "Policies and Procedures" for all committees and programs should be documented. This document will be a useful guide for both new and experienced committee and program members and will also be helpful for new incoming Vestry members.

These written policies and procedures will cover the above items in greater detail.

RECOMMENDED CHANGES TO EXISTING BY-LAWS

To read as follows:

3.3 b.

Annual meeting of the members will be held for the purpose of electing directors, approving the annual budget and conducting such other business as may be necessary. The annual meeting will be held pursuant to notice at such date during the month of January, and at such time, as may be set by the Rector. The meeting will be held on the Parish property, unless good cause requires otherwise.

4.2 Change as follows:

The Treasurer will present a recommended balanced budget, for the upcoming fiscal year - January 1 through December 31, to the Vestry at its December meeting. Budgets will be presented for the general operating fund and restricted funds.

4.3 Change as follows:

All checks must be drawn by the Treasurer and all must be in conformity with the approved budget. All checks require two signatures. The Treasurer and two or three additional Vestry officers will be approved by the full Vestry to be the authorized signers.

Insert new:

5.9 a ii)

Budget/Finance committee consisting of the Treasurer as chair, Vestry representative, and two church members at large. Purpose to monitor financial health of the church during the year, recommend when necessary corrective measures, and preparation of the annual operating budget for Vestry's approval at their December meeting.

ii) becomes iii)