

# **FREEDOM PLAINS UNITED PRESBYTERIAN CHURCH**

## **FUNDS DISBURSEMENT POLICIES AND PROCEDURES**

Section G-3.0205 of the Book of Order states that "... the session shall prepare and adopt a budget and determine the distribution of the congregation's benevolences. It shall authorize offerings for Christian purposes and shall account for the proceeds of such offerings and their disbursement. It shall provide full information to the congregation concerning its decisions in such matters." The following policies and procedures are intended to enable the session to fulfill this responsibility.

### I. FUNDING APPROVAL

- 1) All disbursements of church funds for any purpose must be approved by the session. This approval can take place in any of the following ways:
  - a. The disbursement is provided for by a line item in the approved church operating budget for the year in which it is to be made.
  - b. The disbursement is for an unbudgeted program or activity that has been approved by session. Examples of unbudgeted programs and activities include the Appalachia Service Project (ASP), Backpacks, Supplies and More (BAM), the Lunch Box, Holiday Meals, Youth Fellowships, Scholarships, the Deacons, and Presbyterian Women.
  - c. The disbursement is explicitly approved by session.
- 2) Requests for disbursements submitted for session approval must (1) explicitly identify the source(s) of funding that will be used for the proposed disbursement, (2) the total amount of the requested disbursement, and (3) the maximum amount of any individual expenditure. Requests for disbursements that do not include a realistic funding plan will not be considered by the session.
- 3) All disbursements of church funds must be fully consistent with any donor-imposed restrictions on the source(s) of funding for the disbursements.

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### II. APPROVAL OF INDIVIDUAL EXPENDITURES

The following policies and procedures are intended to ensure that church funds are expended only for purposes that are consistent with donor-imposed restrictions on the use of these funds and that have been approved by the session.

- 1) Disbursements for recurring operating budget expenditures do not have to be individually authorized and will be paid as they become due and/or as invoices are received. Examples of such expenditures include, but are not limited to salaries, utilities, insurance, environmental services, grounds maintenance, altar flowers, scheduled discretionary benevolences, and tax payments.

The current list operating budget accounts that have recurring expenditures of that fall into this category and the approved payees for these expenditures is provided at the end of this topic.

- 2) Individual disbursements for other operating budget line items and for approved programs and activities must be approved by a person who has been authorized by session to disburse church funds for the intended purpose. These persons will subsequently be referred to as “authorized approvers” and include:
  - a. the senior pastor,
  - b. the associate pastor for groups and activities for which he or she serves as moderator or advisor,
  - c. elders currently serving on both session and on the standing committee (Christian Education, Finance, Membership, Mission, Property, Stewardship, Worship & Chancel) that is responsible for the budget item, program or activity for which funds are to be expended, and
  - d. other individuals explicitly authorized by session to disburse church funds for a specific program or purpose, such as those listed in item (2) of topic I. above.

Authorized approvers are responsible for ensuring that the expenditures they approve have (1) have been approved by the session as previously described in this document, (2) are consistent with the intended purpose of the approved funding request, and (3) that funding is available for the proposed expenditure. Authorized approvers are also responsible for ensuring that the expenditures they approve do not exceed either the maximum amount authorized for the disbursement or the maximum amount of any individual expend for the disbursement.

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**CHURCH FUNDS DISBURSEMENT POLICIES (Continued)**

Recurring Operating Budget Expenditures

<u>Budget Account</u>	<u>Vendors / Suppliers</u>
Insurance	Liberty Mutual The Hartford Shelter Point Insurance
Electricity	Central Hudson
Heating	Central Hudson American Heating and Cooling
Water	Town of LaGrange Water District Town of LaGrange Receiver of Taxes
Phones	Time Warner Cable
Environmental Services	Royal Carting Service The ARC of Dutchess Pestech Pest Solutions A & R Security
Grounds Maintenance	B & C Lawn Care Blacktop Maintenance Co.
Office Expenses	Chase Bank Vanco Payment Services LogMeIn, Inc.
Copier Contract & Maintenance	DeLage Landon Financial Services
Postage (PO box rental)	U. S. Postal Service
Flowers (weekly altar flowers)	Sabellico's Florist & Greenhouses
Unified Mission	Presbytery of Hudson River
Dutchess County Interfaith Council	Dutchess County Interfaith Council
Discretionary Mission	Dutchess Outreach Hudson River Housing
Per Capita	Presbytery of Hudson River

Notes:

- 1) Withheld payroll taxes will be remitted to the Internal Revenue Service and the New York State Department of Taxation and Finance and required tax returns will be filed in accordance with required schedules.
- 2) Unrelated Business Income Tax returns will be filed and any taxes due will be paid to the Internal Revenue Service and the New York State Department of Taxation and Finance in accordance with required schedules.
- 3) Donations intended for specific mission projects will be forwarded to the appropriate agency without the need for explicit approval.

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Additional Authorized Approvers

In addition to the authorized approvers listed in item 2) above, the following individuals are authorized approvers for the program or activity next to which their expenditures for the indicated programs and/or activities.

<u>Program or Activity</u>	<u>Additional Authorized Approver</u>
Appalachia Service Project Backpacks, Supplies, and More	Jennifer Barry Adeline Anderson Christine Williams
Bell Choirs	Lorraine Nelson Wolf
Building Program	Bill Spencer Joseph Insalaco Paul Johnston Lou Biskup
Community Assistance, Deacons' Fund	Currently elected treasurer of the Deacons
Earth Stewards	Irene Milliken
Presbyterian Women	Jennifer Barry
Dutchess Outreach (Lunch Box)	Mitzi Loatman

<u>Budget Account</u>	<u>Additional Authorized Approver</u>
Church School	Elaine Ignal Alix Hoffman
Music	Lorraine Nelson Wolf
Health Ministry	Bonnie Biskup
Church Buildings	Bill Spencer Joseph Insalaco Paul Johnston

Persons currently serving the church as ruling elders or ministers of word and sacrament are not included in this list since their role as authorized approvers was covered in the main portion of this document. This list can only be modified by an action of session, and such actions are to be recorded in the minutes of the session meeting at which they occur.

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### III. PURCHASING PROCEDURES

The following policies and procedures are intended to ensure that the congregation's funds are used as effectively as possible and that unnecessary expenses are not incurred.

- 1) Purchases of goods or services are to be made from the church's preferred suppliers whenever it is possible to do so. Preferred suppliers are those with whom the church has an established line of credit, and with whom we have a sales tax exemption on file that will automatically be applied to the church's purchases.

Preferred suppliers usually offer the church discounted prices on the goods and services that they sell; offer rewards programs that the church can participate in and, in some cases, do not impose shipping or delivery charges on our purchases.

- 2) Purchases of goods or services that are available from preferred suppliers should normally be made by a person who has been authorized to charge purchases to the church's line of credit with the preferred supplier to be used. Supplies needed to sustain the day-to-day operations of the church should be made by the person or persons who have been assigned the responsibility for ensuring that the church maintains an adequate inventory of the needed supplies. Supplies that fall into this category include, but are not limited to, office supplies, custodial supplies, and disposable or consumable kitchen supplies.
- 3) Purchases of items that are unique to a specific activity or program and other consumable items such as food for a special event or for the nursery school classes may be made by an authorized approver for the program or activity from merchants of their own choosing. The church's sales tax exemption should be used for purchases that exceed \$100 and for other purchases whenever possible.

It is common practice for merchants to require that tax-exempt purchases be paid for by charging them to a line of credit, by charging them to a credit card issued to the tax-exempt organization, or by a check directly from the tax exempt organization. If difficulties are encountered in using the church's sales tax exemption at the time of purchase, it is permissible to pay the sales tax on purchases of less than \$100. Payment of sales tax on purchases of more than \$100 should, however, be approved by an authorized approver.

- 4) All persons making purchases for the church are expected to exercise reasonable discretion to ensure that the goods and services they purchase for the church are competitively priced and are of good quality.

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III. PURCHASING PROCEDURES (continued)

- 5) Payments for purchases may be made on one of the following ways:
- a. Charged to a line of credit that the church has with the supplier,
  - b. Charged to a credit card issued to the purchaser by the church,
  - c. Paid for out-of-pocket by the purchaser who expects to be subsequently reimbursed by the church for the purchase, or
  - d. Paid for with a cash advance provided by the church.

The payment methods listed above are listed in the preferred order of use.

- 6) Dated, itemized receipts must be submitted to the church treasurer for all purchases made using church funds regardless of how the purchase is paid for. Credit and debit card transaction records that do not include an itemized list of items purchased are not acceptable, except for restaurant meals and purchases of motor fuel at a filling station.

Original receipts must be submitted for purchases that are (1) charged to a church line of credit, (2) charged to a church credit card, or (3) paid for with a cash advance provided by the church. Original receipts are preferred, but not required for purchases that are initially paid for out-of-pocket by purchasers who will subsequently be requesting reimbursement for the purchase by the church.

Receipts for purchases than have been charged to a church line of credit or to a church credit card must be submitted to the church treasurer no later than the Sunday morning following the day on which the purchases were made.

Purchases made for the church should not be combined with personal purchases on a single receipt.

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**CHURCH FUNDS DISBURSEMENT POLICIES (Continued)**

Preferred Suppliers

<u>Item</u>	<u>Preferred Vendors / Suppliers</u>	<u>Requirement</u>
General Merchandise	amazon.com Walmart	(order via authorized purchaser) (use FPUPC's sales tax exemption)
Building Supplies	Home Depot Lowes H. G. Page & Sons	(authorized purchasers) (authorized purchasers) (authorized purchasers)
Office Expenses	W. B. Mason Co. Staples	(order via authorized purchaser) (use FPUPC's sales tax exemption)
Kitchen and Custodial	BJ's Wholesale Club W. B. Mason Co.	(authorized purchasers) (order via authorized purchasers)
Offering Envelopes	Hubbard Press	(authorized purchasers)
Liturgical Supplies	Cokesbury Augsburg Fortress	(order via authorized purchasers) (order via authorized purchasers)
Sunday Church School	Cokesbury Augsburg Fortress	(order via authorized purchasers) (order via authorized purchasers)
Music	J. W. Pepper Gia Publications	(authorized purchasers) (authorized purchasers)

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### IV. EXPENSE REIMBURSEMENTS

The church is expected to implement a “fully accountable expense reimbursement” policy. The following policies and procedures will assist the church implementing such a policy and apply to reimbursing individuals for out-of-pocket expenses that they have incurred for session-approved church programs and activities.

- 1) An expense voucher is to be completed and submitted to the church treasurer to request reimbursement for out-of-pocket expenses incurred on behalf of the church. The preferred form to be used for this purpose is available on the church’s web site as both a .pdf document that can be printed and filled in manually and an Excel spreadsheet that can be downloaded, completed and e-mailed to the church treasurer. Hardcopies of the expense voucher form are also available in the church office.

It is also acceptable for requestors to submit expense vouchers in other formats as long as the “roll-your-own” voucher includes the same information that is included in the preferred form. Completeness is important; how the information is arranged isn’t that important.

- 2) Itemized receipts for each purchase for which reimbursement is being requested must be submitted with an expense voucher. Each receipt is to be listed as a separate line item on the expense voucher. As previously stated, it is preferred, but not required, that original receipts be submitted when reimbursements for out-of-pocket expenses are requested and that church purchases and personal purchases not be included on the same receipt.
- 3) The information printed on receipts submitted with an expense voucher should not be overwritten or obscured in any way. It is permissible to add explanatory notes in the margins of receipts, but the information printed on the receipt must remain clearly visible and unaltered. When both church and personal purchases are included on the same receipt, it is permissible to strikethrough the personal items with a single line and/or to highlight items purchased for the church.
- 4) Receipts that are not accompanied by a properly completed expense voucher may be processed at the church treasurer’s discretion.
- 5) Persons who incur out-of-pocket expenses resulting from their participation in a church-sponsored program or activity are not to directly reimburse themselves for these expenses from funds donated or collected at the activity. All funds donated or collected at church-sponsored programs or activities are to be turned over to the counters for deposit in a church bank account. Reimbursements for out-of-pocket expenses are to be handled by submission of an expense voucher and supporting receipts as previously described.



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IV. EXPENSE REIMBURSEMENTS (continued)

- 6) Donations to individuals and organizations are to be disbursed directly from the Church. Individuals are not to make donations on behalf of the Church and then request reimbursement for these donations.
  
- 7) Expense reimbursements will normally be paid by electronic deposit to the checking or savings account specified by the payee on the expense voucher. If a paper check is required, the address to which the check should be mailed should be provided on the back of the expense voucher. The use of paper checks for expense reimbursements is discouraged because of the additional work involved.

Missing or incomplete expense vouchers and requests to be reimbursed by a paper check will delay the processing of the reimbursement request.

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V. CASH ADVANCES

Persons who are willing to organize and run a church program or activity but do not wish to incur reimbursable out-of-pocket expenses for doing so may request a cash advance sufficient to cover the anticipated expenses of the program or activity. The following policies apply to the issuing of and accounting for cash advances.

- 1) The cash advance must be for a program or activity for which funding has been approved by session and must be either submitted by or approved by an authorized approver for the program or activity.
- 2) A cash advance is requested by completing a Cash Advance Request and Usage Log form and submitting it to the church treasurer. The form must be either submitted by or approved by an authorized approver for the program or activity that the cash advance is being requested for.
- 3) All disbursements of the advanced cash must be logged on the Cash Advance Request and Usage Log form as they occur and the running balance is to be updated as individual transactions are recorded on the form.
- 4) A cash advance that has been obtained to pay for expenses associated with a church-sponsored program or activity must be fully accounted for within two weeks after the program has concluded or the activity has taken place. All actual expenses paid for with funds from the cash advance must be documented on the Cash Advance Request and Usage Log and original receipts substantiating these expenses must accompany the form. Any unspent portion of the cash advance must be returned with the completed form.