

# Verbena United Methodist Church Financial Policy

*updated July 21st, 2013*

Policy statement: To assure fiscal responsibility the Church Committee on Finance with the guidance of the Church Council is responsible for developing policies and procedures for managing church monetary assets. In accordance with the “United Methodist Book of Discipline” this policy establishes guidelines for the preparation and management of VUMC Capital and Operations budgets and required procedures for the collection and disbursement of church funds. The Church Committee on Finance as constituted by the book of discipline and elected at Conference by the Church Council shall be responsible for ensuring all approved policies and procedures are followed.

## **1.) Definitions**

- A.) Zero Based Budget - The VUMC fiscal year shall run from January 1 through December 31 each year; any uncommitted funds remaining in committee accounts at the end of the fiscal year will be returned to the general ledger and committee accounts will be refunded as approved by the Church Council for the next budget cycle.
- B.) Capital Budget - Capital expenditures are defined as an asset costing greater than \$1,000 and having a useful life greater than 1 year. Generally, the only committee within the church to request and manage capital budget items will be the trustees.
- C.) Operations Budget – Expenditures that are for the operation and maintenance of the Church, including utilities, supplies, insurance, literature, salaries, etc.
- D.) Memorials - The Church Council shall have the sole authority to accept unordinary or conditional memorials, gifts or trusts from donors. For accounting purposes, memorial funds will be deposited in the general fund of the Church and used for the operation of the Church with no special budget designation unless directed by the Church Council.
- E.) Building Use Fees – The Church Council shall have the authority to set building use fees for members and non-members for the use of the buildings and grounds for special occasions. Any fees collected shall be deposited in the general fund of the Church and used for the operation of the Church with no further designation.
- F.) Real property – Upon approval by the Church Council, the chair of the church trustees will coordinate acceptance of any real property in accordance with appropriate Charge Conference rules and regulations.
- G.) Special Offering - Upon approval by the Pastor, Church Council Chair, and Finance Committee Chair a special offering may be presented to the congregation.

## **2.) Roles and Responsibilities (As related to the Finance Committee)**

- A.) Committees - Budget input forms will be supplied to each committee within the Church to facilitate the preparation of the annual Church budget. All budget input forms must be completed and returned to the finance committee no later than August 1. The Pro Forma (preliminary) annual budget will be developed by the committee on finance and submitted to the Church Council for approval no later than September 1. The final annual budget will be submitted by the Church Council and approved by the annual Charge Conference.

- B.) Financial Secretary – responsible for the collection and accounting for all tithes, gifts and offerings made to the Church. A record of bank deposits shall be given to the Church Treasurer as soon as possible in order to keep all bank records timely and accurate. The financial secretary will furnish a report to the Church council of all deposits made to the Church account(s).
- C.) Treasurer - responsible for the disbursement of all money contributed to causes represented in the budget, as well as any other funds and contributions as the church council may determine. The treasurer shall make regular and detailed reports on funds received and expended to the committee on finance and the church council.

### **3.) General Budget and Expenditure Guidelines**

- A.) The chair of any standing committee having a budget account that has been recommended by the Committee on Finance and approved by the Church Council shall have authority to spend monies for committee projects/obligations without further Council approval.
- B.) Any requests for expenditures which will exceed the budgeted amount for any line item shall be made to the finance committee. The finance committee will determine if funds are available for the requested budget exception and make a recommendation to the Church Council.
- C.) Any request for reimbursement for expenditures shall be accompanied by a form indicating the details of the expense, as well as pertinent supporting documentation. Approval by the Church Council shall be required for any expense reimbursement that exceeds \$300.