

FCUCC FINANCIAL POLICIES AND PROCEDURES

Reviewed at September 10, 2023 Board meeting.

1. The Budgeting Process

- a. The Church's fiscal and calendar year are the same. January 1-December 31
- b. During the last quarter of the year pledges will be solicited from the congregation for the coming year.
- c. At the November Board meeting, the Personnel Committee will recommend the salary and benefit changes to be included in the budget for the coming year.
- d. With the Finance Committee support, the staff will prepare a proposed budget for the coming year and present it to the Board for approval at the December meeting.
- e. The Board will present the budget for approval at a called congregational meeting no later than the last Sunday in January. (Annual Meeting)
- f. If significant changes are subsequently required because of any shortfall to the current yearend forecast and/or increased income or expense for the budgeted year, a revised budget will be prepared by the staff, reviewed by the Board at its January meeting and presented to the congregation for approval no later than mid-February.
- g. The Church will maintain a Line-Of-Credit (LOC) with the national UCC church (Cornerstone) of \$100,000 to be used only for short term operating budget needs or unforeseen special project expenses.
- h. End of current year net income/loss should be \$5000 to cover first quarter payments in the coming year.
- i. The accountant will prepare monthly (EOM) and year-to-date (YTD) "Income and Expense" and Cash Flow reports for the staff, Finance Committee and the Board by the fifth working day of the following month. The Staff and Finance Committee will review these monthly with the Accountant and report significant budget differences and resulting action to the Board.
- j. The Board will provide financial reports at each congregational meeting and the monthly reports are available in the office and posted in the member section of the website.
- k. In the event of an urgent cash need, the Treasurer will initiate a request for LOC funding or use of the Building Fund after consulting with the Finance Committee. The Finance Committee will advise the Board of any needed action.
- l. The staff will continuously work to match any significant shortfall to the budget with expense reductions or delays.

Policy reviewed and approved September 10, 2023

2. Bill Paying Policy

- a. The Treasurer, Moderator, a member of the Finance Committee, and one church member at large will be authorized by the Board to sign checks.
- b. Signers will ensure that supporting documentation exists for the expenditure.
- c. The use of Automated Bill Paying systems needs to be authorized on an account basis by the Finance Committee.
- d. Credit cards for church business may be authorized for individual staff members with the approval of the Finance Committee.
- e. Credit card receipts are to be turned in to the Church Office within 30 days of purchase.

Policy reviewed and approved September 10, 2023

3. LEGACY/SPECIAL GIFTS POLICY

- a. In the context of this policy, a Special Gift is a contribution that is not part of a pledge to annual operations or ongoing capital projects.
- b. For both Legacy and Special Gifts, any conflict between the donor's intent and the Church's mission and/or needs will be resolved by the Senior Pastor and the Church Board prior to acceptance of the gift. The church has the right of refusal for any offered gift.
- c. For each Special Gift greater than \$10,000:
 - i. The Finance Committee will submit a recommendation to the Board for usage of the funds, taking into account the intent of the donor(s).
 - ii. If the Special Gift is greater than \$100,000, the Board will provide its recommendations for usage to the congregation for discussion and approval.
- d. Legacy Gifts will first be used to fulfill any open pledges made to the Church.
- e. The remaining monies from Legacy Gifts will normally be used to fund current Capital Projects needs or loans outstanding from completed projects.

Board Approval date: August 15, 2019

Reviewed and Approved in Revised version: October 8, 2023

4. Fiscal Sponsorship

- a. FCUCC may use its 501c3 status to assist small groups or organizations with projects or ideas to get the benefits of tax-deductible donations. This is known as “Fiscal Sponsorship”.
- b. Staff or individual church members may request such Sponsorship through the Senior Pastor to the Board for approval.
- c. The requestor will show that the proposal meets the following:
 - a. The mission of the sponsored organization or project must be in alignment with the mission of FCUCC.
 - b. The FCUCC Board must approve the arrangement and require a contract or Memorandum of Understanding.
 - c. When the FCUCC Board agrees to be a Fiscal Sponsor, the FCUCC Board takes on the legal fiscal responsibility for the project/program, including accounting, any necessary audits, and ensuring donated money is used for the intended purpose. The donations would be made to FCUCC and accounted for in a separate designated project fund.
 - d. The Board may require reimbursement for FCUCC expenses related to the request.

Policy reviewed and approved September 10, 2023

5. Building Fund Policy

Section 1: Guiding Principles

1. Make monthly interest and principal payments on the mortgage.
2. Have funds available for urgent repair needs and capital building repair or maintenance needs not covered in the operating budget.
3. Have funds available for new Capital Projects.
4. Make additional payments toward the principal of the mortgage.
5. Use unrestricted Memorial Gifts and Bequests to pay on the principal of the mortgage until the mortgage is retired. Designated gift funds will be used for the designated purpose if within the Mission or needs of FCUCC. (Refer to Legacy Gift Policy)

Section 2: Operating Rules

1. Any proposed capital project under \$10,000 (not including unbudgeted **urgent** maintenance or repairs) must be forwarded to the Finance Committee with justification and on to the Board for approval. Any use of funds greater

- than \$10,000 must go to the congregation for their approval at a called congregational meeting.
2. In emergency situations, the Board may authorize expenditures of more than \$10,000 to meet **urgent** needs. The congregation will be notified of the emergency expenditure within 7 days by email. A congregational conversation will be scheduled to fully inform members of the need and action taken.

Board approval date: April 15,2021

Reviewed: September 10, 2023

6. CONTRIBUTIONS POLICY

- a. Contributions to FCUCC may be funded with gifts that include, and are not limited to, cash, stocks, bonds, mutual fund shares, real property, life insurance policies, interests in charitable trusts, bequests in wills or revocable trusts, beneficiary designations on financial contracts such as life insurance policies, annuities, and mutual funds.
- b. Any donated stock or bonds will be sold immediately, and the proceeds used as designated, or if not designated, as recommended by the Finance Committee, and approved by the Board.
- c. Non-cash gifts to FCUCC are subject to approval by the Finance Committee and the Board of FCUCC, in accordance with the Financial Policies of the church. The Finance Committee may choose to decline gifts that are deemed inappropriate, burdensome, or unhelpful, including gifts encumbered by restrictions or excessive costs, and gifts not in accord with the mission of FCUCC.

Approved by the Board 4/4/2014.

Reviewed: September 10, 2023

7. COLLECTIONS AND MONEY HANDLING POLICY

- a. Immediately following the worship service or any event where money is collected, a finance committee member or event coordinator will select a helper and the two-person team will take the collection to the office, count the loose cash, the number of envelopes, and the number of checks. This information is recorded on the Collection Counting Sheet along with their signatures. The collection is then secured in a locked cabinet.
- b. As soon as possible after the service, a person from the staff will verify that the collection has been taken care of, and if not, perform the same functions as in **a**. This should be done with a second person present.
- c. The Administrative Coordinator will secure any other income received in the locked cabinet. All cash Rental income will be acknowledged with a receipt to the Renter.
- d. The Administrative Coordinator and another person (normally a staff person, the bookkeeper, or member of the church) verifies cash, envelopes, and checks as listed on the Collection Counting Sheet on the first business day. The team lists all cash, contents of envelopes, and checks on the Deposit worksheet attributing which accounts they relate to. Rentals are compared to receipts and money received and listed on the Deposit worksheet. Any other cash or checks received during the work week is listed on the Deposit worksheet. Any discrepancies found in the above are reported to the Treasurer.
- e. The Accountant/Bookkeeper verifies the information on the Deposit worksheet and enters this information into the accounting system. She/he prepares the deposit slip for the bank deposit. The Treasurer, Accountant/Bookkeeper, or Administrative Coordinator may make the deposit. A deposit receipt is obtained and given to the Accountant/Bookkeeper to verify the deposit amount.
- f. Any issues requiring immediate attention are discussed with the Senior Pastor and/or the Treasurer.
- g. The Collection and Counting Sheet and the Deposit worksheet are part of this policy.

