

## FISCAL ACCOUNTING POLICY

### I. INCOME, EXPENDITURES, AND CONTROLS

- A. The Presbytery of Great Rivers shall have a Unified Budget.
  1. The unified budget shall be set up to include the expenses for:
    - a. Operation of the Presbytery as a Governing Body.
    - b. The expenses for the Presbytery office, executive staff and support staff services.
    - c. The presbytery Mission and Programs supported by the Presbytery.
  2. The Unified Budget shall be funded from the following sources:
    - a. A per capita apportionment established annually by the Presbytery upon recommendation from the Administration Council of the Presbytery.
    - b. Income from all invested funds except those exceptions voted by action of the Presbytery and unrestricted invested reserve funds.
    - c. Miscellaneous receipts.
    - d. Congregational support.
    - e. Specific grants from General Assembly and Synod for special mission programs.
    - f. Special gifts.
- B. Income received for the Unified Budget shall be expended in accordance with the budget adopted by the Presbytery, and in accordance with any related procedures and recommendations adopted by the Presbytery, and all specific designations shall be scrupulously followed.
- C. All restricted funds and trust funds received by and administered by the Presbytery shall be administered strictly in accordance with the stipulation of the restrictions and the provisions of the trusts.
- D. The reserve funds of the presbytery shall not be allowed to go below the total of the following three amounts: Fixed assets (property and equipment); budgeted amounts for salaries and related expenses (for one year); restricted funds. The presbytery may vote by a 2/3 majority to set aside this requirement.
- E. All funds for all Presbytery programs shall be received by and expended by the Office of the Presbytery and no committee or persons shall hold funds for Presbytery programs or establish bank accounts for such funds.
- F. The financial records of the Presbytery shall be audited annually at the end of each fiscal (calendar) year by a certified public accountant designated by the Administration Council. The report of the audit shall be submitted to Trustees for review and recommendation for appropriate action according to the provisions of the bylaws. The Treasurer shall submit the audit to the Presbytery Assembly no later than the August/September meeting for Assembly action.
- G. Any persons handling funds and other assets of the Presbytery shall be bonded at the expense of the Presbytery in amounts to be determined by the Administration Council.

- H. Depending upon the nature of the need, all contracts obligating us to dollars or liability of any kind (other than property contracts) should be signed by two of the four of the following: General Presbyter, Corporate Secretary/Stated Clerk, Chair – Board of Trustees, or Treasurer. A central file of all financial contracts will be maintained by the Financial Secretary.
- I. Whenever practical, two or more bids should be secured for all services for which we contract. Any exceptions will require the General Presbyter's approval.

## **II. PLANNING, BUDGET DEVELOPMENT, AND EVALUATION**

- A. The Administration Council shall be responsible for the establishment of planning, budgeting and evaluating processes which are integrated with similar processes at Synod and General Assembly levels in order that the Mission of the church may be carried out effectively and efficiently in conformity to the Book of Order.
- B. The Administration Council shall be responsible for coordinating and integrating the budgets proposed by each organizational unit in developing and using appropriate procedures involved in planning, budgeting, and evaluating the fulfillment of their responsibilities.
- C. The Administration Council shall present the budget to the Presbytery Assembly for its action.

## **III. BUDGET ADMINISTRATION**

- A. Requests from any group for changes in allocations above budget amounts, during the course of the year shall be presented to the Administration Council for approval.
- B. Administration of the Budget
  - 1. Expenses must be kept within the total of assigned budget limitations. Additional expenditures above the Committees', Task Forces', or Councils' total budget can be made only with the approval of the Presbytery Assembly.
  - 2. The Presbytery office may have a petty cash fund of \$250.00 from which it may pay minor expenses. The fund shall be replenished monthly or as needed.

## **IV. GENERAL BUSINESS PRACTICES**

- A. Check Writing
  - 1. All Presbytery checks shall be written in the Presbytery office and no check shall be written without a substantiating voucher signed by the authorized person(s) or in the case of regular and recurring payments, approved by action.
  - 2. All checks and other obligations shall be signed by the Treasurer or, in the event of the Treasurer's inability, by such other person as the Board of Trustees shall have designated.
- B. Approval of Invoices and Vouchers
  - 1. The General Presbyter shall have general authority to approve vouchers to authorize expenditures. The Treasurer shall have general authority to approve vouchers to authorize expenditures in the absence of the General Presbyter.
  - 2. No voucher shall be approved and no check shall be issued except for expenditures which are a) within the authorized budget or b) otherwise have been approved by the action of the Administration Council.

C. Purchases

1. Office expenditures shall be administered by the Senior Administrative Assistant.
2. Any single purchase exceeding \$500.00 for equipment or supplies shall receive prior approval by the General Presbyter and/or Treasurer.

D. Financial Statements

1. The Treasurer shall be responsible for the preparation and submission at each meeting of the Administration Council a statement of receipts and disbursements as compared to the budget for the most recent quarter ended.

V. INVESTMENT POLICIES

- A. As a general policy liquid cash reserves at the beginning of each year in an amount equal to 10% of the budget shall be maintained.
- B. General funds and balances above current maximum needs shall be invested in Federal securities such as Treasury Bills or Treasury Notes, or in bank savings accounts, or insured Savings and Loans, or Certificates of Deposit, or in an investment and money management program through a contract with a bank or other agency approved by the Administration Council, to earn interest at the most advantageous rate.
- C. The Trustees shall serve as an investment advisory committee to the Treasurer and Financial Secretary.
- D. Investments shall be handled by the Treasurer and Financial Secretary in accordance with procedures approved by the Trustees.

VI. FULLY ACCOUNTABLE EXPENSE REIMBURSEMENT PLAN

The Presbytery of Great Rivers maintains a fully accountable expense reimbursement plan for its "employees" (see definition below) and volunteers, in accordance with the rules and regulations of the Internal Revenue Service. These regulations provide that an employee "need not report on his/her tax return" expenses paid or incurred by the employee solely for the benefit of the presbytery for which such employee is required to and does account to the presbytery and which are charged directly or indirectly to the presbytery. Accordingly, all property, goods and services purchased under this accountable expense reimbursement plan belong to the presbytery, not the individual.

In addition to the rules and regulations of the IRS, the following requirements for expense reimbursement apply.

1. All mileage expenses will be reimbursed at the applicable effective IRS rate. Documentation must accompany the request that lists the time and place, miles driven, identification of business and statement of business purpose.
2. Receipts are required for reimbursement of expenses.
3. Requests for reimbursement for meals, travel, lodging and related expenses must include the business relationship among the parties to sufficiently explain the business purpose and why the expense was incurred on behalf of the presbytery.
4. Requests for reimbursement will be made on an expense voucher, signed by the payee, approved in the same manner required for all checks and submitted for payment. Reimbursement requests should be approved by someone other than the payee.
5. Requests for reimbursement must be made promptly. (No expense will be reimbursed if submitted more than 60 days after expenses is paid or incurred by the employee)

6. Original receipts and documentation of the request for reimbursement will be retained by the presbytery to substantiate the expense. Examples of reimbursable business expenses include local transportation, overnight travel (including lodging and meals), books and subscriptions, education, and profession dues.
7. Cell phone or personal computer expenses will not be reimbursed by presbytery of an employee unless the employee's use of this equipment meets the following tests:
  - a. use of the equipment must be for the convenience of the employer
  - b. use of the equipment is required as a condition of employment
  - c. the employee must adequately substantiate the business of the equipment - written support of the time, place, business purpose, and receipt of the expense amount.
8. For purposes of this policy, the term "employee" includes Executive Staff, Support Staff and Contract Staff.

## **VII. PROPERTY AND LOAN POLICY**

The Constitution of the Presbyterian Church (U.S.A.), Book of Order 1983-85, Chapter VIII, The Church and its Property, Sections G-8.000 through G-8.0701 applies to property of the Presbytery and of each particular church.

As a church, we own property and other capital assets as a tool to carry out the mission of Christ's Church. Each congregation holds property in trust for the work of Christ in the name of the Presbyterian Church (U.S.A.) within the mission of the universal church Christ established. In the exercise of its trust it is accountable to the Presbytery which represents the interest not only of the church at large but also of former members and participants of the congregation whose offerings and sacrificial gifts helped establish and maintain the congregation in previous times.

Therefore, each congregation is obligated to have approval of Presbytery when it seeks to lease, sell, encumber or buy with an encumbrance any property. The role of Presbytery is to ensure that the proposal is fiscally sound and that it will serve to further the kingdom of God.

Therefore, as a basis for its approval, Presbytery will ordinarily review the legal documents, issues of value, questions of strategy, modes of payment and/or proposed uses of capital assets converted to cash in a sale. (Presbytery is not ordinarily directly involved in the transaction although its approval is legally required. However, within the church, it will commonly assure repayment to other governing bodies of this denomination when they make a loan to one of our congregations).

Any request for commitment of Presbytery mission funds for a congregational transaction will require a lengthy and intensive review of its strategic importance and viability, and of the fiscal soundness of the proposal.

According to the Bylaws of the Presbytery (Article VII), the Trustee shall:

1. Receive, hold, encumber, manage and transfer real and personal property;
2. Act on requests from local churches dealing with loans, purchases of property and sales, all of which need Presbytery approval;
3. Review the report of the professional auditors and recommend its acceptance by the Presbytery and the adoption of the auditor's recommendations by the Council;
4. Facilitate the management of the Presbytery's civil affairs in such manner as may be directed by the Presbytery and according to the Constitution of the Presbyterian Church (U.S.A.) and the laws of the State of Illinois.

The Trustees shall receive, for the Presbytery, request by a particular church (or board of other organization with the Presbytery) to sell, lease or encumber any of its real property, or to buy real property subject to an encumbrance, and shall make appropriate recommendations to the Presbytery. For property of value less than half the annual total contribution of the church, for a church not currently in debt to or receiving financial assistance from Presbytery, Synod, or General Assembly, the Trustees are authorized at their discretion to provide approval, and will report any such actions to the Presbytery.

Each particular church in order to sell, lease or obtain a loan on real property, or to buy subject to encumbrance, must obtain approval of its Session and of the Congregation, and submit one copy of an Information Form - Real Property Action to the Stated Clerk of the Presbytery.

Each particular church shall provide to the Stated Clerk of Presbytery, a Church Trustees Annual Report as of 31 December each year.



**INFORMATION FORM FOR REAL PROPERTY**

\_\_\_\_\_ PURCHASE                      \_\_\_\_\_ MORTGAGE

- a. Name and address of church: \_\_\_\_\_
- b. Action for which approval is requested:    \_\_\_\_\_ Buy    \_\_\_\_\_ Mortgage    \_\_\_\_\_ Other Loan
- c. Brief description of property and/or project: \_\_\_\_\_  
(Attach legal description)
- d. Reason for the action and long term effect on the life of the church \_\_\_\_\_  
Total cost \$ \_\_\_\_\_
- e. Financial arrangement?
  - 1. Appraised value/estimated cost: \$ \_\_\_\_\_
  - 2. Contract price: \$ \_\_\_\_\_
  - 3. Terms of contract: \_\_\_\_\_
  - 4. Date of expiration of offer/option/bid: \_\_\_\_\_
  - Seller/Contractor name: \_\_\_\_\_
  - Money on hand to be applied to contract: \$ \_\_\_\_\_
  - Source of funds to be used in meeting this obligation: \_\_\_\_\_
  - Lending Institution: \_\_\_\_\_
  - Annual rate of Interest: % Total Interest: \$ \_\_\_\_\_
  - Schedule for payments/approximate date of final payment: \_\_\_\_\_
  - Anticipated period of loan or lease: \_\_\_\_\_
  - Evidence of ability to repay loan and maintain adequate cash flow: \_\_\_\_\_
  - Amount of loan (if any): \$ \_\_\_\_\_
- f. Current mortgages and any other indebtedness on the part of a church obtaining a loan: \_\_\_\_\_  
\_\_\_\_\_
  - 1. Principal Outstanding \_\_\_\_\_ Payment Schedule \_\_\_\_\_ Frequency \_\_\_\_\_  
Scheduled last payment \_\_\_\_\_
  - 2. Principal Outstanding \_\_\_\_\_ Payment Schedule \_\_\_\_\_ Frequency \_\_\_\_\_  
Scheduled last payment \_\_\_\_\_
  - Total of current debt servicing payments:    \_\_\_\_\_ Per month    \_\_\_\_\_ Per year
  - Are they current? \_\_\_\_\_
- g. Date of Session recommendation: \_\_\_\_\_
- h. Date of congregational action: \_\_\_\_\_
  - 1. Number of people in attendance at meeting: \_\_\_\_\_
  - 2. Number of "Yes" votes: \_\_\_\_\_    Number of "No" votes: \_\_\_\_\_ (Preferably taken by ballot)
- i. Signature \_\_\_\_\_                      Date: \_\_\_\_\_  
(Clerk of Session)
- j. Date of Trustees Action: \_\_\_\_\_
- k. Date of Presbytery Action: \_\_\_\_\_

**CHURCH SESSION (TRUSTEES) ANNUAL REPORT As Of December 31, \_\_\_\_\_**

NOTE: Ultimately the Session is responsible for this report. If you have a Board of Trustees, you may choose to have them fill out the report. This information is REQUIRED BY THE PRESBYTERY OF GREAT RIVERS MANUAL.

Church Name: \_\_\_\_\_

Church Address: \_\_\_\_\_

A. ANNUAL AUDIT The Book of Order requires an annual audit of the church's finances by someone not related to the treasurer. (G-3.0113). See <http://www.pcusa.org/stewardship/financial.htm>.

Date of last church audit? \_\_\_\_\_ Prepared by: \_\_\_\_\_  
NAME PHONE NUMBER

B. INDEBTEDNESS Since "all property held by or for a particular church ... is held in trust ... for the use and benefit of the Presbyterian Church (U.S.A.)," (Book of Order, G-4.0203) the Presbytery needs to know what major improvements you've made and to what extent your church's property serves as security for mortgage loans or other debt.

- 1. Cost of this year's capital improvements \$ \_\_\_\_\_
- 2. Amount of new debt incurred this year \$ \_\_\_\_\_
- 3. From whom borrowed? \_\_\_\_\_
- 4. How secured? \_\_\_\_\_
- 5. New maturity date \_\_\_\_\_
- 6. Indebtedness remaining on money borrowed in previous years \$ \_\_\_\_\_
- 7. Total indebtedness (2+6) \$ \_\_\_\_\_
- 8. Total payment(s) per year \$ \_\_\_\_\_

C. INSURANCE  
Does the church carry insurance for:

- a. Buildings  Yes  No If yes, the amount of coverage is \$ \_\_\_\_\_
- b. Contents  Yes  No If yes, amount \$ \_\_\_\_\_
- c. Personal Property  Yes  No If yes, amount \$ \_\_\_\_\_
- d. Prof Liability  Yes  No If yes, amount \$ \_\_\_\_\_
- e. Workers' Comp.  Yes  No If yes, amount \$ \_\_\_\_\_

Name of Insurance Company (s) \_\_\_\_\_

Insurance Policy # (s) \_\_\_\_\_

- f. *Employee Bonding*  Yes  No If yes, amount \$ \_\_\_\_\_
- g. *Employee Wrongdoing Ins.*  Yes  No If yes, amount \$ \_\_\_\_\_

**(PLEASE ATTACH A COPY OF CERTIFICATE OF INSURANCE)**

D. REMARKS  
If you have additional information to provide or need additional information about any of the categories listed above, please use the back of this report for that purpose.

E. Prepared by: \_\_\_\_\_ Daytime phone: \_\_\_\_\_

## VIII. POLICY ON PER CAPITA

1. In order to meet the obligations of being a connectional church, the Presbytery of Great Rivers, as well as the Synod of Lincoln Trails and the General Assembly, have chosen to have a per capita apportionment (in accord with Book of Order G-9.0404d).
2. The per capita apportionment is seen as a fair way of distributing the cost of our governing bodies among all of us.
3. Recognizing that the payment of per capita is a voluntary response of commitment to the covenants that bind us to one another, we encourage the payment of the apportionment to be a high priority of each congregation.
4. The expenses covered by the per capita will be met by those congregations who pay. Therefore, withholding of per capita hurts other congregations and our ministry together. Allocation of funds is changed best at the time of budget formation, not after the fact in the paying or withholding of per capita.
5. For budget calculations it is necessary to use the active membership figure of the previous year. For example, 2010 per capita is based on December 31, 2008 membership.
6. Per capita apportionments are to be paid in full during January of the given year. If a congregation desires to make several payments during the year, a plan for payment should be submitted in January of the year to the Presbytery's Board of Trustees.
7. The Presbytery is responsible for the collection and forwarding of per capita to the Synod and General Assembly. The Presbytery will submit payments to the Synod and General Assembly as received from congregations. By action of its Board of Trustees, gaps in the payment of the apportionment will be made from Presbytery's per capita and/or mission and program funds and/or reserves.
8. The Presbytery, through its Board of Trustees, will make efforts to encourage the payment of the per capita apportionment. This may include reports to the Presbytery Assembly, letter, and phone visits with the pastor and Session.
9. Where there is ongoing refusal to pay any per capita apportionment, the Presbytery will see it as a sign of possible problems with our connectional relationship. The Board of Trustees will notify the COM of congregations who continue to not pay per capita.

## IX. DISASTER RELIEF POLICY

1. ***From time to time, a natural or other disaster may occur within the bounds of the Presbytery of Great Rivers. When this happens, people within our presbytery and beyond its bounds may be moved to make monetary donations to help offset the impact of the disaster for those who have been affected. These funds may come as direct contributions to the presbytery or may come through a request from the presbytery to Presbyterian Disaster Assistance. The following parameters are to be used in the distribution of such funds.***
2. ***The Administration Council may appoint a Disaster Response Team to advise the Council in the use of funds.***
3. ***There will be a limit of \$1,000 total per household for the use of the funds. The presbytery funds will be expended only after recipients have exhausted all other avenues of remuneration including, but not limited to, FEMA funds and personal insurance.***
4. ***These funds will be distributed in the form of gift cards to the recipients. Recipients will be asked to submit receipts for the use of the gift cards to the presbytery's financial secretary***

***for accounting purposes. The distribution of any funds received from PDA will be subject to the rules of that organization.***

- 5. Funds may also be used by work groups in the course of recovery work. In this case, a manager will be appointed by the Administration Council to oversee this work and to request the use of money donated for disaster relief or received from Presbyterian Disaster Assistance. This manager will be a Presbyterian who lives close to the affected site but who has not personally been a victim of the disaster. The Administration Council will decide whether or not the manager will be remunerated for the work done.***