

Financial Controls
Approved by Finance Committee, July 21, 2011
Amended May 22, 2014, April 10, 2018, November 10, 2022

The Church Board has delegated the responsibility of maintaining adequate financial controls to the “Finance Committee in consultation with the Lead Pastor and the Treasurer” according to the following church board policy from the Care for Resources section:

- 7) ***Financial Controls.*** *The Church Board shall maintain adequate financial controls to protect the assets of the congregation. It is the responsibility of the Finance Committee in consultation with the Lead Pastor and the Treasurer to develop these procedures and monitor that these financial control procedures are being followed. These procedures should include but are not limited to the following:*
- a) *Approval of bills for payment*
 - b) *Payment of bills*
 - c) *Review of bills*
 - d) *Receipting income and preparing deposits*
 - e) *Job descriptions and procedures for*
 - i) *Assistant treasurer(s) including but not limited to recording and maintaining a record of contributions, recording and maintaining a record in individual intentions to contribute, preparing and distributing individual contribution reports, and preparing summary reports of giving and giving intentions.*
 - ii) *Money-counters including but not limited to collecting and recording Sunday offerings.*
 - f) *Financial relationships and procedures with other groups in the church such as*
 - i) *Sunday School*
 - ii) *Junior High Youth*
 - iii) *Senior High Youth*
 - iv) *Library Committee*
 - v) *Auxiliaries (see Bylaws No. 2 Section F)*
 - g) *Retention of financial records*

1) Access to financial accounts

- a) As needed the Church Board shall adopt resolutions authorizing appropriate individuals for various financial accounts. Generally these will include the Finance Manager, Assistant Treasurer and Clerk. The Finance Manager is the primary individual with others available in the absence of the Finance Manager.
- b) BCMC shall have the following accounts for the following purposes:
 - i) Union State Bank
 - (1) BCMC Checking. The primary account for all income and expenses. Funds may be transferred to and from this account from the other

46 accounts. Any interest earned on this account is credited to Miscellaneous
47 Income for the General Fund

48 ii) Everence Trust

49 (1) Mission and Service Endowment Fund. Assets of the BCMC Mission and
50 Service Endowment Fund administered by the Mission and Service
51 Endowment Fund Committee according to guidelines. Any losses or gains
52 remain with the fund. Funds may be transferred to and from the BCMC
53 Checking account as necessary.

54 (2) Investment Fund. Funds are transferred to and from BCMC checking as
55 needed to maintain adequate cash flow and earn additional interest on
56 reserves and restricted funds. Interest earned is credited to the Plant
57 Fund.

58 iii) Everence

59 (1) Everence Praxis Money Market Account. Funds are transferred to and
60 from the BCMC checking as needed to maintain adequate cash flow and
61 earn additional interest on reserves and restricted funds. Interest earned is
62 credited to the Plant Fund.

63
64 **2) Use of credit cards**

- 65 a) BCMC shall have one credit card account, currently a Visa account with UMB.
66 b) The purpose of the account is for ease in making certain purchases when it is not
67 possible to charge and be billed by the vendor for payment by the BCMC Finance
68 Manager. No personal purchases with the credit card are permitted.
69 c) The credit card is for use by church office staff (Office/Facilities Manager and
70 pastors). For others purchasing church-related items the purchase must be
71 coordinated with the Office/Facilities Manager.
72 d) If a credit card is used outside of the office (for example, for a pastor
73 accompanying youth on a service trip), it needs to be checked out on the list in the
74 office file.
75 e) Signed receipts or some written record for purchases must be turned in to the
76 Office/Facilities Manager for verification purposes who submits to the Finance
77 Manager.
78 f) Any purchases other than routine, budgeted items must first be approved by a
79 commission or board chair prior to purchase.

80
81 **3) Payment of bills**

- 82 a) All financial transactions involving the disbursement of church funds are done by
83 the church Finance Manager, including the paying of all bills for the general
84 operation of the church (budget), benevolent contributions, restricted funds,
85 Sunday School and youth activities. This is to provide a uniform and consistent
86 method of the handling of bills, transfer of funds, and to even out the work load of
87 the Finance Manager.
88 b) It is important that payments be made in a timely manner to maintain positive
89 vendor relations and that adequate supporting documentation is obtained (in some
90 instances email may be appropriate).

- 91 c) The Finance Committee is responsible to monitor budgeted expenditures and
 92 provide oversight to the financial affairs of the church.
- 93 d) The Office/Facilities Manager serves as the contact person between the church
 94 office and the Finance Manager.
- 95
- 96 4) **Approval of bills for payment.** Bills will be approved according to the following
 97 procedure before they are processed by the Finance Manager. Approval is indicated
 98 by signature or initials on the invoice, an attached expense documentation form, or by
 99 an email.
- 100
- 101 a) Recurring Payments. Those items that are part of an approved church annual
 102 budget and are of a recurring nature or other routine time-sensitive expenses are
 103 to be reviewed for accuracy by the Office/Facilities Manager, signed off, and
 104 forwarded to the Finance Manager for payment. If there are any questions
 105 regarding the payment, the Office/Facilities Manager will contact the appropriate
 106 commission or committee chairperson or pastor.
- 107 i) Utilities (excluding phone)
- 108 ii) Lease and service contracts approved for payment from the Facilities
 109 Committee or Finance Committee budgets. The Office/Facilities Manager
 110 will confirm that the appropriate services were performed.
- 111 iii) Insurance policies recommended by the Finance Committee and approved by
 112 the Church Board
- 113 iv) Payroll related expenses according to the approved budget
- 114 (1) This includes but is not limited to:
- 115 (a) Payroll
- 116 (b) The Corinthian Plan
- 117 (c) Mennonite Retirement Trust
- 118 (2) The Office/Facilities Manager will confirm payroll based on the
 119 performance of certain duties such as locking up the building.
- 120 (3) The Music Coordinator will confirm payroll or honorariums based on the
 121 performance of certain duties such as special music or playing the organ or
 122 piano.
- 123 (4) Other regular payroll does not need confirmation.
- 124 v) Benevolences included in the approved budget (does not require review by the
 125 Office/Facilities Manager.)
- 126
- 127 b) Other Budgeted Items. All other disbursements of funds that are to be charged
 128 against a budgeted line item are to be signed for by an authorized party according
 129 to the following guidelines, forwarded to the Office/Facilities Manager and given
 130 to the Finance Manager for payment.
- 131 i) Approved by Office/Facilities Manager
- 132 (1) Office expenses
- 133 (2) Phone
- 134 (3) Routine postage and mailing expenses including
- 135 (a) Deacon: CD/Bulletin Delivery
- 136 (b) Hospitality: Newsletter

- 137 (4) Services provided by others related to elevator, fire alarm, lawn service, or
138 plant maintenance
- 139 ii) Approved by Custodian
140 (1) Custodial Supplies
- 141 iii) Approved by chair (or otherwise authorized representative) of responsible
142 Commission or Committee or pastor or staff assigned to Commission or
143 Committee by Lead Pastor
144 (1) Other expenses charged to a specific commission or committee. Approval
145 for non-routine expenses should be mentioned in commission or
146 committee minutes.
- 147 iv) Approved by pastors
148 (1) Other staff related expenses not mentioned above
149
- 150 c) Special Funds (Restricted)
151 i) According to the “Responsible Entity” on the Special Funds List approved
152 and amended by Church Board
153
- 154 d) Approved by Finance Manager
155 i) Funds for individual Sunday School classes according to procedures
156 established by the Faith Formation Commission
157
- 158 e) Memorials or Bequests
159 i) As approved by the Church Board or Finance Committee according to the
160 Memorial Fund Policy or Bequest Policy.
161
- 162 5) **Role of Office/Facilities Manager.** The Office/Facilities Manager plays a central
163 role:
164 a) Center for receiving bills, providing clear explanation of purpose of expense if
165 necessary, securing necessary approvals, and passing on approved bills to Finance
166 Manager for payment
167 b) Identifying contributions or payments for designated purposes delivered to the
168 office
169
170
- 171 6) **Review of individual bills already paid.**
172 a) Finance Committee reviews a list of bills paid the previous month. This list is
173 prepared by the Finance Manager using financial software to print detailed
174 transactions.
175 b) The Finance Manager prepares a list of transactions relevant to each Commission
176 and Board Appointed Committee each month and distributes to the
177 Commission/Committee chair for review.
178
- 179 7) The Finance Committee will establish policies for **financial controls of the work of**
180 **the following:**
181 a) Money-counters (**Money Counting Procedures**)
182 b) Asst Treasurers (**Job Description for Assistant Treasurers**)

- 183 i) Recording donations
184 ii) Recording results of stewardship canvass
185 iii) Preparing individual contribution reports
186 iv) Preparing summary reports of giving and giving intentions
187
- 188 8) The Finance Committee will appoint a person to complete a monthly independent
189 bank reconciliation and report back to the Finance Committee.
190
191
- 192 **9) Auditing Committee**
- 193 a) Bylaw No 2, Section C, 5 states that the Church Board shall appoint an Auditing
194 Committee
- 195 i) *“The committee shall examine the records of the Treasurer at the end of each*
196 *fiscal year and shall report in writing to the congregation concerning the*
197 *accuracy of the records and the suitability of the accounting procedures*
198 *used.”*
- 199 ii) Auditing procedures are developed by the Auditing Committee and approved
200 by the Finance Committee. See attachment.
201
- 202 10) Financial Relations with Other Groups –see Collecting, Counting, and Depositing
203 Funds
204
- 205 11) Retention of financial records – to be developed
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