

# **Policies and Procedures for Memorial Gifts to Lakewood United Methodist Church, and the Disbursement of Such Funds**

## **Purpose**

The following policies and procedures are intended to develop an understanding of and commitment to the biblical concept of individual and corporate stewardship by ensuring that the church institutes sound practices for receiving, depositing, recording, disbursing and reporting of all Memorial Gifts received by the church.

It shall be the practice of this church to demonstrate appreciation of the generosity of all donors. The Chairman of the Board of Trustees or the Designated Trustee will be responsible for all communications relating to donors and their gifts.

## **Responsibilities**

The Board of Trustees, in accordance with the Discipline of the United Methodist Church (the Discipline), the Western Pennsylvania Conference of the United Methodist Church (The Conference), and the Church Council of Lakewood United Methodist Church (The Church Council) shall have the overall responsibility of administering the financial policies and procedures outlined below.

The Board of Trustees shall have the legal and fiduciary responsibility for all Physical assets of the Church as provided for under the Discipline and all other state and federal regulations. The Board of Trustees shall form such Function Groups, as they determine necessary, for the oversight of the various aspects of the Trustees finances.

The Financial Secretary shall serve as the staff person directly responsible for all financial matters and shall work in cooperation with the Treasurer of the Trustees to secure all incoming Memorial Gifts to the church and oversee the proper recording of these funds.

In accordance with the Discipline, the Treasurer of the Trustees shall be the custodian of all Memorial Gifts.

The Financial Secretary shall provide the Board of Trustees with all financial reports as requested by them.

An annual financial report shall be prepared in a format approved by the Board of Trustees and made available as a part of the Annual Report of the Church.

As called for in the Discipline, there shall be an annual audit conducted on all of the financial records of the church, including those of the Trustees. The audit shall be

conducted by 3 members of the congregation who are nominated and elected to serve as auditors at the Annual Meeting of the Congregation every year. The results of the audit shall be submitted to the Trustees for review and action.

## **Receiving, counting and depositing of Memorial Gifts**

The members of Lakewood United Methodist Church believe that they can strengthen the causes of Christian faith through our church and around the world by encouraging our friends and members to commit their substance to these causes through living trusts, testamentary trusts and bequests in wills when earthly stewardship has passed.

All gifts must be consistent with the church's mission and attentive to the strategic goals and priorities as established by the Conference, the Church Council, and the Board of Trustees. The following policy shall provide the criteria by which the church may solicit and accept restricted gifts.

The solicitation, by any individual member of the church staff or lay leadership, for funds restricted for a specific use or purpose, is expressly prohibited except with the prior written approval of the Trustees, the Finance Committee, and the Church Council.

Gifts of stock will be sold as soon as it is reasonable to do so under the guidance and approval of the Treasurer of the Trustees. The assets gained from the sale will be placed in either the specified Endowment account or, in the case of undesignated gifts, in the Trustees General Memorial Fund. Stock certificates are subject to the same accounting controls as cash.

The acceptance of all restricted gifts or the plans for the solicitation of any restricted gifts must be approved by the Trustees in consultation with the Finance Committee and Church Council.

If funds are received from an estate gift and the will or trust has provisions which specify the purpose for which such funds are to be expended or contains governing conditions for the funds received, the Board of Trustees will evaluate the purpose and means of governing the funds and recommend to the Church Council whether such conditions are in keeping with the best interests of the church. Estate gifts with such provisions or conditions must be accepted or rejected by the Church Council upon recommendation by the Board of Trustees.

The church shall not receive any bequest in a will or participate as a beneficiary of a trust in any way that; (a) may result in confusion as to the utilization of the gift or (b) will cause any undue financial burden to the church.

If a will or trust does not have any provisions specifying either purpose or governing provisions that must be met in order to participate as a beneficiary, then

the full amount of the gift shall be credited to the Trustees General Memorial Fund.

The Trustees Treasurer, in cooperation with the Financial Secretary shall ensure that all financial records are maintained in an accurate and up-to-date manner at all times. Reports to individual donors shall be made as required by the Board of Trustees and in a format and frequency as the Board shall designate.

A financial report of the church shall be prepared monthly in a format approved by the Board of Trustees. This report shall be made available to the Board of Trustees, and the Church Council as requested.

## **Fund Disbursement**

The following procedures shall be used for the disbursing of Trustees General Memorial Funds:

Purchasing of all items through the Trustees shall be done after approval by the trustees. If an item or a group of related items exceeds \$250.00, three competitive bids shall be obtained and submitted to the Board of Trustees for consideration and ultimate rejection or approval.

Once the purchase of a specific item or group of items has been approved, the authority to expend funds up to the total amount of that particular item is granted to the individual designated by the Trustees as being responsible for that particular item. Total expenditures from any particular approved item shall not exceed the total amount budgeted for that item without the express approval of the Board of Trustees.

As Unrestricted Memorial Gifts received by the Trustees become part of a General Memorial Fund, the Board of Trustees decision on how to allocate these funds is final. If a gift is given in memory of a specific person and a member of that person's immediate family can be contacted in a timely manner, *as a courtesy to the family*, the Trustees will solicit approval on the use of the funds given in that person's name prior to those funds being committed to a specific project or item. If approval is not forthcoming from the family, the Board of Trustees reserves the right to expend the funds as approved by the Board.

The Trustees have created Endowment Accounts for specific purposes: Worship, Music, Scholarship, Education, and \_\_\_\_\_. These funds generate a distribution annually. The Chair of the committee with authority and responsibility in these specific areas may petition the Trustees for the disbursement of these funds by submitting a specific request identifying how the funds are to be utilized.

These requests will be considered by the Trustees and approved, rejected, or tabled for further discussion at the board meeting following the submission of the request.

Distributions from the designated Endowment Accounts will be considered Designated Funds and shall be limited to the use as agreed to by the Trustees and indicated by the account generating the funds. As an example, funds generated by the Music Endowment are to be used to provide music for the church. These funds could be requested by the Director of Music to be used to purchase new music, provide payment to outside musicians for special occasions. These uses are examples, and not limits of how the funds can be spent.

### **Check Requests**

A Check Request Voucher Form must be submitted to the Financial Secretary for all payments and reimbursements. This request must be completed and submitted to the Chairman or Treasurer of the Trustees for approval by the person responsible for the particular item in question prior to submission to the Financial Secretary.

An original invoice or receipt must be attached to each check request voucher. Statements will not be accepted in lieu of invoices.

In order for invoices and reimbursements to be processed in a timely manner, the Check Request shall contain all pertinent details, including the budget line item, title and account number and where the check is to be sent. Reimbursement requests shall clearly indicate the amount, date, place and business nature of the expenditure.

The bookkeeper shall then create a check and send the check to the person submitting the request or to the appropriate vendor as specified in the check request. Complete and approved check request vouchers received by the Business Office by the close of business on Wednesday, will normally be processed so that checks will be available by the following Friday afternoon.