

**ST.MARTHA'S FINANCIAL POLICIES/PROCEDURES/FORMS**

<u>Document</u>	<u>Reviewed and/or Revised</u>
<b>Active Documents</b>	
Clergy Discretionary Fund	3/8/2016
Log Sheet	3/8/2016
Debit Card	3/8/2016
Deposits	
Deposit Coordinator -- Responsibilities	3/8/2016
Deposit -- Other than Sunday Offering	3/8/2016
Deposit Form	3/8/2016
Teller Procedure	3/8/2016
Teller Breakdown Sheet	3/8/2016
Year End Contribution Statements	3/8/2016
Disbursement/Reimbursement	3/8/2016
Form	3/8/2016
Endowment Fund Resolution	5/10/2016
Facilities Usage Agreement	5/10/2016
Form	5/10/2016
Fund Raising	5/10/2016
Funerals	5/11/2016
Gift Acceptance	5/10/2016
Receipt for Material Gifts	5/10/2016
Gift Naming Opportunity	3/8/2016
Memorial Gifts	5/10/2016
Operating Account	3/8/2016
Line Item Descriptions	3/8/2016
Payment in Absence of Treasurers	3/8/2016
Regularly Occuring Expenses	3/8/2016
Restricted Account	3/8/2016
Fund Descriptions	3/8/2016
Tax Requirements	
Form 1099 Recipients	3/8/2016
Form W-9 & Form I-9 (IRS Forms)	3/8/2016

Travel	3/8/2016
Expense Report Form	3/8/2016
Expense Report Instructions	3/8/2016
Rector Log -- Diocesan Form	3/8/2016
Weddings	5/10/2016
Care & Use of Facilities	5/10/2016
Agreement Form	5/10/2016

## Clergy Discretionary Funds

### **Introduction**

St. Martha's has developed guidelines for the benefit of clergy and our congregation. The guidelines are based upon and closely follow the guidelines of the Episcopal Church found in the Manual of Business Practices. The purpose of these guidelines is to provide information and guidance in the structure and use of a class of restricted funds known as clergy discretionary funds.

### **Authority**

The existence and use of clergy discretionary funds rest on the canonical authority of the Almoner's Fund described in Title III, Canon 14, Section 2(f), of the Canons of the Episcopal Church:

*"The Alms and Contributions, not otherwise specifically designated, at the Administration of the Holy Communion on one Sunday in each calendar month, and other offerings for the poor, shall be deposited with the Member of the Clergy in charge of the Parish or Mission or with such Church officer as shall be appointed by him, to be applied by him or under his superintendence, to such pious and charitable uses as shall by him be thought fit. During a vacancy, the Vestry shall appoint a responsible person to serve as Almoner."*

The Almoner's Funds, generally known as clergy discretionary funds, have a long history of customary use in the Episcopal Church. The member of the clergy in charge of a congregation customarily has a special fund made available by the Vestry, the expenditure of which is under the authority of the cleric.

### **Sources**

St. Martha's has decided to set aside a budgeted amount for the discretionary fund as a substitute for the traditional source which is typically the loose offering that is given at the Holy Eucharist a minimum of one Sunday a month. Individuals may also contribute to the fund with occasional gifts.

### **Records**

The checking account for the clergy discretionary fund must be approved by the Vestry, and be opened using St. Martha's Federal Employer's Identification Number (FEIN). The bank account must be in the name of St. Martha's and not that of the individual member of the clergy. The co-mingling of personal funds of any kind with discretionary funds is always improper.

The discretionary fund is subject to audit and is included in financial reports following standard accounting procedures. Discretionary funds will remain with St. Martha's when the clergy departs.

### **Accountability**

Clergy who have been authorized to maintain and manage a separate checking account must record in writing, with appropriate receipts attached, the purpose of every check drawn on the account and any cash disbursement made.

Monthly bank statements are to be mailed directly to the treasurer, unless otherwise directed by the Vestry.

The Treasurer will verify the source of all deposits made into the clergy discretionary fund account; review all checks as to payee and who endorsed them/reconcile the checking account, and review all back-up invoices and/or letters. The treasurer will state in writing on the monthly statement that all verifications were made and, finally, file the bank statements with the other financial records of the congregation.

It is preferable that checks be written to vendors, such as a utility company or landlord, rather than to individuals requesting assistance. In most areas clergy make prior arrangements with drug stores, gas stations, grocery stores, etc. to have persons make purchases with approval of the clergy, and a check is written directly to the vendor upon receipt of a bill. Cash disbursements are discouraged, and should only be made where there is a real emergency and a check cannot meet the needs. If cash is disbursed, full documentation must be maintained stating to whom the funds were given or a description of the person, such as a parishioner or street person, the date given, amount, and a full explanation for the expended funds.

All clergy discretionary funds are classified as temporarily restricted funds of the congregation. As such, these funds are subject to audit even if they are kept in a separate checking account. However, the clergy may be permitted to maintain confidentiality over the expenditures of the monies disbursed for the direct assistance of named individuals. The manner in which this is done must be determined and jointly agreed to by the clergy and the Vestry.

The clergy must follow the record keeping methods detailed in the Episcopal Manual for Business Practices. These methods are designed to provide trustworthy accounting and stewardship of church funds, as well as to protect the clergy from suspicion and mistrust. Clear records of deposits into the fund and expenditures from it are essential to this process.

### **Uses**

The appropriate and traditional use of clergy discretionary funds is to address needs among congregation and community members. Payments for food, rent, utilities, medical bills and the like for persons in need are typical uses of these funds.

An inappropriate use is to meet expenses which normally should be covered by the operating budget including such things as attendance at conferences, purchases of books and journals, entertainment of individuals with a purpose directly related to St. Martha's ministry, and

professional membership in organizations related to the ministry, such as the Clergy Association.

Prohibited uses of discretionary funds are payments for anything that personally benefits the clergy. Therefore, neither personal clothing, food, books, rent, utilities, insurance premiums, nor medical expenses of the cleric, are appropriate expenditures by or through discretionary fund accounts. If any portion of a discretionary fund is used for personal use, that portion will be added to taxable income of the individual receiving the benefit. The individual misusing the funds may be exposed to civil and/or criminal liability.

### **Tax Consequences**

Gifts for a properly established discretionary fund, which is fully accountable to the Vestry, are deductible by donors as charitable contributions.

Contributions made to the discretionary fund for the direct benefit (pass through) of a named individual are not deductible contributions for income tax purposes, and should not be accepted.

**NO** discretionary funds are used to provide a gift to an employee.

### **Discretionary Fund in Absence of Rector**

During periods of transition, when no permanent rector is available, the Sr. Warden will control disbursements from the discretionary fund. Few, if any disbursements, should occur during this time.

Since the Sr. Warden is not typically at the church, the office staff will be instructed to refer walk-in persons who have a need for assistance to local organizations such as St. Anne's, Love, Inc. and the Pyle Center.

Monthly allotments into the discretionary fund will cease during any extended absence of the rector.

Revised 3/8/16

Vestry Approved 4/17/16

End **Clergy Discretionary Funds**

## St. Martha’s Episcopal Church Debit Card Policy and Agreement

It is the policy of St. Martha’s Episcopal Church to authorize the parish Treasurer and Assistant Treasurer each with use of a parish debit card for the purpose of conducting parish business. St. Martha’s debit card users and debit limit approvals are at the discretion of the Vestry. Policy requirements are as follows:

1. The St. Martha’s debit card is the property of St. Martha’s Episcopal Church and authorized users shall take the necessary precautions to ensure the safekeeping of the card.
2. Each card user must read and sign St. Martha’s debit card policy and agreement.
3. The Senior Warden is responsible for assuring that each card user receives, reads, and signs a copy of St. Martha’s debit card policy and agreement. The Finance Committee Chairperson will maintain the signed copy for safe-keeping.
4. St. Martha’s debit card may not be used for personal expenditures of any kind.
5. The Treasurer/Assistant Treasurer may only use St. Martha’s debit card to pay for services and purchases which require a debit card (automatic) payment. Any exceptions must be reviewed and approved by the Vestry.
6. The total amount of charges that can be made on the debit card in any given payment cycle is \$500. Amounts over \$500 in any given payment cycle must be approved in writing by the Senior or Junior Warden prior to the charge.
7. Supporting documentation is required for all purchases made with the debit card – includes online printed confirmation of purchase/receipt, packing slip, etc.
- 8. Each debit card statement will be reviewed by a member of the Finance Committee. Said member will sign the statement verifying its legitimate use. Any debit card irregularities will be reported to the Senior Warden immediately.**
9. When the persons in the Treasurers’ positions change, the bank will be notified via a Vestry Resolution authorizing the new users.

As Treasurer or Assistant Treasurer of St. Martha’s Episcopal Church, I have been granted use of the parish debit card. I agree that I will use this account only for bona fide, acceptable business purposes related to St. Martha’s Episcopal Church, and I will not use this card for personal purposes.

I understand that I must submit **all** supporting documentation and account designation at the time the bank statement is received. If the amount is not designated, the Treasurer will note expenditure type and the account to which it is to be designated. I understand that failure to abide by this debit card policy will result in loss of debit card use privileges.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name and Title

Revised 3-8-16

Vestry Approved 4/17/16

**DEPOSIT FORM – ST MARTHA’S CHURCH**

**DATE:** \_\_\_\_\_

**TO: ST. MARTHA’S FUNDS DEPOSITOR**

**RE: DEPOSIT OF FUNDS**

**PERSON SUBMITTING FORM:**

Please print \_\_\_\_\_

**DEPOSIT**

**CURRENCY** \_\_\_\_\_

**COIN** \_\_\_\_\_

**CHECKS** \_\_\_\_\_

**TOTAL:** \_\_\_\_\_

**SOURCE OF FUNDS:** \_\_\_\_\_

**(Bake Sale, Book Sale, Golf-outing, etc.)**

**\*\*\* Give funds & form to Parish Funds Depositor; Make a copy for Committee/Group Responsible \*\*\***

\_\_\_ **Operating Budget** \_\_\_\_\_ **Line Item**

\_\_\_ **Restricted Acct** \_\_\_\_\_ **Fund**

**Revised 3/8/2016**

**Vestry Approved 4/17/16**

**DEPOSIT FORM – ST MARTHA’S CHURCH**

**DATE:** \_\_\_\_\_

**TO: ST. MARTHA’S FUNDS DEPOSITOR**

**RE: DEPOSIT OF FUNDS**

**PERSON SUBMITTING FORM:**

Please print \_\_\_\_\_

**DEPOSIT**

**CURRENCY** \_\_\_\_\_

**COIN** \_\_\_\_\_

**CHECKS** \_\_\_\_\_

**TOTAL:** \_\_\_\_\_

**SOURCE OF FUNDS:** \_\_\_\_\_

**(Bake Sale, Book Sale, Golf-outing, etc.)**

**\*\*\* Give funds & form to Parish Funds Depositor; Make a copy for Committee/Group Responsible \*\*\***

\_\_\_ **Operating Budget** \_\_\_\_\_ **Line Item**

\_\_\_ **Restricted Acct** \_\_\_\_\_ **Fund**

**Revised 3/8/2016**

**Vestry Approved 4/17/16**



## Duties of Contribution Deposit Coordinator

1. Schedule Tellers to count Cash contributions following the 10:00 am service each Sunday. This is coordinated with the Master Schedulers for other Sunday services.
2. Input the check contributions on a weekly basis into Quick Books and deposit at Bank.
3. Input any Teller Worksheets for cash deposits into Quick Books.
4. Verify any cash for Restricted account and deposit at Bank and enter into Quick Books.
5. Prepare and send an e-mail which is formatted so that each deposit slip has a separate breakdown explanation. E-mail is sent to the Rector, Treasurer, Assistant Treasurer and any others as needed. When appropriate notify contact person for individual committees with any financial transactions affecting them.
6. Compile a list of pledgers and their pledge envelope number. This is provided by Stewardship Chairman prior to first deposit in new year. A copy is maintained in white notebook for tellers reference.
7. Prior to January 31<sup>st</sup> of the following year, send out a contribution statement to anyone contributing \$250 or more for the year. More frequent statements may be provided upon request.
8. Deposit Coordinator is also a member of the Finance Committee.

Revised 3/8/2016 Vestry Approved 4/17/16

### Deposit Procedure – Other Than Sunday Offering (Fundraisers)

1. This procedure is intended for use by those who handle any monies other than the Sunday Service Offering.
2. Two (2) persons are to count the monies together; verifying the amount and denomination of the funds for deposit.
3. The counters may not be members of the same family.
4. The counting should be done in a place away from ongoing activities.
5. The money is never to be left unattended.
6. The St. Martha's Deposit Forms (2) for Operating & Restricted Accounts are to be completed and signed by both parties.
7. The monies & Deposit Form should then be placed in an envelope or other suitable receptacle and left for the Teller's in one (1) of the zippered bank envelopes in the lock box in the sacristy. The sacristy door must be locked after leaving any monies and Deposit Form. Any questions should be directed to the Deposit Coordinator.
8. The Committee/Group representative should retain one (1) copy of the Deposit Form for his/her records.

### **Disbursement/Reimbursement for Purchases**

1. In cases where the exact dollar amount is known far enough in advance that approval can be obtained, and a request for a check from the Treasurer can be made, purchasers should obtain a check from the Treasurer made payable to the goods provider after submitting the completed Payment Request Form with the required signature(s) and documentation such as a confirmation of the order.
2. In cases where the exact amount is unknown, it is recommended that the purchaser use his or her own funds. As soon as a itemized receipt is obtained and the goods are received, a payment Request Form should be completed and submitted by the person who is responsible for the budget line item with the itemized receipt attached. If that said person is the recipient of the reimbursement, then a second signature from a person on the committee (or group) is required.
3. No person may incur expenses that are intended to be posted to a line item without prior approval by the head of the committee or group responsible for the line item.
4. No committee or group may exceed the budget amount without prior approval by the Vestry. Each committee (or group) chairperson is responsible for knowing the status of his/her committee's budget before authorizing any expenditures.
5. Any expenditures that exceed \$500.00 must have prior approval by the Vestry. The exceptions to this policy are those listed on the Pre-Approved Regular Expenses List.
6. The Treasurer or Assistant Treasurer shall render payment within two (2) weeks of receiving the required documentation for said reimbursement/disbursement expense.

Revised 3/8/2016

Vestry Approved 4/17/16

## Endowment Fund Resolution

St. Martha's Episcopal Church has established an Endowment Fund to accept, manage, and allocate unrestricted gifts made to the Church that are valued at \$10,000 or more. Such gifts are separate from those obtained through annual stewardship campaigns and other budget activities. The goal of the Endowment Fund is to support the mission of St. Martha's Episcopal Church, both now and in the future, by empowering ministry. Funds from the Endowment are intended to supplement Church activities, not to support items covered traditionally by St. Martha's operating budget.

To provide for optimal flexibility in the receipt and distribution of gifts and the income generated by the investment of those gifts, the Fund is structured legally as a quasi-endowment; that is, the fund functions as an endowment by resolution of the Vestry although the specific use of the funds has not been restricted by the donor. An Endowment Committee composed of parish members is responsible for overseeing the Fund's operations, including investment, distribution and accounting.

The purpose of St. Martha's Endowment Fund is to assist the Church in carrying out God's work, both in respect to Inreach and Outreach.

The Inreach category includes those activities that relate directly to parish life such as congregation development, spiritual development, programs for children, youth, and the elderly, and capital improvements.

The Outreach category includes those activities defined by St. Martha's Outreach Committee. The Outreach Committee works to extend the mission and ministries of the Church to the community surrounding St. Martha's.

Therefore be it resolved that:

1. Unrestricted gifts valued in excess of \$10,000 made to, or for the benefit of St. Martha's Episcopal Church shall be allocated to the Endowment Committee for administration consistent with this resolution.

2. Monies in St. Martha's Endowment Fund shall be allocated equally between Inreach and Outreach.
3. The Endowment Fund Principal cannot be invaded to support Inreach or Outreach activities.
4. All requests for Outreach funds must come through the Outreach Committee.
5. The Endowment Fund may lend money to the Church for capital improvements, but such loans may not exceed 25 percent of the total fund balance.

Resolution approved 11/20/2006

Revised 3/8/2015 Vestry Approved 4/19/15