

<b>Finance Policy</b>			
Source: Standing Committee on Finance	Authority: Standing Committee on Finance	Original Approval Date: 2013/09/10  Last Review Date:	Next Review Date: 2014/09
<p><b>Purpose of Policy:</b></p> <p>To provide guidelines for the Church's financial operations, excluding the financial operations of church groups such as A.O.T.S, UCW or the Trustees which have their own separate bank accounts and guidelines.</p>			
<p><b>Theological Rationale:</b></p> <p>As stewards of the resources entrusted to our care, we are obliged to manage and use money in accordance with procedures which reflect high standards of ethical behaviour and fiscal accountability. As members of a church, we owe to those who manage and use money and other resources clear guidelines by which they may know what is required of them and demonstrate their trustworthiness.</p>			

## 1.0 Introduction and Scope

1.1 This policy shall be the minimum standard for financial operations within the church.

## 2.0 Fiscal Year

2.1 The Fiscal Year for the church shall be January 1 to December 31.

## 3.0 Treasurer

3.1 The Church Administrator shall be assigned the duties of the official Treasurer for the church.

## 4.0 Envelope Steward

4.1 A staff member or volunteer at arm's-length from the Treasurer shall be assigned the duties of the Envelope Steward for the church, including:

- 4.1.1 Issuing numbered envelopes on request,
- 4.1.2 Administering the database used for recording the donations of individuals and issuing official tax receipts, and
- 4.1.3 Issuing official tax receipts and maintaining records as required.

## 5.0 Signing Authority

- 5.1 All cheques paid by the church must be signed by at least two individuals with signing authority.
- 5.2 The Church Council is the body that approves who will have signing authority, based on the recommendations of the Standing Committee on Finance ("Finance Committee").
- 5.3 Individuals with signing authority shall be at arm's-length from one-another.

## 6.0 Handling of Cash and Cheques

- 6.1 The Finance Committee shall develop procedures that ensure the safe handling of all cash and cheques during the process of counting and depositing.
- 6.2 All monies received shall be kept in the church vault until they are ready to be counted and deposited.
- 6.3 All monies received shall be counted in the church building, and deposited after counting, by at least two individuals at arm's-length.

## 7.0 Petty Cash Accounting

- 7.1 The Treasurer shall ensure the safe and accurate handling of all petty cash owned by the Church and held on the Church premises, including, but not limited to petty cash for: the Office, the Open Door Café, and the Benevolent Fund.

## 8.0 Line of Credit and Credit Card

- 8.1 The Finance Committee shall authorize the use of a loan or line of credit in case of a cash-flow shortfall in the church operating bank account.
- 8.2 The Finance Committee shall authorize the acquisition of a church credit card, with a credit limit of \$5,000 to be used when other forms of payment are not accepted by vendors. Purchases over \$200 shall be pre-approved by two signing authorities.

## 9.0 Fund-raising

- 9.1 The Finance Committee may create a sub-committee to oversee and administer fund-raising activities for the church's General Fund.
- 9.1.1 This sub-committee shall consist of at least:
- one representative from the Standing Committee on Finance,
  - one staff delegate, and
  - any other interested members of the congregation.

## 10.0 Accounting Procedures

- 10.1 The Treasurer shall develop and maintain a manual to ensure adequate and consistent accounting procedures are followed.
- 10.2 The Treasurer shall ensure that accounting procedures meet the standards required by the United Church of Canada and the International Accounting Standards Board.

## 11.0 Fund Accounting

- 11.1 Eastminster's finances are recorded using Fund Accounting, taking the form of a collection of funds, each fund having a distinct purpose, ranging from operating expenses to funding the various activities of the church. Each fund, along with its purpose is listed below:
- 11.1.1 The General Fund: Tracks all of the day-to-day operating expenses of the church.
- 11.1.2 The Mission & Service Fund (M&S): Tracks the funds received and submitted to the United Church of Canada to support its work across the country and around the world.
- 11.1.3 The Improvements, Maintenance, and Projects Fund (IMP): Tracks the funds used to pay for building improvements, maintenance, and special projects.
- 11.1.4 The Open Door Café Fund (ODC): Tracks the funds used for the operations of the Open Door Café program.
- 11.1.5 The Benevolent Fund: Tracks the funds used to provide emergency financial assistance to those in need throughout our community.
- 11.1.6 The Memorial Fund: Tracks all funds donated to the church in memory of an individual.
- 11.1.7 The Designated Fund: Tracks all funds donated for other specific purposes, as specified by the donor.
- 11.2 The Finance Committee shall create guidelines for disbursements from each of these Funds.

## 12.0 Capital Asset Accounting Procedures

- 12.1 Any asset purchased or donated to the Church having a value greater than or equal to \$1,500 will be capitalized and depreciated according to the Capital Cost Allowance (CCA) schedules of the Canada Revenue Agency and the requirements of the United Church of Canada.
- 12.2 Any asset purchased or donated to the Church having a value less than \$1,500 will be expensed.
- 12.3 Depreciation shall be calculated annually, with new figures appearing on the January financial statements.

**13.0 Interest Received on Operating Accounts**

- 13.1** Any interest received from the church's operating bank account, or investments consisting of operating funds, shall be received into the General Fund.

**14.0 Reporting**

- 14.1** Detailed Financial Statements shall be developed by the Treasurer after the end of each month, and distributed to all members of the Church Council, as well as to all members of the Finance Committee.
- 14.2** The Treasurer shall ensure that the Financial Statements meet the standards required by the United Church of Canada and the International Accounting Standards Board.
- 14.3** The Treasurer shall complete any and all reports and returns required by the United Church of Canada or by Provincial or Federal legislation or agencies.

**15.0 Annual Review**

- 15.1** The Finance Committee shall ensure that the financial records of the church are reviewed annually by an independent reviewer (i.e. not the Treasurer or a member of the Finance Committee) by the end of March of the following year.
- 15.2** The Finance Committee shall provide compensation to the reviewer if requested, not to exceed \$500 unless authorized by Church Council.

**16.0 Budget and Goal Setting Processes**

- 16.1** The Finance Committee shall prepare a proposed annual budget and a proposed IMP Fund goal in collaboration with the Standing Committees and submit them for approval to the Church Council at the December Council meeting.
- 16.1.1** The IMP Fund goal shall be calculated to ensure that all expected Improvement, Maintenance, and Project expenses will be paid, and that the Fund will maintain a balance of \$50,000 at the end of the year to cover any contingent expenses (i.e. emergency repairs).
- 16.2** The Finance Committee shall submit the proposed budget and the proposed IMP Fund goal to the congregation for approval at the Annual Congregational Meeting.

**17.0 Retention of Financial Records**

- 17.1** Financial Records shall be retained according to the schedule set out in **Appendix A**.
- 17.2** The Finance Committee shall ensure that the retention schedule meets all applicable legislative requirements.
- 17.3** A back-up of the electronic books shall be saved to the shared network drive, and also saved off-site to ensure its safety in the event of fire, theft, or other data loss.

<b>Record Type</b>	<b>Retain For</b>
Copies of official donation receipts (other than for 10-year gifts)	2 Years
Offering envelopes and count sheets	2 Years
General ledgers or other books of final entry containing summaries of year-to-year transactions and the vouchers and accounts necessary to verify the entries	6 Years
Financial statements, source documents, and copies of T3010 returns <i>(Source documents may include items such as invoices, vouchers, formal contracts, work orders, delivery slips, purchase orders, or bank deposit slips.)</i>	6 Years
Gifts to be held for no less than 10-years (i.e. Trust funds)	Indefinite