



*Every Life Changed By Christ*

## **Financial Policies and Procedures**

**Latest Revision: January 22, 2017**

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# **1. Receipts Collection, Counting and Deposit Policy and Procedure**

**Purpose:** CBC should have adequate controls over the collection of cash/check receipts, the counting of those receipts and the deposit of those receipts. The procedures for the administration of these processes are listed below:

## **Collection of Receipts:**

Sunday School Classes should place their offering in the lockbox located at the Church Office when they return their individual drawers to the cabinet.

Sunday Morning Worship offering should be collected by the ushers during the Worship Service. The money should be taken by two ushers and delivered immediately to the designated room for counting. The Finance Committee member and Treasurer representative should count and prepare the money for depositing.

## **Counting Procedures:**

- 1) Two counters, from a pre-selected list and serving on a rotating basis will count the money.
- 2) The counters should count all loose change and cash, endorse each check and report appropriately.
- 3) A pre-printed loose check form should be completed for all loose checks. At the minimum, the form should provide for listing the name, and the designation (i.e. general fund or a specific fund) indicated on the check.
- 4) Open and verify amount in each envelope with the amount written on the front.
- 5) Run (2) adding machine tapes on the checks and the envelopes to verify they equal.
- 6) Prepare a bank deposit slip for cash only and place one in the bag along with cash. Place another deposit slip with a completed recap sheet, which lists all specials and budgeted amounts, and a tape in the bank deposit bags. Prepare another bank deposit slip for the checks. Place the checks, a tape reflecting the total of the checks and the actual checks in the locking bank bag.
- 7) The completed deposit bag and the locking bank bag are then taken to the safe located in the Church Office. The Finance Committee Member will be assigned with the combination and will place the bags in the safe for Monday pickup.
- 8) The Financial Administrative Assistant will verify the deposit and post the receipts to the General Ledger on the computer. The Financial Administrative

Assistant will also post the amounts indicated on the envelopes to the individual giving records of each member. The Financial Administrative Assistant will scan the checks into our account using the banks scanning device. The Financial Administrative Assistant will then attach the receipt from the scanning device to the counting form. Checks should be destroyed after receiving the bank statement and completing the bank reconciliation.

- 9) A staff member will remove the cash deposit bags from the safe and make a deposit at a minimum of every two weeks.

#### Receipts received during the Work Week:

- 1) All checks shall be received by the Office Staff either through the mail or personal delivery and logged by name and amount.
- 2) Each Thursday, checks are given to the Financial Administrative Assistant to prepare a bank deposit and are reconciled to the log. The Financial Administrative Assistant will scan the checks into our account using the banks scanning device. The Financial Administrative Assistant will then attach the receipt from the scanning device to the counting form. Checks should be destroyed after receiving the bank statement and completing the bank reconciliation.
- 3) All deposits are verified monthly by the Associate Treasurer using the bank statement.

#### Designated Receipts

We encourage giving to the General Budget to allow the church more flexibility to fulfill our mission. Under certain conditions, the church will receive designated gifts; the Finance Committee has established approved funds and guidelines for designated gifts (as detailed below).

It is the policy of the church to adopt an annual budget that provides the various ministries and programs with the appropriate financial resources. Below is a listing of funds that has Finance Committee standing approval. In light of these facts, the following shall be guidelines for the church accepting designated gifts:

1. No contribution can be designated for the benefit of an individual.
2. All designated gifts must be “to or for the use of” the church.
3. Money designated for projects or programs within our church program shall be used as designated.
4. Money designated to individuals, programs, or projects outside our church shall be returned to the donor. To do otherwise might cause the church to be used inadvertently as an instrument to escape paying taxes by some individuals.
5. In order to keep our programs balanced, when money is designated for some specific ministry area, department, or work, the money will be used as designated and the budget expenditures for that ministry area, department, or work may be reduced by that amount.

6. Gifts of physical assets (furnishings, equipment, etc.) must be approved by the Property Committee before they can be accepted. The donor will receive a thank you letter from the church, and is to attach that letter to his or her appraisal documentation or item receipts. The letter from the church will not cite the value for the in-kind donation.
7. Books and other Media Library items must be approved by the Media Library Committee.
8. Proposed funding of special projects or money for said projects must be presented to the appropriate committee and the Finance Committee for their support and approval before the funds can be accepted.
9. The Finance Committee reserves the right to accept or reject any receipts and to look at donations (gifts) on a case by case basis.

Funds the church has approved to support through tithes and offerings are:

**Special Offerings** are designated gifts for the approved TBC and CBF funds listed below

- Annie Armstrong Offering
- Golden Offering for TN Mission
- Lottie Moon Offering
- TN Baptist Adult Homes
- TN Baptist Children's Home
- Nashville Baptist Toy Store
- CBF Global Missions Offering

We also support

- Second Harvest Food Bank
- Begin Anew

**Designated Funds:**

**Benevolence Fund** – See Item 5 for complete explanation

**Building Use Fees** – Donations for use of church facilities. These funds can only be used for maintenance issues outside the budget. Finance Committee is responsible for disbursements.

**CRC Ministries** – Donations received for the CRC facilities. These funds can only be used for maintenance issues outside the budget and equipment purchases for the CRC. Finance Committee is responsible for disbursements.

**Capital Fund Reserve** – Budgeted funds annually plus designated gifts. These funds can only be used for capital maintenance of the assets of the church. Finance Committee is responsible for disbursements.

**Instrumental Equipment/Supplies** – Donations and/or annual budget. These funds can only be used for instrumental equipment and supplies, a/v maintenance and purchases under the direction of the Worship Arts Pastor as approved by the Finance Committee.

**Laotian Building Fund** – Contributions from Laotian congregation and occasional gifts from others. The funds are to be used for future facility for the Laotian Congregation. Laotian Congregation has full authority for use.

**Laotian Operational Fund** – Weekly tithes and offerings. These funds are to be used for the regular expenses of the Laotian congregation.

**Cumberland Regional Ministry of Tennessee Grant** - Grant received from the Tennessee Baptist Convention's Cumberland Regional Ministry of Tennessee. Appropriate expenditures must follow the guidelines of the grant. Responsibility for reporting use of the funds will be the chair/co-chair of the Sharing Council.

**Preschool Equipment** – Established by the Weekday Ministries for fundraising for the preschool playground. Responsibility for expenses rely on both the Weekday Ministries and the Finance Committee.

**Youth Fundraising** – Funds accumulated over the years from youth fundraising. Funds and expenses for youth activities beyond the budget or for special needs flow through this fund. The Youth Pastor is responsible for income and disbursements.

**Permanently Restricted Funds and Their Associated Income Accounts:**

**Distinguished Gift Fund** - Fund established by a gift from the family of Ruth Guess after her death in 1988. Permanent gifts from will bequests, property by deed, insurance policies, or other special gifts shall be invested and only the income from investments used.

**Distinguished Gift Fund Income** – Interest from investment at the Southern Baptist Foundation and undesignated memorial gifts. This fund is to be used for missions as approved by the Finance Committee.

**Scholarship Fund** - Fund established January 1976. Initial gift was from the estate of Mrs. Libby Parkhurst who willed the church an amount in excess of \$16,000 to establish a Scholarship Fund.

**Scholarship Fund Income** - Interest from investment at the Southern Baptist Foundation. This fund is to be used for scholarships as following guidelines approved by the Finance Committee.

**Chester Williams Memorial Perpetual Maintenance Fund** – Fund established by Alice Williams to be used for maintenance and upkeep of the memorial fountain and surrounding area as approved by the Finance Committee.

Also, from time to time the church will have Designated Offerings for approved special events e.g. revivals, guest speakers or concerts, etc. These gifts fall under the Love Offerings guidelines.

**Love Offering:**

The church occasionally has the collecting of gifts (either cash or checks) for the purpose of honoring an individual or group. The church considers these gifts to be non-deductible for tax purposes due to the fact that an individual benefits from the gifts and not the church.

The gifts are collected either through our Sunday School Classes and turned in to the lock box or in a worship setting. The procedures for Collecting of Receipts are followed. The posting of these gifts will be to Account 22130 and once the designated time period for the gifts received for that set purpose finishes, a check will be cut for the amount collected by the Financial Administrative Assistant.

## **2. Purchasing and Disbursement (P & D) Policy and Procedure**

**Purpose:** CBC should have adequate controls over bank accounts, check disbursements and the purchasing process. The procedures for the administration of these processes are listed below:

### **Checking Accounts:**

- 1) CBC shall maintain checking account(s) for all financial activities of the Church.
- 2) The checking account(s) should require two signatures (one Staff Member and one Non-Staff Member) on every check and be accompanied by the appropriate documentation (i.e. check request with invoice, etc). The persons authorized to sign those checks are listed below:

#### **Non-Staff Members of the Church**

Church Treasurer  
Associate Treasurer  
Finance Committee Chair

#### **Staff Members of the Church**

Minister of Spiritual Growth and Administration  
Ministry Administrative Assistant (as designated by the Finance Committee)

- 3) The checking account must be reconciled monthly on the computer by the Financial Administrative Assistant using the Church's selected accounting software. The Associate Treasurer will open the Bank Statement and will then give a copy to the Financial Administrative Assistant for her reconciliation. The reconciliation will then be reviewed monthly by the Associate Treasurer. The documents to be reviewed are the actual reconciliation, the bank statement and check register.
- 4) Expenditures: The Weekday Ministries Director and Church Hostess shall each use a church credit card checked out to their respective ministry areas. They have authority to approve expenditures up to credit limit of the credit card. All other expenditures of the church will be approved by the Pastor, Minister of Spiritual Growth and Administration, Minister of Youth, Pastor of Worship Arts, Minister to Preschool and Children, Treasurer or Associate Treasurer. The procedure for approving expenditures is as follows:
  - A) A check request form is completed by the persons requesting the expenditure. For standard operating expenses such as utilities,



the Financial Administrative Assistant will approve without further authorization.

- B) The check request is then turned in to one of the individuals mentioned above for approval.
  - C) The Financial Administrative Assistant then keys the check request into the computer system and generates a check.
  - D) The check is then signed by the appropriate parties mentioned earlier in this policy and mailed or delivered to vendor or person.
- 5) The Financial Administrative Assistant shall provide, monthly, the Treasurer, Associate Treasurer and Finance Committee with a copy of the Treasurer's Report, a copy of the accounts payable listing and a detailed listing of expenses from the general ledger.

### **3. Credit Cards Policy and Procedure**

**Purpose:** Credit cards are to be used when it is not practical to pre-pay or make normal purchases through use of the Purchasing and Disbursement Policy. The procedures for the administration of these processes are listed below:

#### **Authorized Credit Cards & Charge Accounts:**

- 1) The Church is authorized to secure credit cards for staff and church use, with the number of cards and the limits assigned by the Finance Committee as appropriate to meet the needs of the church. The credit cards can only be secured by a majority vote of the Finance Committee and the signatures of the Church Treasurer and Finance Committee Chairperson.

The credit cards are to be secured under lock by the Financial Administrative Assistant.

#### **Church (Organization) Credit Card:**

- 1) Credit card purchases by Church members must be pre-approved. A Church credit card may be obtained from the office staff. The requesting Church member will sign, date and note nature of purchase along with the G/L code to be charged in a credit card log maintained by the Financial Administrative Assistant.
- 2) Office staff will initial and date the log entry upon return of the Church credit card accompanied by all receipts and other supporting documents. The cards should be returned to the Office immediately after the purchase(s) are completed and not later than 5 days from the time of obtaining the card. This is to prevent loss of cards and having card available for other church members.

#### **Florist Shop Account:**

- 1) The Church is authorized to maintain a florist shop account. Orders can be charged only by the Flower Committee Chairperson or other members of the committee and office staff.
- 2) All credit card receipts and supporting documents are to be promptly turned in to the office staff.

#### **Other:**

- 1) Use of Church credit cards for personal purchases is prohibited. Any unauthorized use of the cards shall be immediately reported to the Church

Treasurer and Chair of the Finance Committee. For employees, the personal charge will be immediately deducted from the next payroll cycle to reimburse the Church, and the Personnel Committee will consider disciplinary action up to and including termination.

- 2) Designated members of the Finance Committee will review the credit card log, credit card statements, and appropriate general ledger postings at least once a quarter.

## 4. Benevolence Fund- Disbursement

**Purpose:** Because CBC is a loving, caring community of believers, benevolent care to others is a major concern and ministry. Basically, there are two categories of recipients – members and nonmembers:

### Members

The Benevolence Committee is a deacon committee and is responsible for considering and providing assistance to church members and their families when requests are made and monies are available.

Requests may be made to the Deacon Chair or a member of the staff. In emergencies, the chair may approve a gift of \$250 or less and request a check from the Financial Administrative Assistant to be written from the designated Benevolence Fund. Larger amounts must be approved by the full committee which consists of the Chair, Vice-chair of Deacons and the Secretary of the Deacons. Repeated requests should be carefully considered by the committee in order to have sufficient funds to respond fairly to the total membership. The confidentiality of benevolent gifts to members should be carefully maintained: and, as nearly as possible, be known only to the committee, an office administrative assistant, the Financial Administrative Assistant, appropriate ministerial staff, and the recipient.

### Nonmembers:

- 1) Requests are made by phone calls or drop-ins of the community.
- 2) Requests are reviewed by the Administrative Assistant. She is allowed to disburse from this fund for items up to \$75 per request. All requests above \$75 must be presented to the Deacon Chair and Pastor for approval.
- 3) No cash disbursements are allowed. The church will only disburse funds to a vendor.
- 4) The church will not pay for the following request:
  - a. Cable
  - b. Utility deposits
  - c. Cell Phones
  - d. Gasoline
- 5) The church will disburse funds only to those with a permanent address in the following zip codes:
  - a. 37211
  - b. 37220
  - c. 37013
  - d. 37027

If justified in his or her judgment, the Administrative Assistant may extend aid (up to \$75) to someone outside of these zip codes.

- 6) The Financial Administrative Assistant will provide the Office Administrative Assistant with the Benevolence Fund's current balance by the 1<sup>st</sup> of each month.
- 7) An individual is assisted once per twelve-month period of time.
- 8) Once a request is made and it is for a valid need as mentioned above, the following steps are followed:
  - i. Document request information for the benevolence book which is located with the Administrative Assistant, confirming assistance has not been provided in prior 12 months. If we are able to help, inform the recipient what we can do.
  - ii. Call to verify information given, if applicable.
  - iii. If necessary, the recipient is asked to call back later in the day to see what we can do.
  - iv. After the amount and vendor have been determined, document in the benevolence book.
  - v. Submit check request to the Financial Administrative Assistant.

## 5. Scholarship Process

### Mrs. Libby Parkhurst Memorial Scholarship Fund

Mrs. Parkhurst established this scholarship fund in 1976 to assist Crievewood Baptist Church members who meet the following eligibility requirements:

- member of Crievewood Baptist Church
- have completed high school and been accepted to an accredited post-secondary institution
- regularly participate in the programs/activities of Crievewood (Crievewood is considered the "home church" of active students who affiliate with another church where they are attending college)

The scholarship will be offered during any year when earnings and contributions to the fund meet or exceed \$1000. One award of \$1000 will be bestowed to the selected individual. The Finance Committee may (at its discretion) award multiple \$1000 awards if the fund balance so allows. Acceptance of applications will be announced by the Finance Committee to the church when this amount becomes available. Applications should be submitted to the church office (Attn: Finance Committee) by the date specified by the Finance Committee each year.

#### Application Criteria:

- 1 Candidates must have graduated or be graduating from an accredited high school or accredited home school program by June 30 of the current year the scholarship is to be awarded.
- 2 Candidates must provide proof of acceptance to a two-year or four-year post-secondary institution accredited by an agency recognized by the U.S. Dept. of Education and/or Council for Higher Education Accreditation.
- 3 Candidates must prepare a document addressing the following subjects for the Finance Committee to review:
  - a) the overall grade point average he/she achieved as of June 30 of the current year;
  - b) describe the significant courses completed, class standing (if known), honors or commendations earned, voluntary extra-curricular activities performed at the school or in the community and, if applicable, any hardships or hurdles that were successfully overcome;
  - c) describe what your Christian faith and membership at Crievewood Baptist Church and affiliated church (if applicable) has meant to you in preparing for your future. Include a description of any programs/activities where you are a participant;
  - d) describe how this scholarship will be financially helpful to you in meeting your education expenses; also, list any other monetary scholarships awarded to you for use in the next school year;

- e) describe any education and/or career goal(s) you have set for yourself and why you have chosen them;
- f) applicants should furnish student ID or account number, if known, so the monetary award will be properly credited;
- g) since the check will be mailed to the educational institution, please provide specific mailing address..

note: The length of this document is to be determined by the candidate. The Finance Committee will appoint a review panel to determine the recipient(s) using these criteria for the competition.

The award(s) will be made payable to each selected recipient's institution of choice. All applicants will be notified in writing.

## **Other Items**

**Purpose:** CBC has other items that should be documented that relate to the organization and the controls that have been set up to maintain proper control of all its assets:

### **Bank Accounts:**

- 1) The church's premier account for all the church's transactions is with First Citizen's Bank at 1534 Demonbreun Street, Nashville, TN 37203. The Treasurer and Associate Treasurer are the authorized persons to make any transfer or to open any additional accounts with the authorization of the Finance Committee.
- 2) The church currently has an account at SunTrust Bank in Brentwood, TN.
- 3) The church has a Money Market account with First Citizen's which holds the church's Building Fund Reserves. Transactions from this account must be authorized by the Treasurer or Associate Treasurer.

### **Reserved Fund:**

The Church has maintained all of its reserve funds (except the Building Fund) at the Southern Baptist Foundation. Our contact for this institution is:

Southern Baptist Foundation  
901 Commerce Street, Ste. 600  
Nashville, TN 37203  
<http://www.sbfdn.org>

All transactions must be authorized by the Treasurer or Associate Treasurer.

### Weekday Ministries:

The Weekday Ministries has its own policy and procedures for its end of the transactions; the list below gives guidelines for the necessary procedures that are needed to maintain the proper control on the church's end.

- 1) All deposits are logged and deposit slips made by the staff of Weekday Ministries.
- 2) A weekly deposit will be made by presenting to the Financial Administrative Assistant a completed deposit slip along with the collected receipts.
- 3) The Financial Administrative Assistant will prepare and present a detailed income and expense report to Weekday Ministries by the 10<sup>th</sup> of each month.
- 4) The staff of the Weekday Ministries will verify the deposits have been made correctly and examine that expenses are posted properly
- 5) The Weekday Ministries will follow the cash disbursements policy for the authorizing payment for their funds.

### **Financial Record Retention:**

Records of Revenue and Expenses including Payroll Records need to be retained for 5 years.



Date: \_\_\_\_\_

**REQUEST FOR FUNDS IN EXCESS OF APPROVED BUDGET**

**CRIEVEWOOD BAPTIST CHURCH**

Amount of Request: \_\_\_\_\_

Requested by: \_\_\_\_\_

Funds to be for (please be specific):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Charge to account number: \_ \_ \_ \_ \_

Discussed with which minister: \_\_\_\_\_

Discussed with which Finance Cmte member: \_\_\_\_\_

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Finance Committee Action on: \_\_\_/\_\_\_/\_\_\_

Approved: \_\_\_\_\_ Deferred: \_\_\_\_\_ Declined: \_\_\_\_\_ Additional Info Requested: \_\_\_\_\_

Finance Committee Chair: \_\_\_\_\_

Notes (include date of response to Requestor):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_