



**ST. ANDREW**

# Financial Policies

# ST. ANDREW METHODIST CHURCH

## Finance

<u>SECTION</u>	<u>SUBJECT MATTER</u>	<u>PAGE</u>
A	General Accounting System:	
I.	Basis of Accounting.....	3
II.	Accounting by Funds .....	3
B.	Contributions:	
I.	Statement of Policy .....	7
II.	Offering Received in Worship Services .....	9
III.	Non-Cash Gift Procedures .....	9
C.	Other Cash Receipts:	
I.	Incoming Mail.....	11
II.	Mid-Week Deposit.....	11
III.	Electronic Giving .....	11
D.	Purchasing:	
I.	Procurement .....	12
II.	Payment Procedures.....	12
III.	Credit Cards .....	13
IV.	Accountable Reimbursement Plan .....	15
E.	Banking	
I.	Cash Availability .....	16
II.	Bank Reconciliations .....	16
F.	Petty Cash and Cash Boxes	
I.	Petty Cash .....	17
II.	Square Devices.....	17
G.	Budgeting Procedures.....	18
H.	Investment Guidelines & Objectives Statement of Policy .....	19
I.	Fundraising Policies, Principles and Procedures Statement of Policy .....	20
I.	Principles.....	20
II.	Categories .....	21
III.	Policies .....	21

## **Section A. ~ GENERAL ACCOUNTING SYSTEM**

### **Statement of Policy:**

St. Andrew Methodist Church maintains a General Accounting System to record all financial transactions of the church. Efficient record-keeping procedures provide assurance that church funds are being used in accordance with the instructions of the leadership of the church and the will of the contributor. Procedures should contain sufficient internal controls to protect those who handle the funds of the church. The financial records also provide an historical record of the church's fiscal transactions which allows evaluation of the church's financial status. The records aid in managing cash flow and ensuring that the church is in compliance with governmental regulations.

*"I lead in the way of righteousness, in the midst of the paths of judgment: that I may cause those that love me to inherit substance; and I will fill their treasures." Proverbs 8:20,21*

### **Procedures:**

#### **I. Basis of Accounting**

St. Andrew Methodist Church records its financial transactions under both cash and accrual basis of accounting. Cash basis accounting reflects only the transactions which have been completed within a given time period (for instance, one month or one year). Only cash received, and deposits made during the month and only expenditures actually disbursed during the month are recorded. Accrual basis of accounting reflects only the transactions which remain outstanding until the funds are received. Outstanding accounts receivable are recorded on the balance sheet but have already been posted to the appropriate receivable accounts. The month end financial reports reflect all transactions received and disbursed for that month and accumulated year to date. All financials are audited by an outside firm on an annual basis.

#### **II. Accounting by Funds**

Fund accounting focuses on leveraging finances to be as accountable to the revenue generation sources as possible and to advance the organization rather than generate a profit. Fund accounting is a system of recording resources whose use may be limited by donors. To keep records of these limitations for internal purposes, St. Andrew Methodist Church maintains separate funds for specific purposes.

## 1. Annual Ministry Fund

In the Annual Ministry Fund, the income and expenses are posted for the day-to-day operations of the church ministry programs, facilities, staffing, and general office. Contributions to this fund are considered unrestricted in nature over which the Finance Committee has discretionary control.

Receipts and expenditures from this fund are planned using the annual ministry operating budget which is proposed by staff in each ministry area and approved by the Finance Committee. St. Andrew operates on a fiscal year budget, July through June. The budget is approved on an annual basis.

Expenditures from the Annual Ministry Fund are approved by the responsible staff person in each department. Expenditures which potentially will cause the budget to be overspent must be reported to the Executive Director of Operations and CFO. Cash flow of all funds is monitored by the Church Business Administrator on a monthly basis.

## 2. Building Fund

In the Building Fund, income and expenses are posted for all activities related to any new construction, remodel, and all associated expenses. The value of the building and furnishings are recorded on the balance sheet of the Building Fund, therefore, debt service is paid from this fund.

During any construction or remodel phase, the Director of Facilities & Production will monitor and approve all expenditures for payment from the Building Fund. All construction or remodel projects will be audited internally for reconciliation of funds.

## 3. Restricted Fund

The Restricted Fund is used for contributions given to the church for specific purposes or for designated events. There are three types of accounts in this fund, and they are classified for accounting purposes as follows:

**Permanently restricted:** Permanently restricted net assets are not available for program expenses, payments to creditors, or other organizational needs unless designated by the donor. These types of assets have been received from donors that have imposed stipulations or restrictions on the uses of the earnings and generally do not allow for the expenditure of the corpus. For example: Permanent Endowment Fund.

**Temporarily restricted:** Temporarily restricted net assets are those funds received from donors that have designated how the net assets are to be used, but that will expire

with the passage of time or the fulfillment of the specific purpose. These net assets may generally not be used for day-to-day operations.

**Designated:** Designated net assets include resources which are available to be used currently in carrying on the church's ministries and its day-to-day operations. For example: Gifts and Pledges.

In order to exercise appropriate oversight over use of restricted funds, the Finance Committee shall review (at least bi-annually) each of the restricted funds, their specified use, fund receipts and expenses, along with timeliness of use for specified purposes. It is the Committee's belief that prudent stewardship of these funds includes the intent to spend the funds for their intended purposes on a timely basis consistent with the specified restrictions of the particular fund.

The Committee also believes that clear guidelines should be established regarding use of restricted fund assets during such time as the assets are being held by the Church and prior to the ultimate expenditure for their intended use. These guidelines are as follows:

- The Church will maintain appropriate accounting records to be able to track receipts, expenditures, and remaining balances for each separate restricted fund.
- The Church will maintain a balance sheet to reflect the total balance of restricted fund assets and maintain cash and investment accounts that are separate from those established for funds that are either designated or available for general use.
- This policy does allow temporarily restricted fund assets (but not permanently restricted fund assets) to be loaned from time to time to other funds (whether restricted or designated). However, these loans should not impair the restricted fund's ability to have cash available to make expenditures on a timely basis consistent with the designation of the donor(s).
- Any loans made between funds pursuant to this policy shall be interest bearing at an amount to be determined by the Executive Director of Operations & CFO subject to ratification by the Committee. It is intended that interest rates shall approximate the amount which the fund could otherwise earn by investing as outlined in the St. Andrew Methodist Church Investment Guidelines and Objective.

- To the extent that loans are made whereby an designated fund is the borrower and a restricted fund is the lender, the Committee considers it advisable that the Church shall maintain outstanding third-party borrowing capacity, e.g., letter of credit, in an amount at least equal to the cumulative amount of any such outstanding loans.

Disbursements are approved by ministry program director, the Church Business Administrator, or the Executive Director of Operations & CFO.

#### **4. Other Funds**

New funds for startup ministries to be added as necessary and approved by the finance committee.

## ***Section B. ~ CONTRIBUTIONS***

### **Statement of Policy:**

Contributions received as tithes and offerings from members and visitors are the primary source of support for St. Andrew Methodist Church. Contributions are collected, deposited, and accounted for in an accurate, timely, and confidential manner.

Donations to the church will be accepted for unrestricted use or for any one of the special restricted funds or programs that have been established. Unusual gifts, non-cash gifts other than stock, gifts that have conditions attached, or gifts that require the church to assume an additional or a specific liability, must be reviewed by the Executive Director of Operations & CFO and Director of Generosity before acceptance.

Charitable contributions generally must satisfy six (6) requirements:

- a gift of cash or property claimed as a deduction in the year in which the contribution is made
- the contribution is unconditional and without personal benefit to the donor
- the contribution is made "to or for the use of" a qualified charity
- the contribution is within the allowable legal limits
- the contribution is properly substantiated

The value of personal services is not deductible as a charitable contribution, but expenses incurred in performing services on behalf of the church is deductible on a person's IRS tax return. However, the church does not record these expenses on a member's contribution record.

Charitable contributions must be claimed in the year in which they are *delivered*. One exception is a check that is mailed to the church--it is deductible in the year the check is mailed (and *postmarked*), even if it is received early in the next year.

Charitable contributions must be made "to or for the use of" a qualified charitable organization. Contributions and gifts made directly to individuals are not deductible.

"Designated contributions" are those that are made to the church with the stipulation that they be used for a specified purpose. If the purpose is an approved project or program of the church, the designation will not affect the deductibility of the contribution. However, if a donor stipulates that a contribution be spent on a *designated individual*, no deduction is allowed. An exception to this would be the case of foreign missionaries supported by the church.

Charitable contributions must be properly substantiated. Special substantiation procedures apply

to contributions of non-cash property valued by the donor at \$500 or more. If the value is more than \$5,000, then the donor must obtain a qualified appraisal of the property and submit it to the church for their records.

Examples of contributions that are recorded on a member's contribution statement include but not limited to cash and stock certificates (cashed upon receipt) given to the following funds:

- Annual Ministry
- Capital Campaign
- Various Mission offerings
- Partner Ministries (Beacon of Light, Four Corners, The Storehouse, etc.)
- Memorials (General, Scholarship, etc.)

Contributions given above the fair market value of an item may be considered a contribution, i.e. a Golf Tournament Scholarship Benefit. The portion of the contribution above the determined fair market value of the item is deductible. That portion of the gift will be reported on the contribution statement. The fair market value will be determined by the program area in which contributions are made.

Examples of contributions that are *not* recorded on a member's contribution statement include but not limited to:

- Purchase of books, study guides or materials
- Trip or retreat costs
- Registration fees
- Rental of church building
- Payment of luncheons or similar activities
- Unidentified Loose Currency

The fact that a payment is made to the church is not controlling, since taxpayers cannot obtain a deduction merely by funneling a payment through the church. As the IRS often asserts, it is the substance and not the form of a transaction that is controlling.

Contribution statements are available online and mailed annually.

*“The earth is the Lord’s, and the fulness thereof.” Psalm 24:1*



## **Procedures:**

### **I. Offering Received in Worship Services**

Church servants on the usher teams collect the offering in worship services by passing a collection plate through the aisles. The plates are then gathered in the Security room with a Security Officer. All cash, envelopes, and checks collected are placed into a money bag and dropped into the safe located in the Security closet.

On Monday morning (or Tuesday, if there is a Monday holiday), two staff members in the Business Office retrieve the bags from the safe. They sort the offerings into loose cash, loose checks, and contribution envelopes. Envelopes are opened and the amount of the contents is verified with the amount written on the front of the envelope. If no amount was written by the donor, the counter writes the amount of the contents on the front of the envelope. Totals are run for the loose cash and verified with the cash form.

The checks are scanned and entered into the computer system taking care to match the check with the proper name in the computer. Checks should be scanned in order to have a copy associated. Checks are also scanned to the bank via remote deposit. The cash collected is processed separately for a bank deposit. All cash deposits are taken to the bank weekly by the Church Business Administrator or the Executive Director of Operations & CFO.

The deposit receipt, the summary deposit form, and list of checks are given to the Financial Bookkeeper for posting the contributions to the church database. The Business Administrator will review final deposit before posting.

### **II. Non-Cash Gift Procedures**

- Non-Cash gifts such as gifts of stock and various kinds of securities will be immediately liquidated by the Business Administrator acting as agent for the Board of Trustees.
- Gifts of insurance products, automobiles, livestock (or other animals), jewelry and other items of value be unencumbered and given outright to St. Andrew Methodist Church. The committee will review and determine if liquidation is appropriate.
- If the gift is determined to be acceptable to the Committee, the gift will be held or sold as deemed most appropriate by the Committee.
- Gifts of real estate must be given with an appropriate title search, environmental evaluation, survey and appraisal. All costs of transferring will be born by the donor. Gifts of real estate are strongly preferred to be unencumbered with liens, litigation or

any other potential liability to St. Andrew Methodist Church and are subject to review by the committee.

- Before title is accepted by St. Andrew Methodist Church, the Finance Committee and/or Board of Trustees reserve the right to decline the gift.
- All non-cash gifts will be acknowledged in a dated letter from the Business Administrator (or other appropriate person), which will include a description of the gift.
- Any gift with a value of \$2,500 or less can be reviewed and accepted on behalf of the church by the Business Administrator or appropriate staff.

The Finance Committee is directed to report to the Board of Trustees the amount and terms of acceptances, rejections, dispositions, or uses of such gifted real property. Furthermore, it will be the responsibility of the Board of Trustees to hold and care for such gifted property, as necessary, until properly disposed.

## ***Section C. ~ OTHER CASH RECEIPTS***

### **Statement of Policy:**

Adequate internal controls over cash receipts received in the mail or from other sources will be maintained. Examples of receipts other than contributions include event registrations; sale of devotional books and materials; preschool tuition; fees for some adult classes; wedding fees; facility usage; and weekly lunch bunch. These funds collected are dropped in the safe daily and are processed by two members of the Business Office team on Thursdays. Processing involves verifying cash and check against deposit submitted by department; entering data into church database to record payments, etc. Checks are scanned to bank for deposit and cash is prepared for weekly deposit.

### **Procedures:**

#### **I. Incoming Mail**

St. Andrew maintains a post office box at the Coit Road Post Office. The Church Business Administrator is responsible for picking up the mail daily Monday through Thursday. One of the Finance Assistants will sort and distribute incoming mail to workroom mailboxes.

#### **II. Mid-Week Deposit**

Non-contributions received by mail or in person, proceeds from event registrations, sale of devotional books and materials, preschool tuition, collections from adult classes, wedding fees, facility usage, and weekly lunch bunch, are dropped in the wall safe by the Business Office.

On Thursday of each week, non-contributions are prepared in a deposit by two members of the Business Office. The checks are scanned to the bank for deposit and the cash is prepared for the weekly deposit.

#### **III. Electronic Forms of Giving**

Other forms of giving include online giving through the website, and Venmo.

## ***Section D. ~ PURCHASING***

### **Statement of Policy:**

Sound purchasing decisions represent one of the primary ways that our stewardship of God's resources is revealed. The pastors, ministry directors, and department managers have purchasing authority for their areas, within budgetary constraints.

### **Procedures:**

#### **I. Procurement**

Pastors, ministry directors, and department managers have the authority to over/under spend individual accounts as long as the total budget for their area is not over the established budget amount. Expenditures must be charged to the appropriate account.

St. Andrew is tax exempt. Tax exempt forms are available for anyone making purchases on behalf of St. Andrew. Form can be downloaded from the intranet. If there is difficulty get the sales tax removed, the Business Office can assist. Always use the tax-exempt form when making purchases for St. Andrew. If the purchase is for an online account, check with the Business Office first to find out if there is already an established account with the vendor.

#### **II. Payment Procedures**

##### **Check Requests**

Check Requests are paid weekly by the Business Office. All items must be submitted by 3pm on Monday for a check available by Thursday. Check Requests are submitted by various staff and lay members. The Program Staff Director in charge of a program area must approve all check requests for their area. Each request must have attached pertinent receipts or supporting documentation. Requests for \$5,000 or more, or requests submitted after the deadline, must also have the Executive Director of Operations & CFO or Business Administrator's approval.

There should *not* be any personal gifts charged against the church budget. If committees, groups, etc. would like to show appreciation or recognition to teachers, leaders, chairpersons, staff, etc., these gifts are appropriately made through a freewill offering for that purpose. A check request could then be made for the amount collected and then disbursed for convenience's sake. It is appropriate to purchase items for children's/student groups, i.e., books for confirmands, third-grade Bibles, crosses for baptisms, etc. These events are not showing appreciation but are demonstrating achievement.

### **Invoices**

Invoices are paid in a timely manner as to avoid any late fees. St. Andrew Methodist Church at the present time does not use purchase order numbers. The program staff person in charge of each program area must approve all invoices for their area prior to payment. Extraordinary items or requests submitted after the deadline, must have the Executive Director of Operations & CFO or Business Administrator's approval.

Invoices received by mail are directed to the appropriate staff person for approval and then returned to the Business Office for payment.

Checks are prepared weekly and can be signed by the following:

- Business Administrator
- Executive Director of Operations & CFO
- Senior Associate Pastors
- Senior Teaching Pastor
- Senior Pastor

All checks \$5,000 or more require two signatures.

### **Budgeted Disbursements**

Disbursements that are budgeted but are not requisitioned or invoiced (i.e. budgeted payments for Missions, etc) shall be paid the last week of each month, unless prior arrangements are made.

### **III. Purchase Cards**

St. Andrew has one Visa purchase card. Ministry directors, program leaders, and staff making regular purchases on behalf of the church are issued a credit card. The credit limit on each card can vary by department needs. Each cardholder has signed the credit card agreement policy.

### **Program Operation Expenses**

Purchase Card Statements are electronic and should be reviewed and submitted for approval by the 10th of the month. Each item should be properly documented with a receipt attached/uploaded and the account number where the expense should be charged. The following conditions must be satisfied: (1) the expense is reasonable in amount; (2) the item is documented by showing the person or group entertained, amount, time and place, and business purpose. (see entertainment expenses below). Submitted statements should be approved by supervisors by the 13th of each month. If a person abuses the privilege of using the credit card, the card will be terminated.

### **Entertainment Expenses**

In order to show that entertainment was *directly related* to the active conduct of the church, you ordinarily must be able to demonstrate that (1) you had more than a general expectation of deriving contributions for the church or some other specific business benefit at some indefinite future time; (2) you did engage in business during the entertainment period; and (3) the main purpose of the entertainment was the transaction of business. In order to show that entertainment was *associated* with the active conduct of your ministry, you must be able to demonstrate that you had a clear business purpose in incurring the expense, and that the meal or entertainment directly precedes or follows a substantial business discussion.

Entertainment includes any activity generally considered to provide entertainment, amusement, or recreation. Expenses are not reimbursed when a group of business acquaintances takes turns picking up each other's entertainment checks without regard to whether any business purposes are served. Common examples include entertaining denominational officials, guest speakers, church groups (students, choir, etc) or meeting with members at a restaurant for counseling purposes. **Under no circumstances will alcoholic beverages of any sort be reimbursed.**

The IRS especially scrutinizes entertainment expenses incurred in your home. You must be able to demonstrate that your expenses were not purely social but rather had a primary business purpose.

Entertainment expenses will be charged to the appropriate line item for the group entertained.

### **Education Expenses**

St. Andrew budgets annually for continuing education for the staff. An employee must submit a request for continuing ed. Form can be completed directly on the intranet. If approved, you may deduct expenses you have for education such as books, supplies, correspondence courses, and certain travel and transportation expenses. Expenses related to travel, conferences, seminars, classes, etc. must have the prior approval.

If you travel away from home for approved educational expenses, you may be reimbursed for your expenses for travel, meals and lodging while you are away from home. However, you may not deduct expenses for personal activities such as sightseeing or entertaining.

### **Subscriptions and Books**

Reimbursement will be made from staff expenses or from specific program areas for the purchase of periodicals, journals, books, etc. that are directly relevant to the ministry of the

church. This also includes the reimbursement of professional fees or dues to organizations that are directly related to the work of the church.

#### **IV. Accountable Reimbursement Plan**

##### **Staff Expense Reimbursement**

If an employee does not have a church issued purchase card, or they had issues with their card, they will need to submit a form for reimbursement. Reimbursements are provided through payroll semi-monthly. The form must include all the information pertaining to the expense and the receipts must be attached. Employee and manager must sign the form to receive reimbursement.

##### **Transportation Expenses**

These expenses are the ordinary and necessary expenses of getting from one workplace to another in the course of your work when you are traveling away from home. This does not include *commuting* between your home and the church. Mileage will be paid at the current IRS approved rate. This request should be submitted on the proper form (available in the Business Office or on the Intranet) with the date, destination and purpose stated.

## ***Section E. ~ BANKING***

### **Statement of Policy:**

The Finance Committee is responsible for the establishment of all financial institutions used by St. Andrew Methodist Church. The Finance Committee is responsible to oversee the church's general operations with these institutions. Bank accounts will be established to safeguard church funds and provide deposit, disbursement and investment privileges. All church bank accounts shall be reconciled on a monthly basis.

### **Procedures:**

#### **I. Cash Availability**

The Business Administrator will observe cash availability on a weekly basis. St. Andrew Annual Ministry Fund should maintain one and one-half months of budgeted expenses in cash.

The Building Fund cash is monitored closely during any capital campaign or construction project. Annual Debt Service is processed through the Building Fund.

#### **II. Bank Reconciliations**

Upon the close of each month, the Financial Bookkeeper will download the bank statement for each fund. All items will be reviewed and cleared on the general ledger. Any open items will be noted on the bank reconciliation report. The completed bank reconciliation will be presented to the Business Administrator for signing and filing.



## **Section F. ~ PETTY CASH, CASH BOXES, SQUARE DEVICES**

### **Statement of Policy:**

St. Andrew Methodist Church takes very seriously the stewardship of all church funds, no matter what the amount may be. To facilitate the need for cash for trips and events, a petty cash fund is provided. Details of the cash fund must be maintained with receipts.

*“Well done, good and faithful servant! You have been faithful with a few things; I will put you in charge of many things.” Matthew 25:21*

### **Procedures:**

#### **I. Cash for Events/Trips**

Cash bags and boxes are maintained in the Business Office. If you need petty cash for an event or trip, you must complete a check request two weeks in advance of the event/trip.

After the event/trip, all cash must be recorded on a deposit sheet, signed, and dropped in the wall safe of the Business Office. Cash bags and boxes need to be returned to the Business Office on the following work day.

#### **II. Square Devices**

Square devices and account logins are maintained in the Business Office. If you need Square for an event or trip, you must request that in advance of the event/trip.

After the event/trip, all deposit reports from the Square sales must be documented and turned into the Business Office. Square devices need to be returned to the Business Office on the following work day.

## ***Section G. ~ BUDGETING***

### **Statement of Policy:**

The Annual Ministry Fund of St. Andrew Methodist Church operates with an annual budget set on a fiscal cycle from July through June. The budget is used to predict expenses and allocate resources for the church. It details all the costs, including compensation, as well as the predicted funds that the church will receive during the fiscal cycle.

### **Procedures:**

The Finance Committee of St. Andrew Methodist Church adopts the following budgetary control procedures for expenditures in excess of originally budgeted funds:

- The Business Administrator and Chief Financial Officer work closely with all ministry departments to develop the fiscal year budget.
- The budget is presented to the Finance Committee for review and approval.
- Upon approval, the final projected budget is then presented to the Executive Committee for final approval and acceptance.
- Throughout the year, a ministry area can allocate and reallocate their budgeted expenditures between line items, committees, and sub-committees within their ministry area without approval, as long as the total budgeted expenditures for the ministry does not change.
- The Finance Committee shall have the authority to approve changes to the total budgeted expenditures of the Church.

## ***Section H. ~ INVESTMENT GUIDELINES AND OBJECTIVES***

### **Statement of Policy:**

The purpose of this statement is to establish the necessary guidelines for the management of the Church's short term investment portfolio of all funds. The primary goals of this investment portfolio are to preserve capital, maximize current income, and maintain the liquidity of the funds.

To achieve these goals and objectives, the Church's investment portfolio may be invested in the following investment vehicles excluding derivative markets:

- Interest bearing checking, saving and money market accounts held at a rated A or above financial institution. All accounts do not have to be federally insured or maintain balances below the insurance limitations.
- Certificates of Deposit issued by federally insured financial institutions with at least an A rating, including those obtained through brokerage firms.
- Money market mutual funds which maintain a constant dollar value.
- U.S. Treasury securities through mutual funds or direct ownership, with the option of using a professional money manager.
- U.S. Government agency securities through mutual funds or direct ownership, with the option of using a professional money manager.
- Commercial Paper rated A1/P1 or Commercial Bonds rated not less than A. The maximum amount invested with any single issue shall not exceed \$100,000. The maximum time period for the investment shall not exceed 180 days without prior committee approval.

The asset allocation of the investment portfolio shall be reviewed periodically by the Finance Committee who will be responsible for monitoring the investment portfolio on an ongoing basis. This committee will consider the current economic, social, and political conditions, outlook for interest rates, market volatility, business environment, and other pertinent investment factors for making its asset allocation recommendations. The Business Administrator and the Chief Financial Officer, have the authority to make investments under this policy and other investments with prior committee approval.

## ***Section I. ~ FUNDRAISING POLICIES, PRINCIPLES AND PROCEDURES***

### **Statement of Policy:**

Fundraising activities serve at least two important purposes besides the obvious one of raising needed money for church ministries. First, they highlight the specific mission, importance and needs of the organization which is raising funds. Second, they help to build community within the church and enthusiasm for its various ministries.

Fundraising activities should never overshadow the practice of stewardship: the amount of funds raised, the frequency of fundraisers or the objectives of the funds being raised. Nor should they confuse the mission of St. Andrew Methodist Church: Calling the Christianish to become Passionate Servants of Christ.

### **I. Principles**

In order to help the church practice good stewardship, to act respectfully toward members of the congregation and others who are asked to support the church and its fundraisers, as well as supporting the goals of groups which participate in fundraising, these principles are offered as a foundation for church fundraising policies:

1. The fundraising activity itself must be compatible in its content and the way it is conducted to the identity and mission of St. Andrew Methodist Church as a Christian community of faith charged with Calling the Christianish to become Passionate Servants of Christ.
2. The group raising funds must be aware of and respectful of the needs, customs and integrity of church ministries and organizations. Groups should seek to build partnerships in cooperation with other groups to avoid competition and duplication.
3. Church groups, in planning their fundraising activities, must be respectful of the members of the church and of the sacredness of the church's liturgy and the sacred space.
4. All fundraising activities must be respectful of those who are unable to contribute.
5. The church, in its administration of other funds raised, has a responsibility to be a good steward of these funds.
6. The church should be informed, in a timely manner, before and after any fundraiser as to the goals and accomplishments of those fundraisers. Summary reporting should include final totals raised and acknowledgment of volunteers and supporters of the fundraiser.

### **II. Categories**

Church fundraisers categorized in these policies and procedures are:

1. Limited Term Fundraisers: Fundraising activities take place over a given period of time.
2. Recurring Fundraisers: Those conducted as a normal part of the church schedule, with or without an end date. (Examples: Poinsettia/Lily sales)
3. Church Wide Campaigns: (Examples: Annual Ministry and any building/capital campaigns)
4. Annual Fundraisers: Fundraisers held the same time each year as well as same type of fundraiser.

### **III. Policies**

These policies are to be followed by all church groups which participate in church wide fundraising or events. Exceptions are noted or will be granted as is judged appropriate.

#### **1. Approval:**

- a) Fundraising activities may not be entered onto the church fundraising calendar until approved by the church's CFO and/or Chairperson of the Finance Committee acting as representatives of the Finance Committee.
- b) Applications must be submitted 3 months prior to the fundraising activity or event and since applications will be evaluated on a first-come, first-served basis it is preferable to submit applications for the year prior to January 15.
- c) The decision for or against approval may not be immediate, depending on the need for further information or consultation.

#### **2. Use of Church facilities and common spaces:**

- a) Fundraisers on church grounds or under church auspices are not to take place on special worship days including the following:
  - Ash Wednesday
  - Holy Week
  - Easter Sunday
  - All Saints Day
  - Christmas Eve
  - Christmas Day
- b) Each group may conduct weekend fundraising activities for up to three consecutive weekends, if available.
- c) Fundraisers taking place on church grounds will occupy predetermined locations as approved by the Finance Committee.
- d) Requests for fundraisers on church grounds to be located other than designated areas will be considered on an individual basis (e.g. special offerings, dinners, etc.)

**3. Number of fundraisers:**

- a) Each church organization will be allotted limited fundraising activities per year assuming space availability and scheduled time.

**4. Purpose of funds:**

- a) The financial goal of the fundraiser, in dollar amounts, is to be indicated by the church organization on the fundraising application.
- b) The purpose of the funds to be raised must be publicized before the fundraiser via the church's current communications channels, promotional flyers and/or other means of publicity. The means of publicity must be mentioned in the application for approval.
- c) If the proceeds are to be divided among various accounts, groups or projects, the amounts to be given to each are to be specified in detail on the fundraiser application. This is to be done either by percentage (e.g. 50% to recipient A, 30% to recipient B, etc.) or by dollar amounts (e.g. the first \$ 1,000 to recipient A, next \$ 500 to recipient B, etc)

**5. Reporting**

- a) The group conducting the fundraiser is responsible for reporting to the Finance Committee the total amount of proceeds raised.
- b) If the proceeds are to be divided among various accounts, recipients, etc., this is to be included in the report.
- c) A final, detailed financial report is to be submitted to the Church Business Administrator within one month, maximum, after the completion of the fundraiser. A form for this report is included with the application.

**6. Handling of funds**

- a) All cash receipts of any fundraiser are to be submitted to the church accounting department within 48 hours of the completion of the fundraiser.
- b) Receipts of all fundraising activities will be placed in the appropriate fund set up to receive the proceeds.

**7. Receipts and reimbursements**

- a) Reimbursements are not to be made directly from the fundraiser's original cash receipts.
- b) Requests for reimbursements are to be completed and submitted to the Church Business Officer by the project leader on a timely basis. Checks will be disbursed on normal accounts payables dates.

8. **Compliance:** A group's compliance or lack thereof with these policies will be considered in future fundraising application requests.
9. **Exceptions:** Exceptions to this policy or to any part of it should never be assumed by the fundraising group but will only be granted by way of the application process.