

Financial Policy

I. Scope and Purpose

This policy and adjoining procedures will govern the financial operations of Good News Presbyterian Church (GNPC), including regular financial dealings, ministries and special operations as deemed necessary by either the Session or Diaconate. These policies are effectual within the scope of the current bylaws of Good News Presbyterian Church (GNPC B/L) and the Form of Government of the Associate Reformed Presbyterian Church (ARP FOG) and may in no way supersede or annul such regulations.

It is our goal and purpose to view every contribution as a gift from God's servants and to be good and faithful stewards of those gifts, as well as providing necessary oversight, to the glory of God.

II. Administration

1. The fiscal year is January 1 through December 31.
2. We will utilize the Cash Basis Method of Accounting.
3. The Diaconate oversees the church's finances. The Treasurer and Assistant Treasurer are advisory members, in accordance with the ARP FOG (VII.C.2) and the GNPC B/L (IX.3.a).
4. The duties and responsibilities of the Treasurer and Assistant Treasurer are listed in the GNPC Bylaws.
5. All bills/invoices shall be paid according to the terms of the invoices.
6. The Treasurer shall furnish a monthly financial report to the Diaconate (GNPC B/L IX.3.a) and Session. This report may also be provided to any church member upon request. This report will include all income and expense transactions for the given month and a summary of income and expense transactions, year-to-date.
7. Disbursements other than regular fixed monthly operating expenses shall be made at a frequency decided upon by the Diaconate. Examples include budgeted Evangelism/Outreach contributions, regular budgeted fund contributions, etc.
8. The Diaconate shall approve the selection of all financial institutions used for the depositing of all church funds.
9. The designated signatories on the financial accounts may consist of the Treasurer, Assistant Treasurer, one Elder and 2 Deacons.
10. Collections/deposits will be discussed further in this document.

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III. Budget and General Financial Planning Process

It is our goal to properly review current financial information and plan for upcoming budgets with the utmost diligence. Beginning in October committees should forward any necessary budget recommendations for the coming year to the Diaconate. Members of the congregation may also make recommendations. Committee chairpersons may request that the diaconate review the current year's expense information. The deacons may also initiate such a review with committee heads. All committee budget recommendations should be submitted to the Diaconate by the 1st Saturday in January of the upcoming year. The Diaconate will craft and recommend the budget for approval by the Session no later than the 2nd Saturday in January. The members of the congregation shall vote on adopting the proposed budget at the February Congregational Meeting.

IV. Gifts and Designated Offerings

In the interest of maintaining propriety and honesty in all of our financial dealings, designated offerings are not to be automatically directed to the area(s) which a donor may specify. Instead the Diaconate will treat any designated offering as a recommendation from the donor and may review each offering individually to determine the best way to use it. This may include the Treasurer and/or a Deacon contacting the donor to confirm any preferential intent for the use of the donation. We will seek to honor the wishes of the donor as completely as possible without violating any IRS statutes. Above all it is our duty to seek to preserve the reputation of the church and fulfill our stewardship obligations.

V. Financial Assistance

GNPC will seek to provide financial assistance to members and others who occasionally encounter personal financial emergencies. While the level of screening for each case will be left to the discretion of the deacons, they will diligently and prayerfully evaluate each funding request, seeking to be responsible stewards of the funds of the congregation, to whom they are accountable.

The deacons will endeavor to pay the bill(s) directly rather than writing a check to the individual in need. Exceptions must be approved by the Diaconate and reported to the Session.

The Diaconate should make a quarterly report to the Session on disbursements.

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VI. Insurance

The church will carry insurance designed to cover several levels of liability, including but not limited to general liability, property damage, director's liability and ministerial liability.

The Diaconate will review the insurance coverage on an annual basis, and is empowered to make any necessary changes to carriers and/or coverage, so long as the proper liability coverage levels are maintained.

VII. Reports

The Treasurer will be responsible for the compilation and presentation of several reports. These may include a Balance Sheet, Monthly Financial Fund Report, Year-to-Date Financial Report, Monthly Income & Expenses Actual vs. Budget Report, and a Year-to-Date Income & Expenses Actual vs. Budget Report. These may be combined in any way at the Treasurer's discretion.

The Diaconate shall review the complete financial reports monthly.

The Treasurer shall provide year-end statements to every financial donor per IRS guidelines.

All previous years' financial and giving reports shall be stored and backed up properly for the period of years prescribed by IRS guidelines.

VIII. Financial Reviews

In the spirit of maintaining credibility and safeguarding the church's resources, a thorough review and/or audit of church finances will be conducted on an annual basis. This may be performed either internally or by an independent third party. At the discretion of the Diaconate, or at the recommendation of either the Diaconate or the Session, this review may be conducted with greater frequency if necessary. See GNPC B/L (XII.3)

IX. Expenditures

All expenditures are to be paid by the Treasurer via either check or electronic transaction. These include both regular and non-regular debits. Regular debits are those expenditures for which payment schedules are pre-determined within the budget either by the Diaconate or by the terms of the obligations (fixed operating expenses,

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regular outreach disbursements, etc.). Non-regular debits are expenditures for which there are no pre-set payment schedules and include items to be reimbursed.

The Pastor and other ministry leaders approved by the Session have direct spending authority within their active budgeted spending categories. The Treasurer shall report the disbursement/reimbursement to the deacon overseeing finances (the monthly financial report is sufficient unless the expense is extraordinary), and should seek diaconal approval for larger sums at his/her discretion. Any other expenditures may be subject to Diaconal and/or Session approval. Upon approval the diaconate will then inform the Treasurer and/or Assistant Treasurer to make the necessary payment arrangements.

All other expenditures, including reimbursements, should be submitted directly to the finance deacon for approval, along with any and all receipts detailing the transactions. Again, upon approval the diaconate will then inform the Treasurer and/or Assistant Treasurer to make the necessary payment arrangements. All reimbursements should be paid by check only.

The utilization of budget surpluses (that is, annual income that exceeds annual expenses) may be pre-designated at the beginning of the year by the Budget Committee and brought before the congregation for approval at the annual congregational meeting or at a called congregational meeting. In the absence of a pre-determination by Congregational vote, any and all budget surpluses will be reviewed and reallocated by the Diaconate as it sees fit.

X. Collection Policies

Ushers shall be responsible for collecting and safeguarding the weekly offerings. These ushers will be appointed by and under the direction of one or several of the Deacons, and may be comprised of Deacons if needed. Once collection is taken, it is to be delivered to the front of the sanctuary for safekeeping until the conclusion of the service. The collection will be counted immediately following the conclusion of the service.

The collection will be counted by 2 people at all times. This will normally be performed by the Treasurer and Assistant Treasurer. In the event that one or both are absent, it is their responsibility as well as they are able to inform the finance deacon so that substitute counters may be used. The Diaconate may compile a list of persons to act as suitable substitutes. Church officers may be allowed to fill this function if needed.

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The process is as follows:

1. Counting shall occur in a place offering seclusion without being out of sight, enough so that any detailed information will not be visible or accessible.
2. Cash and checks shall be counted separately.
3. A logbook or suitable spreadsheet shall be used to record individual contributions, including names. **This should be performed and remain as proprietary information with the Treasurer or Assistant Treasurer exclusively.**
4. Checks shall be stamped "For Deposit Only" at the time of counting.
5. Each counter shall count collections individually, and verify/be verified by the other.
6. This shall be repeated as necessary until both counters agree.
7. A deposit slip will be filled out and then sealed in a secure deposit bag along with the collections.
8. This deposit shall be taken to the bank and deposited by the Treasurer or Assistant Treasurer as soon as possible. This should ideally be the same day, but may be up to a maximum of 2 days later.
9. The Finance Deacon may also be give a copy of the deposit key, or may take possession of the deposit in the event that both the Treasurer and Assistant Treasurer are unable to make the deposit on a given week.

XI. Responding to Incidents

Since we as a congregation wish to adhere to God's Word in all things, we will always attempt to follow our Lord's example given in Matthew 18:15-17 for handling allegations of wrongdoing or suspicious incidents. However, in the interest of protecting the integrity of the church, in the event of an accusation being made or reasonable suspicion being reported, prompt action should be taken. Any information should be reported directly to an officer of the church. The matter should then be referred directly to the Session. At that time the Session shall require and conduct a full accounting by the accused of the charges leveled. If not already completed, an audit shall be performed by the Diaconate, especially in cases involving theft, embezzlement or gross misappropriations. If sufficient verification or confession points to guilt, the Session shall then decide whether to turn the matter over to the police or to handle discipline internally. This is in accordance with the duty of the Session and Diaconate to be good and faithful stewards of God's resources.

XII. Process for Amending or Changing Policy

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The Diaconate is responsible for accepting and drafting any recommendations for changes, amendments and/or improvements to said policies. Notable changes should be submitted to the Session for approval. Upon approval, the change shall be considered effective immediately. Recommendations may be made by anyone at any time.

A copy of these policies shall be made available to any member of Good News Presbyterian Church at any time upon request.

This policy is modeled after that of Potomac Hills Presbyterian Church. Their policy may be accessed at www.potomachills.com.