

Good News Presbyterian Church

Financial Policy

Revised July 14, 2024

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 quarterly financial report to the Diaconate (GNPC B/L IX.3.a) and Session to include a balance sheet and income statement, at minimum. This report may also be provided to any church member upon request. The quarterly report will include all income and expense transactions for the period 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 must include the Treasurer and a currently serving Deacon, at minimum, but may also include the Assistant Treasurer and additional currently serving Deacons.
10. Duties of Financial Positions within GNPC:
 - a. Administrative Assistant
 - i. Enters check requests into Quickbooks

Good News Presbyterian Church

Financial Policy

Revised July 14, 2024

- ii. Provides physical checks for signature when required
- b. Assistant Treasurer
 - i. Posts income and expenses into Quickbooks (or other accounting software as determined by the Diaconate).
 - ii. Serves as back-up to the Treasurer
- c. Treasurer
 - i. Signs checks
 - ii. Prepares financial statements.
- d. Diaconate
 - i. Oversees the entire financial process of GNPC
 - ii. Serve in various other necessary functions not otherwise enumerated here

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, Committee Heads should forward any necessary budget recommendations for the coming year to the Diaconate. Members of the congregation may also make recommendations. Committee Heads 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 first Saturday in January of the budget year. The Diaconate will craft and recommend the budget for approval by the Session before the end of January. The budget will be previewed and explained to the congregation at a Budget Forum at least one week prior to the February Congregational Meeting. The members of the congregation shall vote on adopting the proposed budget at a February Congregational Meeting.

The utilization of budget surpluses (i.e., 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.

Good News Presbyterian Church

Financial Policy

Revised July 14, 2024

In the event of a budget deficit, the deacons shall act prior to the end of the fiscal year to ensure that spending is limited where possible. GNPC shall meet their payroll commitments above all else. GNPC will endeavor to maintain cash reserves to ensure that any budget shortfalls can be weathered without cuts to payroll or missions commitments.

IV. Gifts and Designated Offerings

In the normal course of business, Good News Presbyterian will receive gifts that are for general purpose use and designated gifts where the donor has put a stipulation on the use of the gift. Designated gifts can only be directed to ministries and/or funds that the church already maintains. In other words, a donor can designate a gift towards the Adoption Fund, the Benevolence Fund, the Youth Missions Trip, or any other ministry area promoted by the Diaconate. While it is the intention of the Diaconate to honor the wishes of the Donor, it cannot be assumed that every designated gift is directed to the area(s) which a donor has specified. 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 the duty of the Diaconate 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 abiding by all IRS guidelines for benevolence spending. The GNPC Benevolence Policy will be the guiding document for all such spending.

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

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.

Good News Presbyterian Church

Financial Policy

Revised July 14, 2024

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 quarterly.

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 invoices are to be paid by the Treasurer via either check or electronic transaction. An "electronic transaction" would be a credit card payment, ACH payment, and/or direct contracted withdrawals from vendors.

Invoices can be for both regular and non-regular expenses.

1. Regular expenses are those expenditures for which payment schedules are pre-determined within the budget either by the Diaconate or by the terms of the obligation (e.g., fixed operating expenses, regular outreach disbursements, etc.).

Good News Presbyterian Church

Financial Policy

Revised July 14, 2024

2. Non-regular expenses are expenditures for which there are no pre-set payment schedules and include expense report reimbursements and one-time invoices.

The Pastor and other ministry leaders (i.e., Department Heads) approved by the Session have direct spending authority within their active budgeted spending categories. The purchases by these individuals shall be performed preferentially using a provided church credit card. For each purchase, the individual making it shall endeavor to have the church's sales tax exemption honored by the vendor/store. The receipt for the purchase shall be provided to the Treasurer, either as a hard copy or electronic (soft) copy, as soon as possible to reconcile the purchase with the credit card statement. This is preferred over personal purchases and reimbursement. Those without church credit cards who purchase supplies for the church shall attempt to have the Department Head make the purchase using the church credit card. However, in the event that this is not possible, the individual shall submit the expense for reimbursement using the church's expense report form, following approval by the Department Head, the approval to be noted on the expense report form.

All reimbursement requests should be submitted directly to the Department Head for approval, along with any and all receipts detailing the transactions. Following receipt of an approved expense report, the Treasurer will issue a check for reimbursement.

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. The collection will be performed by a minimum of two authorized Ushers at all times. The total number of Ushers needed will be determined by the seating arrangement of the sanctuary to ensure all aisles are covered. Once collection is taken, it is to be delivered to the front of the sanctuary to remain in full view of the congregation for safekeeping until the conclusion of the service. The collection will be counted immediately following the conclusion of the service.

For the counting of each collection, at least one of the counters (Primary Counter) shall be a Deacon, the Treasurer, or Assistant Treasurer. The other person (Assistant Counter) may be either from that group or from a group of trained volunteers. Everyone who comes into contact with the collection during counting MUST be a church member in good standing. Additionally, ALL Counters must have a financial background check

Good News Presbyterian Church

Financial Policy

Revised July 14, 2024

performed on them prior to assuming the duties of Counter, to ensure that there are no unusual risks with any counter.

The process is as follows:

1. A primary and assistant counter shall count the weekly giving together.
2. Primary counters may consist of Deacons, Treasurer, and Assistant Treasurer. Assistant counters shall be trained members of GNPC in good standing.
3. 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.
4. The count should not begin until both Counters are present and able to witness the gifts being removed from the offering bags.
5. Cash and checks shall be counted separately.
6. Elvanto web software shall be used to record the weekly gifts for each individual donation. Elvanto also has the capability to provide a compilation giving statement for each donor at the end of each year. **Access to this software is necessary for each of the Primary Counters. Access to records from this software should remain as proprietary information with the Treasurer and Assistant Treasurer exclusively.**
7. Checks shall be stamped "For Deposit Only" at the time of counting.
8. The primary counter (computer) should enter the following information into the software:
 - a. Contributor
 - b. Check Number (N/A if cash)
 - c. Amount
 - d. Fund (e.g., General, Building, Benevolence, etc.)
9. The counting assistant shall count the collection separately, and the information shall be verified by the primary counter. Should there be a discrepancy between the two counters totals, the process shall be repeated until both counters agree.
10. A deposit slip will be filled out and then sealed in a secure deposit bag along with the collections.
11. This deposit shall be taken to the bank and deposited by the primary counter as soon as reasonably possible. This should ideally be the same (via night drop) or next day but may be up to a maximum of two days later.
12. Primary and assistant counters shall rotate weekly so that none of the counters can develop a sense of who gives what to the church. This is to ensure the highest level of anonymity as possible for givers.

Good News Presbyterian Church

Financial Policy

Revised July 14, 2024

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**

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.

The original policy was modeled after that of Potomac Hills Presbyterian Church. Their policy may be accessed at www.potomachills.com.