

Harrisonburg Unitarian Universalists Financial Policies and Procedures

Introduction

Purpose and Scope: These policies and procedures provide guidance to church officers and associates in carrying out their duties, and they specify proper financial practices in order to guarantee the financial and legal integrity of church operations. This document is an expression of the authority of the Board according to church by-laws and will become effective when approved by the Board.

Duties of the Treasurer, Office Administrator, Finance Committee Chairperson, or other individuals named herein may be performed by a substitute on a temporary basis provided that the substitute has been approved in advance by the Board for this purpose. Approval may be granted by the board on a case-by-case basis or in general, for a period of up to one year.

I. Financial Policies

A. Bank Accounts

1. The Board shall approve the opening and closing of all bank savings, checking, and loan accounts.

B. Building Rentals

1. The Board shall set rental rates and rental policies.
2. All requests for rentals shall be approved by the Board or by whomever the Board has authorized to do so.
3. HUU grounds and buildings shall not be rented or made available rent-free to individuals or groups who intend to use HUU facilities primarily for any of the following purposes.
 1. for-profit enterprise
 2. legislative lobbying
 3. political campaigning

C. Fundraising

1. Any church group wishing to conduct any fund-raising activities intending to raise \$100 or more, whether involving church members only or the public or both, shall first obtain approval of the Board.

D. Investments

1. The Finance Committee shall have authority to invest church funds in a certificate that is guaranteed by the FDIC.
2. The purchase of any investment that is not guaranteed by the FDIC shall be approved in advance by the Board.
3. Liquidation of any security or real property received as a gift by the church shall be approved in advance by the Board.

E. Reserve Funds

1. The Board shall have authority to establish Reserve Funds for any purpose.
2. All expenditures from Reserve Funds shall be approved in advance by the Board.
3. Current Reserve Funds include:
 - a. Ministry Reserve Fund: to support congregational ministry
 - b. Building Reserve Fund: to support building maintenance and construction

F. End of Fiscal Year

1. All requests for payments and reimbursements near the end of the fiscal year must be submitted to the Treasurer or Office Administrator prior to the end of the fiscal year. No payments will be made from funds allocated for a fiscal year after that fiscal year has closed.

II. Financial Procedures

A. Treasurer's Responsibilities (essential responsibilities are described in the bylaws):

1. Be familiar with UUA financial policies. (see Financial Management for Congregations)
2. Be familiar with IRS policies regarding 503(c) entities and churches. (see IRS Tax Guide for Churches and Religious Organizations).
3. Be familiar with payroll and tax regulations of the US Internal Revenue Service and the Virginia Department of Taxation.
4. Review and recommend updates to approved policies and procedures in order to be consistent with the aforementioned policies.
5. Provide instructions to the Office Administrator for executing financial transactions and record keeping.
6. Make any necessary payroll tax payments and file necessary tax forms.

B. Expenses / Disbursements

1. All requests for payments shall be made in writing, either through an invoice or billing statement, or by using a request form approved by the Treasurer.
2. The Office Administrator shall write all checks for payments for regular expenses and reimbursement of expenses related to church activities.
3. Each expense shall be recorded in a manual or electronic bookkeeping system in the manner specified by the Treasurer.
4. The Treasurer shall write checks for payments related to investments, loans, or bank account management.
5. The Treasurer shall sign all checks from church checking accounts, except those payable to the Treasurer or an immediate relative.
6. Checks made out to the Treasurer or immediate relatives shall be signed by the Finance Committee Chair.
7. Checks made out for an amount in excess of \$2,000 shall be counter-signed by the Finance Committee Chair.

C. Weekly Collection / Bank Deposits

1. After each weekly service, the Treasurer or and Assistant Treasurer will process the collection.
2. One Board Member or other Church Member will assist the Treasurer count the cash.
3. The Treasurer and Board Member will both initial the worksheet.
4. All contributions, pledge payments, and other income for that day and the preceding week will be entered on a worksheet designed for that purpose by the Treasurer.
5. The worksheet will be left at the church for the Office Administrator to file.
6. The Treasurer will promptly deposit the cash and checks received for the week and return the deposit slip to the Office Administrator.
7. The Office Administrator will compare the deposit slip to the weekly worksheet and report any discrepancies to the Treasurer and Finance Committee Chair.

D. Pledges and Contributions

1. Pledge payments made each week will be recorded using the bookkeeping system specified by the Treasurer.
2. Each July, the Treasurer will report pledge balances for the prior fiscal year to each person submitting a pledge.
3. Each January, the Treasurer will report pledge contributions and other special contributions of record for the prior calendar year to each person making such contributions during the year.

E. Review of Bank Statements

1. Bank account statements will be delivered directly to the church office.
2. Bank account statements will be reviewed by the Office Administrator.
3. Any debit not matching a prior expense payment shall be reported to the Treasurer and Finance Committee Chair.
4. Any deposit not matching the corresponding Sunday worksheet shall be reported to the Treasurer and Finance Committee Chair.

F. Tax Payments and Forms (Treasurer's Duty)

1. Collect and store state and federal tax withholding forms for each employee.
2. Determine appropriate withholding amount for each employee.
3. Distribute W2 forms in January to employees; File federal W2 & W3
4. File federal 944 in January
5. Distribute 1099-Misc forms in January to contractors; File federal 1096 form in February
6. File Virginia form VA-6 if Virginia tax was withheld.

G. Recordkeeping

1. All financial documents shall be kept on file in the office for a period of not less than four years.

History

- First version adopted by HUU Board October 14, 2007
- Amended II.F, 1/31/2008
- Amended I.F, 8/9/2009