Highpoint Church
Fund Policy

As approved and last updated by the Board on December 30, 2017 (Motion #D-17-112)

Better is a little with righteousness, than vast revenues without justice.
(Proverbs 16:8 NKJV)

He who is faithful in what is least is faithful also in much; and he who is unjust in what is least is unjust also in much. Therefore, if you have not been faithful in the unrighteous mammon, who will commit to your trust the true riches?
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I. INTRODUCTION

To better accomplish our scriptural obligation to responsible stewardship, the following policy was initiated on January 21, 2003, and will be updated as needed. It will aid in ensuring accountability and efficiency in stewarding funds provided to facilitate the ministry of Highpoint Church. This policy has been drafted by the lead pastor and president of the corporation, recommended by the Board officers, and approved by the Board. It establishes policy and procedures for the trail of funds from the point of contribution to their dispersion as expenditures and finally to their report back to the Board and membership.

II. THE RECEIVING OF FUNDS

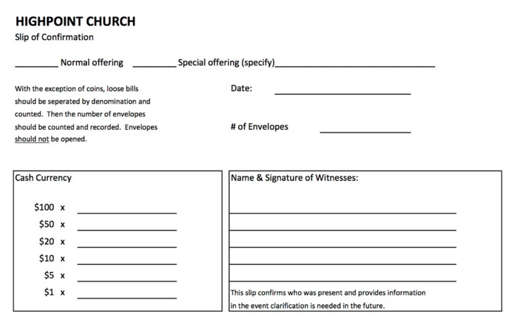
A. Persons Involved
1. The pastor or person initiating the offering in a service
2. The staff of ushers distributing the offering plates
3. A board member

B. Procedures
1. **Call of ushers:** When the pastor or staff calls for the ushers to receive the tithes and offerings, they shall proceed to the front of the aisles in unison and distribute the offering plates immediately following prayer.
2. **Serving the auditorium:** After everyone has been served, the ushers shall proceed to the back of the church and give their offering plates to the head usher and his appointed designee. The head usher shall account for all plates before leaving the auditorium.
3. **Transport of funds:** The head usher for that particular service, an additional usher, a member of the Board, and a member of the security team shall then take the offering to the church office for a content inventory and deposit into the drop safe.
4. **Residual collection:** Any funds given to individuals outside of the offering time shall be given to the accounting staff, executive administrator, or a member of the Board immediately. The funds will then be deposited into the safe drop. Neither the pastor nor members of the pastoral staff shall receive contribution envelopes.
5. **Mail and/or walk-ins:** All income or contributions delivered to the church (by mail and/or walk-ins) shall be immediately placed into the drop safe. These funds should never be left unattended on a desk or in an office or ministry area.

III. THE SAFE STORAGE OF FUNDS

A. Persons Involved
1. The head usher for that particular service
2. A second usher assigned by the head usher
3. A member of the Board

B. Procedures
1. **<u>Access restrictions</u>:** The following policy shall apply to access to the main safe:
   a. The combination to the safe shall be given to the accounting supervisor only and a copy kept in a safe location designated by lead pastor.
   b. The key to the safe shall be kept in the possession of the executive administrator. Copies of the key shall be kept in the possession of individuals designated by the lead pastor.
2. **<u>Group transport of funds</u>:** An usher for that particular service, a member of the Board, and an armed member of the security team (when available) shall then take the offering to the church office to be deposited in the safe drop.
3. **<u>Securing the room</u>:** After arriving in the designated location, all three (3) individuals shall be present in the room and the door locked behind them for security reasons. A member of the security team shall be posted for safety.
4. **<u>Isolating nonfinancial information</u>:** Visitor cards or special inserts (anything not related to funds) should also be placed in the drop safe.
5. **<u>Separating multiple offerings</u>:** It is important to keep any multiple offerings that may have been taken at a different time in the service in separate bags. For example, the tithes and offerings should not be mixed with any additional offerings for speakers, missionaries, or projects.
6. **<u>Labeling multiple offerings</u>:** The offering bag shall be labeled according to the appropriate service, special offering, or project and placed into the appropriately labeled bag.
7. **<u>Loose cash count</u>:** With the exception of coins, bills should be separated by denomination and counted. Then the number of envelopes should be counted and recorded on the "slip of confirmation." Envelopes <u>should not</u> be opened, only counted.
8. **<u>Confirmation by signature</u>:** Each individual who is present and acting as a witness shall print their name and sign a dated "slip of confirmation." This slip simply confirms who was present and provides information in the event clarification is needed in the future. The slip should then be placed in the bag with the offering.
9. **<u>Safe drop box:</u>** A member of the Board or an usher will then place the offering bag


HIGHPOINT CHURCH
Slip of Confirmation

_______ Normal offering _______ Special offering (specify)______________________

With the exception of coins, loose bills should be seperated by denomination and counted. Then the number of envelopes should be counted and recorded. Envelopes <u>should not</u> be opened.

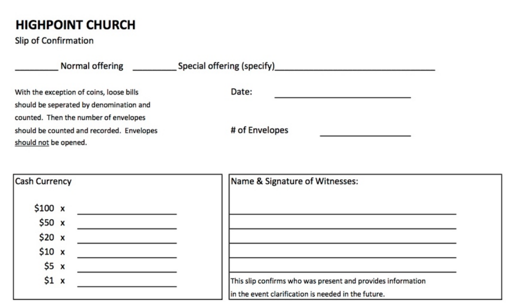
Date: ______________

# of Envelopes __________

Cash Currency
$100 x ________
$50 x ________
$20 x ________
$10 x ________
$5 x ________
$1 x ________

Name & Signature of Witnesses:

This slip confirms who was present and provides information in the event clarification is needed in the future.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This slip confirms who was present and provides information in the event clarification is needed in the future.

in the drop safe while the others observe that the drop is completed.

IV. THE COUNTING AND DEPOSIT OF FUNDS

A. Persons Involved

1. Accounting staff
2. Persons designated as "counters" (volunteer members of the church approved by the lead pastor or the executive administrator)
3. The accounting staff will provide a *Counters' Roster* for counters to sign each time funds are counted.

B. Procedures

1. **Removal of offering from the safe:** On Monday morning or the first business day of the week but no later than Wednesday morning, the assigned pastor, accounting staff, and/or counters will remove the offering bags and any other contents in the drop safe.
2. **Verification of contributions by counters:**
   a. All contribution envelopes containing cash, check, debit and credit card information, and noncontribution income (donations that do not qualify for tax deductions) shall be separated from those that are empty. All empty envelopes without funds or credit card information written inside the flap should be given to the office administrator for attendance records. Envelopes that contain funds should be checked to ensure that the amount corresponds with the information on the envelope. They should then be copied (*visitor/inclusion side only)* and given to the office administrator for attendance records.
   b. If contribution envelopes do not have donor names written on them or if loose checks are placed in the offering without envelopes, an envelope will need to be filled out to match the contribution. This information (name, address if new contributor, amount, and any specific designation with total) can usually be found on the check itself or the check memo designating its intended purpose. If the donor has not designated the intended use for the funds, it should be considered tithes and offerings.
   c. Envelopes with funds inside should then be opened (flap removed) to verify that the contribution, designation, and total matches the total written on the envelope. When the contributor does not indicate the destination of funds and when the contribution is not part of a special offering, the contribution (loose check or cash) will be coded as tithes and offerings.
   d. After contribution envelopes are opened and the contribution information verified, counters will proceed to separate currency, coins, and checks from the contribution envelopes.
      - Counters should record the check number and total dollar amount on the bottom of all contribution envelopes containing checks.
      - In like manner, the counters will record the word "cash" and the total amount included in all contribution envelopes containing cash. Envelopes containing cash and devoid of all information will be discarded and the cash placed in the loose cash bin to be counted as anonymous cash donations.

   - Counters should set aside contribution envelopes that include contributions given by debit and credit cards to be entered into the Weekly Deposit Excel sheet.

   e. During the counting process, the counters must handle the special offering bag separately during the initial count to verify the *Special Offering Bag Report.* It is imperative that monies collected for special offerings are kept separate until the regular offering is counted and verified. Any discrepancy will be reported on the same form. The contributions for a special offering will then be merged into the process for counting all other contributions.

   f. On occasion, the same steps will be followed whenever the lead pastor requests a special offering be taken and the recipient be presented with a check before they leave the premises. Checks to Assemblies of God missionaries resulting from a special offering will be made payable to the *General Council of the Assemblies of God* with a designation memo before being mailed or given to the appropriate missionary unless otherwise directed by the lead pastor.

3. **<u>Sorting of checks and envelopes</u>:** After the cash and/or checks are separated from the contribution envelopes, counters should sort both checks and contribution envelopes containing checks alphabetically.

4. **<u>Check processing</u>:**
   a. Contribution envelopes containing checks will now be entered into the Weekly Deposit Excel spreadsheet (see #6) which has the ability to record and sort check information to be printed for submission of check detail to the bank. It is required that this special Excel spreadsheet be used and emailed to the lead pastor and administrator by the end of the day.
   b. Counters stamp each check "For Deposit Only" to the corporate checking account of the church.
   c. A photo copy is then made of every check (in alphabetical order) and given to the Accounting staff for filing.

5. **<u>Cash processing</u>:**
   a. Counters gather cash from all sources (offering bags and special offering bags).
   b. Cash contributions are then counted and reported on the Weekly Deposit Excel spreadsheet. Counters should count all cash contributions twice—once by two different counters and a third time if there is a discrepancy.
   c. Currency should be sorted and bundled by denomination to meet the bank's requirements.
   d. Contribution envelopes containing cash only will now be entered into the Weekly Deposit Excel spreadsheet.

6. **<u>Weekly Deposit Excel spreadsheet</u>:**
   The Accounting staff must use the assigned Accounting computer to enter all contribution information into the Weekly Deposit Excel spreadsheet including tithes and offerings, designated and undesignated, as well as noncontribution information. The following steps are to be followed:
   a. All completed inclusion/contribution envelopes are to be given to Accounting staff.
   b. On the Accounting computer, open the spreadsheet located on the screen titled WEEKLY DEPOSIT SHEET and save it as the current offering date.

c. To enter information, go to the tab at the bottom titled Master Detail on the spreadsheet.
d. From the information provided in the inclusion envelope, enter the last name, first name, check number, and amount or cash or credit amount in columns A-F. In columns H-V, enter the departmental designation of the giving noted on the contribution envelope such as General Fund (tithe), Offering, Undesignated or Designated Missions, etc., or enter noncontributions such as café or special events.
e. Anonymous cash (loose cash and change) should be entered as General Fund in the spreadsheet, and designated cash such as for BGMC has its own designated column.
f. After entering ALL information from the offering, verify that the amount of checks, cash, and credit cards corresponds with the appropriate designations noted on the Cover Sheet tab.
g. Cash should be verified with the cash counting spreadsheet tab. Enter all denominations and change (recount all cash). The amount should correspond with the amount noted on the cover page of the spreadsheet.
h. Sort all items noted as checks on the last tab titled Check Deposit Slip. Remove all entries that are not checks and sort to last name. Print page to submit with the deposit to the bank.
i. As a final step, verify that all amounts balance to their corresponding description on the cover page, save the spreadsheet, and email a copy to the lead pastor, the executive administrator, and the Accounting Department to be entered into the accounting software.

7. **Transport to the bank:** Accounting staff and/or counters (only individuals approved by the lead pastor or executive administrator) will personally deliver the prepared deposit with the completed *deposit ticket* along with all currency, coins, and checks in a locked and numbered deposit bag(s) to the bank. As required, two or more individuals will ride in the same vehicle and deliver the deposit. In the event the bank is not open, the deposit bag(s) will be returned to the safe. The deposit will then be delivered on the next bank business day.
8. **Delivering the contribution envelopes:** After the counter's work is completed, the alphabetized stack of contribution envelopes, forms, worksheets, etc., should be given to the Accounting Department so that contributor information can be posted to individual contributor records in Accounting software and the envelopes can be stored for future reference.

V. THE POSTING OF FUNDS INTO CONTRIBUTION RECORDS

A. Persons Involved

1. Accounting staff
2. Executive administrator or lead pastor (when applicable)

B. Procedures

1. **Inputting contribution and noncontribution information:** After receiving the empty tithe envelopes from the counters, the Accounting Department will input the appropriate data into the individual contribution records by using Quickbooks Pro.

2. **<u>Regularity of data entry</u>:** All contribution records should be at least two weeks current to facilitate the inquiries of donors as well as the distribution of quarterly reports.
3. **<u>Content of contribution records</u>:** Individual contribution records shall record cash and noncash donations to the church ministries. Cash donations (i.e., cash, check, or credit card) shall be posted as usual. Noncash donations (i.e., paper, office equipment) shall require that the Accounting Department be presented with valid receipts from a third party from which the donation was originally acquired.
4. **<u>Receiving noncash donations</u>:** If noncash donations are received and it is not possible to acquire an original receipt from where the donation was obtained, the lead pastor or executive administrator shall sign a letter prepared by the Accounting Department to the donor informing them that their gift has been received and thanking them for their generosity. Since it is not a requirement for the church to appraise the cash value of material gifts, the letter of donation shall serve as a receipt and therefore allow the donor to claim the noncash donation as an itemized tax deduction on their personal tax return.

VI. DEPARTMENTAL/MINISTRY INCOME AND EXPENSE PROCEDURES

In order to adequately empower ministry leaders, make good financial decisions, and function within established parameters of accountability, the following procedures have been established to assist the ministries of Highpoint Church. Therefore, in outlining these procedures, the following seven questions will be addressed:

- Why do we need a fund requisition system?
- What is the church's policy regarding departmental/ministry offerings?
- How do I count, verify, and deposit funds from my ministry?
- What is a Fund Requisition form?
- How do I acquire a Fund Requisition form?
- How do I fill out a Fund Requisition form?
- What happens to the Fund Requisition form once it is filled out?

A. **Why do we need a fund requisition system?** There are six very basic but important reasons for outlining policy for ministry finances.
   1. **<u>A need to empower our leaders with predictability</u>.**
   2. **<u>A need to better accomplish our scriptural obligation for responsible stewardship</u>.** "Better is a little with righteousness, than vast revenues without justice" (Proverbs 16:8). "He who is faithful in what is least is faithful also in much; and he who is unjust in what is least is unjust also in much. Therefore, if you have not been faithful in the unrighteous mammon, who will commit to your trust the true riches?" (Luke 16:10-11)
   3. **<u>A need to better accomplish our ethical and legal obligation for accountability</u>.** The various ministries of Highpoint Church receive several million dollars in annual contributions from its faithful constituents. Besides being a spiritual body of believers, we also exist as a nonprofit corporation (501c3) with the State of Colo-

rado in which case our Bylaws require a Fund Policy. Therefore, as a legal corporation, we are obligated to ensure both a reliable accountability structure as well as proper channels for the authorization of spending.

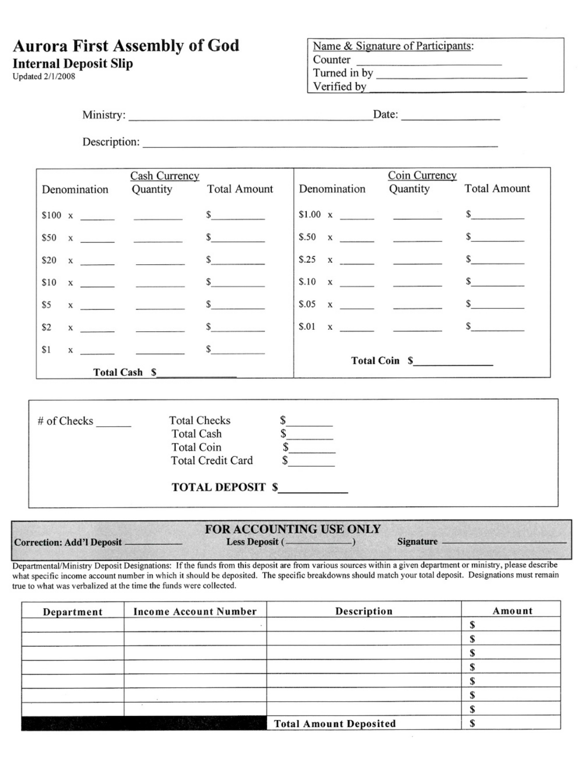
4. **<u>A need to uphold the decisions of the Board</u>.** The Board of Deacons and lead pastor have activated policy requiring that an approved Fund Requisition form be filled out and signed by the appropriate department head, lead pastor, or executive administrator **before** authorizing a church check to be issued and signed.
5. **<u>A need to embrace the lead pastor's personal philosophy of ministry</u>.** The lead pastor does not choose to associate himself with organizations that do not contain a system of checks and balances. He wrote and initiated these polices upon his arrival to enable him to fulfill his administrative obligation as the president of the corporation while having peace of mind regarding the details of organizational life.
6. **<u>A need to make good and informed financial decisions</u>.** In order to make good and informed decisions in the weekly finance meeting, the executive administrator and lead pastor need the ability to anticipate expenses, manage cash flow, and evaluate the big picture.

B. What is the church's policy regarding departmental/ministry offerings?

1. **<u>Ministry offerings</u>:** All ministries of Highpoint Church are expected to use any general offerings to help offset the expenses of those ministries. If more than one offering is to be collected at any given service or event, the ministry's general offering should be taken first to offset the expenses of that ministry. In order to respect the wishes of our donors, general offerings may not be collected and then redesignated towards specific projects or accounts at the time they are turned in to the Accounting Department. Any secondary or special offering should be collected after the general offering and have received prior approval by the ministry leader. No cash shall be removed from the offering to pay for services or expenses prior to being turned in to the Accounting Department. All ministry offerings shall be turned in to the Accounting Department as outlined in the fund policy.
2. **<u>Petty cash</u>:** With the exception of the Higher Grounds Café and the Accounting Department, no ministries of Highpoint Church are permitted to maintain petty cash accounts in any form. The Accounting Department has a small petty cash account that is available for emergency assistance.

C. How do I count, verify, and deposit funds from my ministry? Ministry funds should not be kept overnight in the possession or office of ministry leaders. The following procedures should be taken to deposit funds in the safe.

1. **<u>Counting and verification of ministry funds</u>:** All funds are to be counted and sorted by tender, coin, checks, and credit cards. Two people should count and sort for accuracy and accountability. Internal deposit slips are available from the Accounting Department. Each internal deposit slip has duplicate pages. The top copy is to be turned in, and the second copy is for the ministry's records. All information on the internal deposit slip must be clearly labeled (i.e., offerings, registrations, sales, and specific income account numbers). Bills should be sorted by denomination and be facing the same direction.



Aurora First Assembly of God
Internal Deposit Slip
Updated 2/1/2008

Name & Signature of Participants:
Counter ____
Turned in by ____
Verified by ____

Ministry: ____ Date: ____

Description: ____

Denomination (Cash Currency)		Quantity	Total Amount	Denomination (Coin Currency)		Quantity	Total Amount
$100	x ___	___	$___	$1.00	x ___	___	$___
$50	x ___	___	$___	$.50	x ___	___	$___
$20	x ___	___	$___	$.25	x ___	___	$___
$10	x ___	___	$___	$.10	x ___	___	$___
$5	x ___	___	$___	$.05	x ___	___	$___
$2	x ___	___	$___	$.01	x ___	___	$___
$1	x ___	___	$___				
Total Cash $ ___				**Total Coin $** ___			

# of Checks ___
Total Checks $___
Total Cash $___
Total Coin $___
Total Credit Card $___

TOTAL DEPOSIT $___

FOR ACCOUNTING USE ONLY
Correction: Add'l Deposit ___ **Less Deposit** (___) **Signature** ___

Departmental/Ministry Deposit Designations: If the funds from this deposit are from various sources within a given department or ministry, please describe what specific income account number in which it should be deposited. The specific breakdowns should match your total deposit. Designations must remain true to what was verbalized at the time the funds were collected.

Department	Income Account Number	Description	Amount
			$
			$
			$
			$
			$
			$
			$
		Total Amount Deposited	$

2. **<u>Storing departmental/ministry funds</u>:** When funds are counted and the internal deposit slip completely filled out, the top copy of the internal deposit slip should be wrapped around the funds with a rubber band and placed in the drop safe. Make sure the deposit falls to the bottom of the drop safe and is not caught in the tongue. The bottom copy of the internal deposit slip should be kept for your ministry records.
3. **<u>Depositing ministry funds</u>:** Funds are retrieved by the Accounting Department from the drop safe once a week. All funds are then counted and deposited regularly.

D. What is a Fund Requisition form? A Fund Requisition form is a small form that all staff, ministry leaders, and volunteers must fill out <u>PRIOR TO ACTION</u> in the event they should desire to:

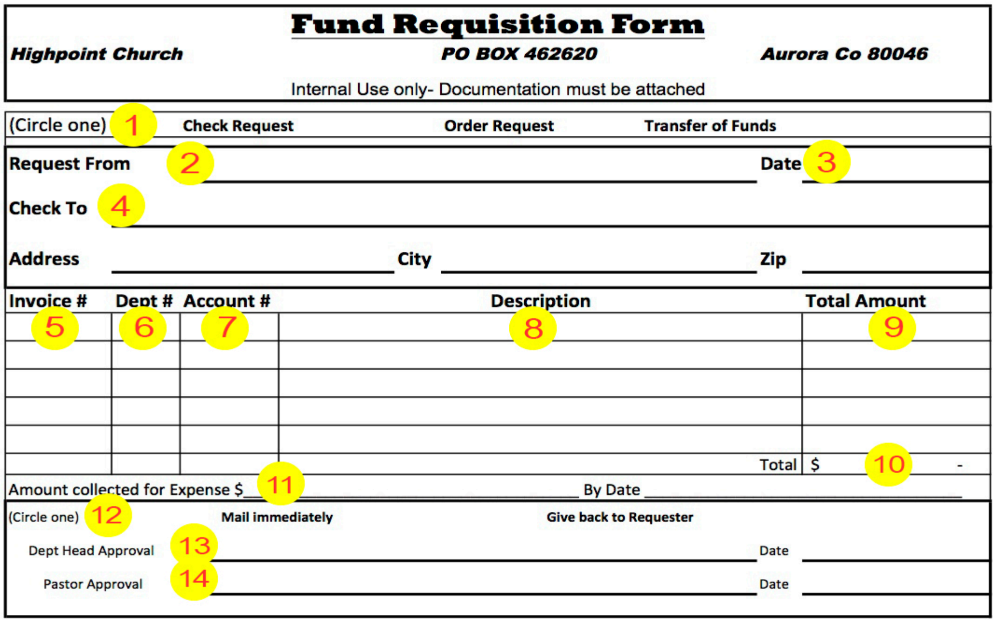
1. Request a church check for the purpose of purchasing goods, services, or reimbursing individuals.
2. Place an order for items that will be billed to the church at a later time.
3. Request that funds be transferred from one account to another (interdepartmental grants or transfers).

The form is a request for funds that will accompany all corporate checks. NO check shall be issued or signed without an approved Fund Requisition form.

E. How do I acquire a Fund Requisition form? Fund Requisition forms can be obtained from the Accounting Department, office copy center, or the shared Highpoint Staff Policies folder under "Financial Polices" in Dropbox.

F. How do I fill out a Fund Requisition form? Following is an example of an actual

Fund Requisition Form and an explanation of the various fields of information (as numbered below):



Fund Requisition Form

Highpoint Church | **PO BOX 462620** | **Aurora Co 80046**

Internal Use only- Documentation must be attached

(Circle one) 1 **Check Request** **Order Request** **Transfer of Funds**

Request From 2 **Date** 3

Check To 4

Address **City** **Zip**

Invoice #	Dept #	Account #	Description	Total Amount
5	6	7	8	9
			Total	$ 10 -

Amount collected for Expense $ 11 By Date

(Circle one) 12 **Mail immediately** **Give back to Requester**

Dept Head Approval 13 Date

Pastor Approval 14 Date

FIELD 1 Field 1 contains three options in which you should circle the box describing the nature of your request.

- Circle **Check Request** if you are requesting a check be issued for the purchase of supplies, payment, or reimbursement. Attach all receipts or documentation for a check request in order for it to be approved.
- To order supplies from a vendor to be billed to the church later, circle **Order Request** and attach any backup documentation. It is important to fill out the request prior to placing any orders or making an expense that would commit any of our ministries financially.
- In the event that your department or ministry is transferring funds from one account to another or you believe there has been an error in the posting of expenditures, circle **Transfer of Funds** and provide an explanation under the field marked **Description**.

All requests or orders in excess of $1,000 must be accompanied by at least three bids.

FIELD 2 Record your name as the person who is submitting the Fund Requisition form.

FIELD 3 Record the actual date that you turn the Fund Requisition form in to the Accounting Department. Please do not record the date that you became aware of the expense.

FIELD 4 If you have circled **Check Request** and are requesting a check for the purchase, payment, or reimbursement of departmental expenses, you will need to record the name of the person or institution to whom the check should be made payable. In the event that you wish to place an order with a vendor and have circled **Order Request**, you will then need to record the name of that vendor in the field labeled **Check To** (Field 4). You will also need to record the complete mailing address in Field 4. Because checks are printed with a mailing address field that can be viewed through a window envelope, it is also important that you are careful to include the street address, city, state, and zip code of the person or vendor who is to receive the check. Because this information will be needed by our auditors at the end of the year, it is important that it be provided at the time of the request.

FIELD 5 Record the invoice number or backup material that you have attached to the Fund Requisition form. If you have several receipts, please number them and make reference to those numbers.

FIELD 6 Write the 3-digit code of the department making the request.

FIELD 7 Record the proper account number (general ledger number) that has been assigned for the departmental expense of this nature. It is important that you remember to record these numbers accurately as the Accounting Department has been instructed not to fill these out for each person requesting funds. If you do not know, please ask the Accounting Department for a list of general ledger numbers for your department or ministry.

FIELD 8 Record a detailed description of the nature and reason for the expense. Remember that short, one- or two-word descriptions do not mean much a year or two later. The more detailed the description, the better (i.e., Supplies for the 2015 fall outreach).

FIELD 9 The Fund Requisition form has several horizontal lines to enable you to split one expense into several different account numbers or categories within your department. After filling out each line that is needed, record the total amount of the expense for which a check should be written, an order to be placed, or a transfer to be requested. This should not be an estimate but an actual figure. If you are not sure of the total amount, communicate the situation to the Accounting Department. The church will NOT issue blank checks.

FIELD 10 Record the total amount of your request.

FIELD 11 Because the outcome of your request will depend on the department's present financial standing, it is important that you record any funds that have ALREADY been collected but not deposited for that particular expense. For example, if Men's Ministries is requesting a check for $1,200 for a deposit on a men's retreat and has already collected $600, the $600 figure should be recorded. If funds have not been collected but will be in the near future, write the date the Accounting Department can expect the funds to be turned in towards this particular expense. For example, if Men's Ministries is requesting a check for $1,200 for a deposit on a men's retreat and ten men plan to turn in $800 next week, record the exact date the funds will be turned in to the Accounting Department in Field 17.

FIELD 12 Field 12 is designed to give the Accounting Department specific instructions as to how they are to handle the check in the event it is approved and issued. There are four options:

1. If you have a mailbox at the church and would like the check placed there, circle **Requester's Box**, and it will be placed there after it is issued.
2. If you want the Accounting Department to send it to the address in Field 4, circle **Mail Immediately**.
3. If you want the Accounting Department to mail the check with any materials or invoice that you have attached, circle the **With Attachments** option.
4. If you circled the **Order Request** option in Field 1 and want the Accounting Department to mail the check when the invoice is received, circle the **Mail Upon Receipt of Invoice** option. **If nothing is marked, the check will automatically be mailed the day it is issued.**

FIELD 13 If you are the head of the department making the request, sign your name on the department head signature line (Field 13). If you are not the department head, you must first obtain the approval and signature of the appropriate departmental leader before making the expense, ordering supplies, or turning in the request. This helps keep department heads informed of expenditures within their department. The Accounting Department will not process a fund requisition that has not first been approved and signed by the appropriate departmental leader. The signature should also be accompanied by the date it was signed.

FIELDS 14 The Fund Requisition Form will be signed and dated by the lead pastor or executive administrator when the request is approved. This signature authorizes the Accounting Department to issue a check that will later be signed by at least two people authorized to sign checks. In accordance with our fund policy, no check shall be issued or processed unless it is accompanied by a Fund Requisition Form signed by the lead pastor or executive administrator.

With several hundred checks being written each month, the Accounting Department is unable to complete the form for you or write in the appropriate account to be debited. Your thoroughness in filling out the form is needed and appreciated.

G. **<u>What happens to the Fund Requisition form once it is filled out</u>?** Once a Fund Requisition form has been filled out, it should be delivered to the Accounting Department by noon on Monday. The executive administrator will then present all the fund requisitions to the lead pastor each Tuesday for review at the finance meeting.

Following the review of the department's request and present financial standing, the executive administrator or lead pastor in his absence will either approve the request or refer it to the appropriate department head. The approved requests will then be processed when checks are printed once a week. By Wednesday evening of each week, two approved signers will sign the check. On Thursday morning, the checks will be placed in the department box or mailed to vendors as requested.

H. How do I request funds?

1. **<u>Acquiring approval for expenditures</u>:** Any individual desiring to order supplies or receive a church check (to purchase supplies or be reimbursed) as well as transfer funds from one account to another will first need to receive prior approval. Approval can be obtained by filling out a *Fund Requisition* form and submitting it for approval. All forms should be filled out completely by those requesting them, not by the Accounting Department.
2. **<u>Required preapproval and cost analysis for group trips</u>:** Any ministry desiring to plan a group trip or off-site activity (camps, tours, or out-of-city travel) must first receive prior approval from the executive administrator. Before the trip can be advertised, the ministry leader must gain approval by:
   a. Submitting a cost analysis breakdown to the executive administrator by using the approved Excel template for group trips.
   b. Schedule a phone review meeting with the executive administrator to review projected expenses. The "Event Budgeting Template" is located in the shared Dropbox Highpoint Staff/Policies folder.
   c. Receive approval from the executive administrator.

   The purpose of this process is to protect the church from expenses or lawsuits related to poor planning or the underestimation of resources.
3. **<u>Backup and supporting material</u>:** Requisition requests should be accompanied by the appropriate backup material (readable copies of itemized receipts, bids, or estimates).
   a. Expenses exceeding $1,000: Any requisition request submitted for approval for expenses in excess of $1,000 shall be accompanied by at least three comparable bids.
   b. Reimbursements: Any reimbursements should be accompanied by itemized receipts (not charge slips) legitimizing the expense.
   c. Deadline for receipts: The Accounting Department is not obligated to reimburse expenses where the date of the receipt is in excess of thirty (30) days old.
   d. Summary attachments: If expense or reimbursement requests represent more items than there are lines on the requisition form, an attachment should be included with the needed information. The Accounting Department can process this request as long as the individual expenses have been preapproved by the appropriate ministry leader prior to purchase. The attachment must also list the

details with a cross reference to numbered receipts.

4. **<u>Deadline for weekly requisition requests</u>:** Since checks will only be written on Tuesday or Wednesday of each week, all *Fund Requisition* forms should be turned into the Accounting Department by noon on the Monday prior to the Tuesday that they are reviewed for approval.
5. **<u>Accuracy of needed information and prior departmental approval</u>:** All requisition forms should be filled out completely as well as signed by the appropriate department head prior to submitting them for approval. The appropriate account number should also be included.
6. **<u>Weekly review of requisition requests</u>:** On Tuesday afternoon, the executive administrator will review all *Fund Requisition* forms in light of the church budget and the department's present standing and budget.
7. **<u>Signing of checks by approved individuals</u>:** A member of the Accounting staff will arrange for the prepared checks (with the appropriate *Fund Requisition* form and backup material attached by paper clip) to be signed by two (2) authorized signers.
8. **<u>Notifying individuals of approval status</u>:** The Accounting Department shall notify the appropriate individuals regarding the outcome of their request or date the check was mailed by the end of the same week.
9. **<u>Mandatory requirement of preapproved *Fund Requisition* forms</u>:** In accordance with the Fund Requisition policy approved by the Board of Deacons, no funds shall be disbursed under any circumstances without being accompanied by a previously approved and signed *Fund Requisition* form.

VII. JOURNAL ENTRIES WITHIN THE ACCOUNTING DEPARTMENT

A. Persons Involved

1. Accounting personnel
2. Executive administrator

B. Procedures. Occasionally, journal entries will need to be made within the Accounting Department to accommodate the reconciliation of monthly bank statements; allocation of expenses; recording of prepaid, automatic withdrawals; and other items of this nature. Should any journal entry be necessary, it shall be handled in the following manner:

1. **<u>Seeking verbal approval</u>:** The appropriate member of the Accounting staff shall be authorized to post the journal entry with the executive administrator's verbal approval. Journal entries can be made with a verbal authorization as long as a *Journal Entry Notification* form is submitted at the next weekly finance meeting.
2. **<u>Filling out a Journal Entry Notification form</u>:** The individual posting the journal entry shall fill out the *Journal Entry Notification* form and deliver it to the executive administrator with the following information:
   a. List of debits or credits made
   b. Written notes of explanation detailing the reason for the journal entry
   c. Backup information printed from the Shelby system stapled to the form

3. **<u>Authorization of journal entries</u>:** The executive administrator shall sign the "departmental head" signature on the *Journal Entry Notification* form showing that they have authorized the journal entry.
4. **<u>Ratification of journal entries</u>:** The executive administrator shall bring all *Journal Entry Notification* forms to the next weekly finance meeting to be ratified by the lead pastor.
5. **<u>Filing of past journal entry notifications</u>:** Signed *Journal Entry Notification* forms shall be filed in a separate three-ring notebook for review by the auditors.

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VIII. THE DISTRIBUTION OF FUNDS

A. Persons Involved

1. Accounting Department
2. Executive administrator
3. Board (those on the bank signature card)

B. Procedures

1. **<u>Processing approved Fund Requisition forms</u>:** After the executive administrator, pastor, or the pastor's written designee has signed the *Fund Requisition* form, the following will take place:
   a. In the event of an order request, the person desiring to place an order will be notified by the Accounting Department as to the disposition of the request.
   b. In the event of a check request, the check will be processed and sent to the appropriate location after it has been approved and signed.
   c. In the event of a transfer of funds from one account to another, the Accounting Department shall process the transfer after it has been approved.
2. **<u>Weekly processing of checks</u>:** Once a week and prior to Wednesday evening, the Accounting staff shall process checks for all approved requests.
3. **<u>Detail required on check stubs</u>:** The following information shall be recorded on all check stubs:
   a. Invoice or *Fund Requisition* number
   b. Date
   c. Account to debit
   d. A brief but detailed description accurately identifying the nature of the expense
   e. Amount of the expense
4. **<u>Signing of approved checks</u>:** The executive administrator shall select from the list of signers two of the most available to sign checks. All checks shall have two signatures. If at any time a signer feels any one check request is not in the best interest of the church, they may contact the executive administrator for clarification or request the pastor to refer the matter to the board.
5. **<u>Checks for special offerings and guest speakers</u>:** There will be occasions when the lead pastor requests a special offering be taken and the recipient organization or individual be presented with a check before leaving the premises. Unless otherwise directed by the lead pastor, checks to Assemblies of God missionaries resulting from a special offering will be made payable to the *General Council of the Assemblies of*

God with a designation memo before being mailed or given to the appropriate missionary.

6. **Accountability process:** In accordance with the *Fund Requisition* policy approved by the Board, no checks shall be processed or signed under any circumstances without being accompanied by a previously approved *Fund Requisition* form.
7. **Distribution of signed checks:** Once checks are signed, the Accounting Department shall distribute them accordingly on Thursday morning.

IX. THE RECORDING AND BOOKKEEPING OF FUNDS

A. Persons Involved

1. Executive administrator
2. Accounting staff

B. Procedure

1. **Monthly closing of books:** The books shall be closed no later than the tenth (10^{th}) day of the following month by the executive administrator after having gathered the following information:
   a. The monthly check register
   b. All weekly income sheets/offering reports
   c. The monthly bank statement for all checking and savings accounts
   d. The monthly statement from the mortgage company
2. **Monthly reporting requirements:** The executive administrator shall then facilitate the completion of the following reports:
   a. One-page financial summary for Highpoint Church
   b. An updated combined operation summary as well as the general fund and all departmental ministries
   c. An income and expense statement showing monthly activity for all ministries
   d. A balance sheet showing the balance of all accounts, departments, savings, checking, and mortgage

X. THE REVIEWING AND REPORTING OF FUNDS

A. Persons Involved

1. Accounting staff
2. Lead pastor
3. Lead pastor's administrative assistant
4. Board
5. Corporate treasurer
6. Auditor

B. Procedure

1. **Lead pastor's prior review of reports:** The lead pastor shall review the monthly financial statements with the executive administrator and the Accounting Department. After the pastor's approval of the documents, the Accounting Department shall provide the lead pastor's secretary with a master copy suitable for duplication.

2. **<u>Preparation of preboard meeting dockets</u>:** The lead pastor's administrative assistant shall prepare board packets to be emailed to the Board the Friday prior to a scheduled monthly meeting.
3. **<u>Premeeting review of information by the Board</u>:** The Board will then review the information prior to the board meeting.
4. **<u>Board financial report</u>:** The executive administrator or appropriate designee will give the financial report in the meeting as well as answer any additional questions.
5. **<u>Board approval of financial report</u>:** The financial report will then be revised or received by a board motion and vote.
6. **<u>Annual Report</u>:** At the end of the year, the Board will authorize either a full audit or review to report back to the membership at the Annual Business Meeting.

XI. ANNUAL BUDGET

A. Persons Involved

1. Accounting staff
2. Executive administrator
3. Lead pastor
4. Board officers
5. Board

B. Procedure

1. **<u>Preparation</u>:** In November of each year, the executive administrator will lead the Accounting staff to review each line item of income and expense for the General Fund. They will then review current patterns and anticipate future income and expenses to prepare a draft budget for the coming year.
2. **<u>Vision review</u>:** The lead pastor will then review the budget to ensure it is flexible and facilitates the vision, goals, ministry needs, opportunities, and anticipated outreaches of the church. The Accounting Department will then revise the budget draft to accommodate the desires of the lead pastor.
3. **<u>Officers' review</u>:** In December, the lead pastor and executive administrator will evaluate actual end-of-year income and expenses and adjust the budget draft accordingly. The lead pastor will then present the draft budget to the board officers for feedback.
4. **<u>Approval</u>:** In the January meeting, the lead pastor will present the budget to the entire Board for approval.
5. **<u>Administration</u>:** Once the budget is established, the lead pastor, as the Chief Executive Officer, shall have the authority to administrate the subcategories of the budget in response to new needs and opportunities in the day-to-day operations of the church.
6. **<u>Revision</u>:** Throughout the year, the approved budget will be evaluated or adjusted as needed by the Board.