



# Financial Policies and Procedures

Harvest Baptist Church  
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## ***Chapter 1: Administration and Management of Church Funds***

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### **1.1 Good Stewards**

Scriptures tell us that God owns all that He has blessed us with as individuals, including our wealth, and we are stewards of it. The church, in turn, is to be a good steward of what God's people have provided it financially and to make sure it is being used in accordance with His will. Part of that stewardship is to maintain a sound financial base to enable God's work to be conducted in an efficient manner. Therefore, in order to provide a sound financial base, policies and procedures are imperative for Harvest Baptist Church (HBC) to provide the control and accountability necessary to perform His work efficiently.

### **1.2 Revisions**

The Harvest Baptist Church Finance Team reserves the right to recommend revisions to this policy at any time to address any new or changing financial concerns that may arise due to new or revised Financial Accounting Standards Board (FASB) pronouncements, Generally Accepted Accounting Principles (GAAP), or Internal Revenue Service (IRS) code requirements. Any revisions will be presented to the Elders for their review and approval. Implementation will be made upon their approval and at an agreed upon effective date.

### **1.3 Fund Accounting**

HBC uses a system of accounting used primarily by non-profits or government organizations, known as fund accounting. For churches and other non-profit organizations, it is more important to keep a record of the purpose for the expenditure of funds, rather than how it was earned, unlike for-profit corporations. Fund accounting records take the form of a collection of funds, each fund having a distinct purpose, ranging from operating expenses (General Fund) to funding the various activities of the organization (Building Fund, Debt Service Fund, Missions Fund, Benevolence Fund).

### **1.4 General Policies**

- A. All accounting will be performed on a cash basis.
- B. A chart of accounts will be established by the Finance Team and reviewed on an on-going basis with the Accountant.
- C. Only one FDIC insured checking account will be maintained from which all deposits and disbursements will be made. Dual signatures will be required on all checks.
- D. Only one FDIC insured savings account will be maintained from which funds in excess of working capital needs will be transferred. The Finance Team will regularly review the interest earned on the savings account to ensure the best possible earnings rate is earned.
- E. A monthly bank reconciliation, see [Appendix B: Bank Reconciliation Form](#), will be prepared by the Accountant and approved by the Treasurer for both the checking and savings account.
- F. The establishment of a new checking or savings account or the relocation of the Church's existing checking or savings account to another FDIC insured institution can be recommended by the Treasurer to the Finance Team as a result of fee and/or interest rate comparisons or other identified needs. The Finance Team must approve any establishment or relocation of Church accounts.
- G. If a conflict is identified between this manual and the Church constitution, the Church constitution will take precedence.

## 1.5 Definition of Terms

The definition of terms used in this document are as follows:

- A. *Accountant* — The firm or individual accountant contracted by the Finance Team to perform weekly bookkeeping services for the Church.
- B. *Assistant* — The Administrative Office Assistant employed by the Church to manage the administrative functions of the Church office.
- C. *Capital Expenditure* — An expenditure to acquire or upgrade physical assets such as property, buildings or equipment. It is a non-recurring expense that has a useful life that exceeds one (1) year.
- D. *Church* — Harvest Baptist Church (HBC).
- E. *Church Membership* — In accordance with Bylaws of Harvest Baptist Church, Article I, any person who has met the qualifications for membership and who are listed on the membership roles.
- F. *Finance Team* — The Harvest Baptist Church Finance Team. Finance Team members are recommended by the Elders and approved by the Church Membership.
- G. *Elders* — In accordance with the Bylaws of HBC, Article III, Section 2, elders shall be church members and oversee the ministry and resources of the church.
- H. *Emergency* — A situation where immediate action is necessary to prevent significant loss of church property or to prevent life-threatening injuries to personnel engaged in church-sponsored activities and then only the actions necessary to render the situation safe may be taken.
- I. *Fund* — The Church's accounting mechanisms used to reflect its financial performance which generally focus on cash and other financial assets that can readily be converted to cash. Each Fund readily identifies the balance left at year-end that is available for spending within and only for expenditures associated with that fund. These Funds determine whether there are more or fewer financial resources that can be spent in the future to finance the Church's programs.

At a minimum, the following Funds will be established:

- 1. Pool Fund
  - 2. General Fund
  - 3. Building Fund
  - 4. Debt Service Fund
  - 5. Missions Fund
  - 6. Benevolence Fund
- J. *Fund Balance* — The net worth of a fund is measured by the total assets minus total liabilities of the fund. The Fund Balance is either restricted for a specific purpose or unassigned and available as determined in accordance with these policies and procedures. The Fund Balance either increases or decreases each year as a result of netting income against expenses in the particular fund. The unassigned Fund Balance can only be appropriated in accordance with these policies and procedures.
  - K. *Objects* — An accounting term referring to the highest level within each fund by which all expenditures are budgeted and shall include the following (not all Funds contain these Objects):
    - 1. Salaries and Benefits
    - 2. Worship
    - 3. Fellowship

4. Discipleship
5. Evangelism
6. Facilities
7. Administrative Costs
8. Interfund Transfers
9. Capital Expenses
10. Debt Service Payments
11. Missions Conference
12. Missionary Support
13. Benevolence Ministry

- L. *Treasurer* — The Harvest Baptist Church Treasurer is recommended by the Elders and approved by the Church Membership. The Treasurer shall serve as chairperson of the Finance Team and serve as liaison between the Finance Team and the Elders on all financial matters involving the church.

The Treasurer will serve at the pleasure of the Elders for a two year term. The Treasurer's term may be renewed by unanimous recommendation of the Elders to the Church Membership.

- M. *Salary Review Board* — A sub-committee of three (3) members of the Finance Team formed annually to recommend salary adjustments for all employees of the Church to the finance Team. The Finance Team may either accept or modify the recommendations of the sub-committee. The Finance Team will make the final decision on the salary recommendations for all employees of HBC.

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**Chapter 2: Budget and Accounting Procedures**

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**2.1 Annual Budget Development Process**

- A. A budget calendar shall be created by the Finance Team by September 30 of each year and presented to the Elders for approval.
- B. The budget shall be based on input from each ministry and ministry group within the Church (see [Appendix A: Budget Line Item Assignments](#)). Budget requests will be submitted to the Finance Team using the Budget Request Form, see [Appendix F: Budget Request Form](#).
- C. Each year the Finance Team shall develop a balanced budget for each Fund (except the Benevolence Fund) and present it to the Elders for review, input and approval.
- D. Upon approval by the Elders, the Proposed Budget for each Fund will be submitted to the Church Membership for approval.
- E. Items to be included in the budget for each Fund will include, but will not be limited to, the following:
  - 1. General Fund:
    - a. All general Tithes and Offerings collected and all expenses required for the basic day-to-day operation of the Church (e.g., personnel salaries, insurance, utility costs) are accounted for in the General Fund.
  - 2. Building Fund:
    - a. Collections and gifts received that are specifically earmarked for the Church building, grounds, or equipment are accounted for in this fund.
    - b. Any capital expenditures from the Building Fund which have been recommended by the Facilities Team and approved by the Church Membership.
  - 3. Debt Service Fund:
    - a. Collections and gifts received that are specifically earmarked for Debt Service payments are accounted for in this fund.
    - b. Interfund transfers from other funds to meet debt service payments or for the early extinguishment of Church debt should be accounted for in this fund.
    - c. Any debt payments that have been approved by the Finance Team and the Church Membership are accounted for in the Debt Service Fund. Interest and principal are accounted for separately within the fund and should be budgeted separately.
  - 4. Missions Fund:
    - a. Programs and support payments to missionaries as recommended by the Missions Team and approved by the Church Membership as part of the annual budget process.
    - b. Established offering goals suggested by the Finance Team, and approved by the Elders (currently 10% of tithes and offerings) shall be considered in developing the Missions Budget. The Missions Fund will also be utilized to account for all receipts and payments specifically earmarked for missions, or mission related activities such as a Missions Conference.

5. Benevolence Fund:
  - a. Contributions specifically collected for benevolence purposes shall be accounted for in the Benevolence Fund.
  - b. Payments from the Fund shall not be budgeted, but shall be approved by the Elders on an as needed basis. Disbursements from the Benevolence Fund must be in accordance with the Benevolence Policy, see [Appendix D: Benevolence Fund Policy](#).
- F. The approved budget is the authorizing fiscal document for ministries to operate within the Church. Any financial transactions on behalf of the Church must be in accordance with the approved budget for each Fund. No Church ministry group or any person is authorized to expend funds not allocated within the approved budget for the particular Fund from which expenditures are to be made.
- G. If, in the course of managing their respective ministries, a ministry group determines that additional funds are necessary, then a Budget Change/Adjustments/Transfers Request, see [Appendix C: Budget Change/Adjustment/Transfer Request](#), must be submitted to the Finance Team for evaluation. Budget Changes/Adjustments/Transfers shall follow the criteria below:
  1. Transfer between Funds.

Any request to transfer an amount between Funds shall receive approval as follows:

    - a. Finance Team approval
    - b. Approval by the Elders
    - c. Approval by the Church Membership
  2. Transfer between Objects, within a Fund.

Any request to transfer an amount between Objects within a Fund's Approved Budget shall receive approval as follows:

    - a. Finance Team approval
    - b. Approval by the Elders
  3. Transfer between Sub-objects, within an Object, within a Fund.

Any request to transfer an amount between Sub-Objects within a Fund's Approved Budget shall receive approval as follows:

    - a. Finance Team approval
- H. Appropriation of a Fund's available, unassigned fund balance in any calendar year is subject to these policies and procedures. See section [2.11 Unassigned Fund Balance](#).
- I. Budget Adjustments that exceed \$2,000.00 or 10% of the original approved budget for a Fund, whichever is greater, must be approved by the Church Membership. The Budget Change/Adjustments/Transfer Request is to be completed in accordance with [Appendix C: Budget Change/Adjustment/Transfer Request](#).
- J. The Finance Team shall monitor the receipts throughout the fiscal year to determine that sufficient receipts are estimated to cover expenses approved within the budget. The Finance Team shall take the necessary steps to ensure sufficient funds are available each month to adequately address all legal financial commitments. If the Finance Team determines that estimated receipts for the year will be insufficient to address all approved budget items, the Finance Team will alert the Elders immediately and consider informing the Church Membership. If after such consultation, the situation does not



change, the Finance Team must develop and present to the Elders for approval and to the Church Membership for adoption, an Amended Budget to reflect the current reality of the decreased receipts.

- K. Each budget line item shall be assigned a responsible person or ministry group whose responsibilities shall include those identified in [Appendix A: Budget Line Item Assignments](#).
- L. The Salary Review Board will submit to the Finance Team, in accordance with the budget calendar, the recommended salaries and benefits for the employees of the Church for the proposed General Fund budget.

## **2.2 Purchasing Procedures**

The following outlines the financial procedures to which the Church will adhere in regards to purchasing goods or services.

### **2.2.1 Disbursements**

- A. The Church Treasurer will authorize the Accountant to disburse funds in accordance with the approved budget through the processing of checks. All checks require dual signatures.
- B. Approved signatories are as follows:
  - 1. Assistant
  - 2. Finance Team Members, except the Treasurer
- C. Checks can only be issued for approved expenditures. Invoices should be presented to the Assistant for payment. The Assistant will make sure all invoices have been approved (e.g., invoice is signed or approval is granted via email or other electronic communication) by the individual in charge of the ministry group for which the expenditure has been incurred. The Assistant will code all invoices in accordance with the approved Chart of Accounts (coding questions should be directed to the Treasurer). All approved invoices will be accumulated by the Assistant and presented to the Treasurer or a designated member of the Finance Team for approval (signature). Upon approval by a Finance Team member, the Assistant will present the invoices to the Accountant for payment. In no circumstance will the Accountant issue a check for which an approved invoice has not been presented.
- D. Approval of the bi-weekly payroll shall be as follows:
  - 1. Hourly time sheets will be approved by an Elder and submitted to the Treasurer for review and approval
  - 2. Treasurer will submit approved time sheets to the Accountant to pay the employees in accordance with the rates approved during the adoption of the Approved General Fund Budget for the year.
  - 3. Salaried (non-hourly) employees will be paid by the Accountant on a bi-weekly basis in accordance with the salary approved during the adoption of the Approved General Fund Budget for the year.
- E. It is the policy of Harvest Baptist Church that all payables be paid in accordance with vendor terms or within 30 days, if no terms are stated. However, if a vendor offers a reasonable discount, then whenever financially possible, the discount should be taken.

## 2.2.2 Budgeted Expenditures

The following guidelines and policies will be exercised by the appropriate staff person or responsible budget ministry group (as specified in [Appendix A: Budget Line Item Assignments](#)) in connection with all budgeted expenditures. Any exceptions to these procedures will require Finance Team approval.

All purchases must be in accordance with the Approved Budget and all invoices must receive approval in accordance with sub-section [2.2.1 Disbursements](#) prior to the Accountant issuing a check. The exception is for regularly scheduled payments required by law or established by a Church-approved contract (e.g., mortgage payments, taxes, utilities, pre-approved monthly service contract payments, etc.). Service contracts established based upon performance of work or delivery of services (e.g., mowing, pesticide treatment, HVAC services, etc.) must be recommended by the appropriate Church ministry group or Team, and receive approval by the Finance Team prior to entering into such a contract.

Approval of any Capital Expenditures not in the Approved Building Fund budget, must be presented to the Church Membership for approval. The Finance Team must present a plan to pay for such Capital Expenditures at the time the request is made.

- A. **Budget by Fund, Object, Sub-objects** – Responsible ministry group/persons must ensure that expenditures are within the scope and original intent of the budget line item for each Fund, Object and Sub-object. See section [2.1 Annual Budget Development Process](#) paragraph G for budget transfer requests.
- B. **Budget Limits** – The budget is used by the Church to ensure proper expenditure of funds. Any expenditure exceeding total year budget limits for that budget object must receive prior approval from the Finance Team. The ministry group/persons assigned authority for the budget object must complete a Budget Change/Adjustments/Transfer Request in order to obtain this approval, see [Appendix C: Budget Change/Adjustment/Transfer Request](#).
- C. **Price Verification**
  1. Operational purchases of goods and services over \$250 require quotes from, at least, 2 different sources. These quotes should be “same as” in nature (size, quantity, scope, etc.), from businesses that carry or sell the product or service, and should be in writing for submittal to the responsible person or ministry group. The quotes for purchases of goods and services in excess of \$500 will be submitted to the Treasurer with recommendations for approval.
  2. Capital expenditures must receive three (3) bids, submitted in writing, with a written recommendation made from the Facilities Team. The recommendation must be submitted to the Finance Team. The Finance Team will review the recommendation and the three bids and approve the expenditure in accordance with the Approved Budget for the Building Fund.

There are instances where a unique item can only be obtained from a single source because commercial access to the item is limited or the item is considered proprietary. Sole-source contracts should be approved only after exhausting all attempts to secure competitive quotes/bids. Under these circumstances it is understood that the pricing of such items with other vendors is impossible. There are also instances where standard service contracts are necessary for annual activities (e.g., lawn maintenance, HVAC maintenance, pest controls, etc.) where previous contracts may be used to establish a price verification. These types of contracts may span multiple years to take advantage of lower pricing per unit. All multiple-year contracts are to be re-evaluated at least every three (3) years to verify the competitive pricing and must receive approval of the Finance Team.

- D. **Bid Submittals** – The Finance Team is well aware that many of the members of our church operate businesses in our community. It is our desire to encourage and secure bidding on contracts and purchases from these members. As much as possible and feasible, the Finance Team encourages the submittal of proposals from members in regards to purchases in order for us to be good stewards.

It must be understood that being a member of HBC does not guarantee that a bid will be automatically accepted. Bids on contracts and purchases will be accepted based on pricing, quality and service.

- E. **Immediate Emergency Needs** – Immediate Emergency needs that usurp the Disbursement/Approval process due to their urgency must sometimes receive approval after the fact by the Finance Team. The Treasurer will report the Emergency expenditure to the Finance Team, Elders and the Church Membership as soon as feasible. The Budget Change/Adjustments/Transfer Request must be completed after the fact.

- F. **Ministry Group/Team Approved Expenditures** – In accordance with the Approved Budget ministry groups/teams within the church are authorized to approve the expenditure of funds during the course of their work and only in accordance with their approved budget allocation.

Whenever such expenditures are made, it is the responsibility of the ministry team leader to:

1. Approve all such invoices either electronically (e.g., email, text, etc.) or by signature.
2. Indicate the Budget account to which the expenditure is to be coded
3. Submit the invoice to the Assistant for payment.

- G. **Check Cashing** – The Church will NOT cash employee payroll checks, reimbursement checks or checks issued for any other circumstances.

### 2.3 Benevolence Guidelines

The Church has established a benevolence policy that is contained in [Appendix D: Benevolence Fund Policy](#). This policy will be maintained by the Elders with consultation from the Finance Team. All disbursements for benevolence will be handled in accordance with the policies in [Appendix D: Benevolence Fund Policy](#) and accounted for in the Benevolence Fund.

### 2.4 Love Offerings Guidelines

The Church reserves the right to accept or reject requests for Love Offerings. All Love Offerings must be approved by the Senior Pastor, in advance of the offering or event. All Love Offerings should be in accordance with Harvest Baptist Church's beliefs, ministries and evangelistic efforts. All receipts for the Love Offering shall be disbursed for the purpose the offering was taken unless a specific amount was requested and that amount was exceeded in the receipts collected. In that case, the Treasurer will disburse the amount requested and the remainder of the funds will go to the Benevolence Fund. Typically a Love Offering will fall into one of these categories:

1. **Revivals** – a Love Offering is taken in appreciation and support of a guest speaker.
2. **Special Events** – concerts, evangelistic efforts, or other events that promote and propagate the Gospel of Jesus Christ.
3. **Church Sponsored** – a Love Offering is taken for a special need not able to be handled by the benevolence policy but consistent with the Church's beliefs, ministries, and evangelistic efforts.

## 2.5 Non-Budgeted Expenditures

The responsible ministry group/team or person assigned to each budgeted Fund and Object shall make sure their annual expenditures are within the Church's approved budget. If they determine that their expenditures will exceed the approved Object budget allocation, a Budget Change/Adjustments/Transfer Request must be submitted to the Finance Team for approval before the expenses can be incurred.

Ministry leaders will be informed quarterly of the current status of their Fund/Object balances. The Accountant will provide all ministry leaders with a quarterly budget report.

## 2.6 Borrowing of Funds

Unless authorized by a separate vote of the Church Membership, all requests to borrow funds is prohibited. Funds should only be borrowed to support capital expenditures in the form of acquisitions, improvements, replacements or systemic renovations. Funds shall not be borrowed to finance day to day operations. The Finance Team shall recommend to the Church Membership and the Church Membership must approve each loan, the source of loan, the interest rate, or a ceiling rate if the rate has yet to be negotiated. At least two (2) officers of the Board of Trustees shall be required to sign the borrowing documents, or as is required by the lending institution. The officers shall have no authority to sign lending documents without a specific approval vote of the Church authorizing such action.

## 2.7 Fundraising Activities

- A. There are times when the ministry groups/teams of the church may want to use fundraising activities to support their specific goals within the Church. These activities must comply with all state and federal laws. All fundraising activities to be conducted by Church approved ministries must receive prior approval by the Finance Team by submitting a Fundraiser Authorization form, see [Appendix G: Fundraiser Authorization Form](#). The Finance Team will seek approval from the Elders should there be any question about the nature and purpose of the fundraiser. All fundraising activities must comply with the Church's vision and mission and in no way take away from the Church's focus on Jesus Christ.
- B. All funds raised by the activity are to be used for the specific purpose for which they were approved and scope of the ministry sponsoring the activity. The use of other church resources are to be appropriately coordinated with the involved ministry groups. All funds raised by the activity are to be handled in accordance with all Church policies on the collection and control of receipts.
- C. All fundraisers must have a clear start and end date. All moneys must be turned in to the Assistant by that deadline.
- D. Outside groups may request the Church to help raise funds for their specific charitable ministry group. All requests from outside groups for fundraising activities are to be reviewed and recommended for approval by the Elders and the Finance Team.

## 2.8 Contract Approvals

All contracts for services and products financially obligating the Church must be signed by a member of the Finance Team after recommendation from the appropriate Church ministry group/team and approval by the Finance Team.

## 2.9 Church Credit Cards and Commercial Trade Credit or Invoice Accounts

- A. Establishing a Church commercial trade credit or invoice account (e.g., Walmart, Office Max, supply or service providers, etc.) must be approved by the Treasurer and may only be used for Church business. Before using these accounts, all financial control policies identified above are to be followed (i.e., no purchase is to be made unless it is in accordance with the Approved Budget).
- B. Credit cards can be issued to an employee or minister of the Church upon approval by the Treasurer. The credit card can only be used for Church related expenses in accordance with the appropriate Fund's Approved Budget.

**Personal use of a Church credit card is prohibited. Any personal items purchased on the credit card or any unauthorized items as outlined under Travel and Meal Reimbursements, will not be paid by the Church and the employee will be required to reimburse the Church. The Treasurer will be authorized to garnish the employee's wages to cover the cost and the employee will be notified of the action. Any misuse of a Church credit card may result in disciplinary action including the closing of the credit card up to and including termination of employment.**

- C. The Church does not allow cash advances on a credit card. The Church will not pay any finance charges or late fees on Church issued credit cards. The employee or minister is expected to maintain accurate records and submit all invoices/receipts supporting purchases to the Assistant in a timely manner in order for the receipts to be matched to the monthly credit card statement. The Assistant will assign the proper budget code for all credit card charges on the monthly statement and submit the reconciled monthly statement to the Treasurer for approval, prior to presenting to the Accountant for payment.
- D. Missing receipts will require the completion of a Missing Receipt form, see [Appendix H: Missing Receipt Form](#). Every effort to obtain receipts should be pursued by the cardholder. Only after all efforts have been exhausted to obtain a receipt should the Missing Receipt Form be utilized.
- E. A list of the outstanding credit cards is to be maintained by the Assistant and approved by the Treasurer so that the Church knows who is assigned a card, the type of card assigned and the details about the card to enable cancellation, if required. Each card's limits, per transaction and per month, will be evaluated annually by the Assistant and Treasurer with the intent to adjust if determined such adjustment is necessary. Each person in possession of a card shall take reasonable steps to protect the card from misuse or theft. When an employee or minister assigned a credit card leaves a position due to termination, retirement or extended leave of absence, the card shall be returned to the Assistant and the Assistant shall close the card immediately.

## 2.10 Receipts

### 2.10.1 Cash and Non-Cash Contribution Policy

The Church may receive marketable securities, real estate or other assets that can be sold or used for ministry work. The Church reserves the right to accept or reject any and all gifts. Also, the Church reserves the right to assign an agent within the church to determine whether a clear title or contingent liability exists regarding any and all gifts. The Church is not in the business of holding stocks, bonds, mutual funds or other financial instruments for speculative purposes and in order to be a good steward, will make a good faith effort to liquidate these items within a reasonable period of time. Such liquidation of assets will be managed and approved by the Finance Team.

### **2.10.2 Designated Gifts/Receipts**

Designated gifts/receipts to the Church must be accounted for within the Fund for which the gift/receipts are intended. It is the policy of the Church to adopt an annual budget that provides the various ministries and programs with the appropriate financial resources from non-designated receipts. The following shall be guidelines for the Church accepting designated gifts/receipts:

1. No contribution can be designated for the benefit of an individual within the Church.
2. All designated gifts must be “to or for the use of” the church and comply with the vision and mission of the Church and always edify the name of Jesus Christ.
3. Money designated for projects or ministries within the Church shall only be used as designated.
4. Money designated to individuals, programs, or projects outside our church that are not designated as legal charitable organizations by the IRS shall be returned to the donor. To do otherwise might allow the church to be used illegally as an instrument to escape paying taxes by some individuals.
5. In order to keep our programs balanced, when money is designated for some specific ministry area, department, or work, the designated funds will be used first before the use of undesignated funds allocated as part of the Approved Budget for the Church.
6. Gifts of physical assets (furnishings, equipment, etc.) must be approved by the Facilities Team before they can be accepted.
7. Books and other Media Center items must be approved by the Elders.
8. Proposed funding of special projects or money for said projects must be presented to the appropriate ministry team, the Finance Team, the Elders and the Church Membership for their support and approval before the funds can be sought and accepted.
9. The Finance Team reserves the right to accept or reject any receipts and to review designated donations (gifts) on a case by case basis.

Also, from time to time the church will receive designated offerings for approved special events (e.g., revivals, guest speakers or concerts, missions, etc.). These gifts fall under the appropriate sections above that discuss Love Offerings (see section [2.4 Love Offerings Guidelines](#)) and designated contributions that are considered to be pass-through contributions that the Church collects and immediately disburses to the designated organizations.

### **2.10.3 Tithes and Offerings and Cash Receipt Procedures**

There are several ways funds are collected within the activities of the Church. The following procedures will be adhered to in regards to our tithes and offerings and contributions received as part of:

#### **A. Worship Services**

1. Ushers will receive or collect offerings in the services the Church holds on Sundays, revivals, or other special events that regularly collect monies. Ushers will give all offering plates to the counters.

2. Two (2) counters will be scheduled by the Assistant to count the offering for each service. The two (2) counters will adhere to the following cash receipt procedures to process all tithe and offerings and contributions:
  - a. Determine if there are any envelopes placed in the safe from previous collections that have not been counted.
  - b. Complete a separate Tithes and Offerings Collection Sheet, see [Appendix I: Tithes and Offerings Collection Sheet](#), for each collection and perform the following steps:
    - i. Each counter will separately count all coins, cash and count the number of checks and enter their confirmed results on the Collection Sheet for each collection.
    - ii. The Collection Sheet will then be signed by both counters
    - iii. A copy of the Collection Sheet will be made for the Treasurer and placed in his mailbox.
    - iv. The Collection Sheet will then be placed in an envelope along with the coins, cash and checks and the envelope sealed and taped.
    - v. On the outside front of the envelope the date and the amount of coin and cash collected will be entered with a pen. The counters will then initial with a pen the envelope over the sealed/taped part of the envelope to evidence a non-tampered envelope.
    - vi. All sealed envelopes will then be placed in the Tithes and Offerings deposit bag, or the Benevolence deposit bag (if the collection is for the Benevolence Fund taken the first Sunday of each month prior to communion service). The deposit bag(s) will be locked in the safe.
3. For collections taken during services when counters have not been scheduled to count the offerings and if time does not permit following the above counting procedures, the collections will be accumulated by the ushers and immediately placed in an envelope. The ushers will initial the envelope over the envelope seal, place the envelope in a deposit bag and lock the deposit bag in the safe. Such collections will be counted during the next scheduled counting session by the two (2) scheduled counters. The Treasurer or other member of the Finance Team should be notified immediately when such occurrence of a collection for which scheduled counters have not been secured is encountered.

#### B. Sunday School

1. If offerings are collected thru the Sunday School classes, for an approved purpose to support a program or missionary, they are to be collected and counted by the teacher. The teacher will complete a Tithes and Offerings Collection Sheet, see [Appendix I: Tithes and Offerings Collection Sheet](#), and place the money and the completed sheet into an envelope.
2. The date, the amount collected, the class that collected money and the purpose of the collection shall be marked on the outside of the envelope. The envelope should be sealed by the teacher and the teacher's initials will be placed on the seal to evidence a non-tampered envelope.
3. The envelope will be given to the Assistant or a member of the Finance Team.
4. The sealed envelope will be immediately placed into the safe by the Assistant, member of the Finance Team or assigned usher.
5. All envelopes will be counted during the next scheduled counting session by the two (2) scheduled counters.

**C. Contributions Received by Mail**

Generally, funds received through the mail will not be easily identified on the envelope. When the envelope is opened and it is determined that contribution funds are enclosed, then the funds are to be placed in the safe immediately with the following information identified on the envelope:

1. Amount received
2. Designation of use (e.g., general tithes and offerings or a specific use designation.)
3. Date received
4. All envelopes will be counted during the next scheduled counting session by the two (2) scheduled counters.
5. Should there be a time when a mid-week deposit is necessary due to cash flow issues, the Assistant will follow the deposit procedures as identified in sub- section [2.10.4 Deposit Procedures](#).

**D. Contributions Received Electronically**

Tithes and Offerings are sometimes made by members and church attendees via electronic means. Currently, PayPal is the only method by which electronic contributions are received by the church. The process by which such electronic contributions are received is as follows:

1. The Assistant will receive an email from PayPal alerting the church that a donation has been made. The Assistant will print the email and place the print-out in the bills to be paid file for the Accountant.
2. Each week, the Accountant logs into PayPal and transfers the funds into HBC's checking account, and records the deposit into the accounting system.
3. The statements regarding the transfer from PayPal are printed. A copy is filed in the "PayPal" folder in the filing cabinet and a copy is provided to the Treasurer for reconciliation purposes.

**E. Private Gifts - Donors That Wish to Remain Anonymous**

These gifts are handled by the Assistant and deposited as they are received. Almost always, Pastor is told of the money to be coming. Because these gifts have been and probably will continue to come in check form, the deposit can be made by Assistant and not two money counters. The people that will know of the donor will be limited to the Pastor, Treasurer, Assistant and Accountant. The Finance Team and congregation can be told of amount, but no donor information is to be shared. If the money is designated for a particular purpose, all efforts will be made to follow that wish.

**F. Other Collections**

There may be times when ministries or programs within the Church collect funds from participants in the ministries or programs or as part of a fundraiser. As part of the planning for the activity, the ministry should coordinate their activities with the Treasurer to ensure proper handling of the funds.

1. All funds are to be collected weekly. The sponsor of the fundraiser will complete a Tithes and Offerings Collection Sheet, see [Appendix I: Tithes and Offerings Collection Sheet](#), and place the money and the completed sheet into an envelope.
2. The date, the amount collected and the name of the fundraiser shall be marked on the outside of the envelope. The envelope will be sealed by the sponsor and the sponsor's initials will be placed on the seal to evidence a non-tampered envelope.



3. The envelope will be given to the Assistant or a member of the Finance Team.
4. The sealed envelope will be immediately placed into the safe by the Assistant or member of the Finance Team.
5. If the Assistant or Finance Team member cannot be located, the envelope is to be placed in the top desk drawer of the Assistant and the door to the office locked. The collector of the funds should then email the Assistant or Treasurer of the existence of the envelope and its placement in the Assistant's desk.
6. Funds collected for pre-approved fundraisers are to be counted by the sponsor of the fundraiser in accordance with procedures noted in sub-section [2.10.3 Tithes and Offerings and Cash Receipt Procedures](#) paragraph A.2.b. Also, see section [2.7 Fundraising Activities](#) for the necessity to have clear start and end dates for collections.

If deadlines are not observed, the Finance Team reserves the right to discontinue this fundraiser in the future.

7. For activities that have a deadline for collecting money (e.g., youth trips) and receive funds on multiple days, the funds collected are to be deposited as soon as practicable. At no time are funds to be kept in an unsecure fashion within offices or on persons.
  8. The funds will be counted and processed at the next scheduled counting session in accordance with the procedures established by the Counting Team (see sub-section [2.10.3 Tithes and Offerings and Cash Receipt Procedures](#)).
- G. Any unaccounted-for funds found in the safe for which an Offering Sheet was not completed, or cash or checks found and not identified as to the intent of the contribution, shall be assigned as General Fund Tithes & Offerings. Upon discovery of unaccounted-for funds, the Assistant will email ushers and Treasurer regarding the money to try to identify its origin.
- H. Each Sunday, the Treasurer or assigned Finance Team member will make sure the contents of the safe have been inventoried, all envelopes have been opened and counted by the assigned counters and that the safe is secured.
- I. Occasionally, single contributions or donations are received in the church office. The recipient of such receipts should use the triplicate receipt book, located in the office, to record the date, amount and purpose of the receipt and to provide the donor with an immediate receipt of such a contribution to the church. The actual donation and the 2nd copy of the written receipt should then be given to the Assistant so it can be placed in the safe for a future deposit.

#### **2.10.4 Deposit Procedures**

The following deposit procedures will be used by the Assistant to deposit all receipts into the Church checking account. In the event the Assistant cannot make a deposit, the Treasurer will be informed and be responsible to make sure all deposits are made in a timely manner in accordance with these procedures.

1. All deposit bags will be emptied and sealed envelopes removed and examined to ensure there has been no tampering to the envelope.
2. If tampering to the envelope is suspected by the Assistant, the Assistant will contact the Treasurer immediately. The Treasurer will then take the necessary steps to investigate the situation.
3. All sealed envelopes will be opened and the coin and currency and checks counted.

4. The Assistant will confirm all counts recorded on the enclosed Tithes & Offering Collection sheet.
  - a. The Tithes & Offering Collection sheet will be initialed by the Assistant as to its accuracy or any inaccuracies will be corrected and noted by the Assistant and initialed by the Assistant.
  - b. The Tithes & Offering Collection sheet will then be placed in the Treasurer's file folder for confirmation with the deposit.
5. A deposit slip will then be created for each deposit type, whether Tithes and Offerings, Benevolence, Other Offerings, fundraisers, etc.
6. All checks will be photocopied (4 to a page), then endorsed using the "Deposit only HBC" stamp.
7. A list of check amounts and deposit total (calculator register tape) will be attached to the appropriate deposit slip.
8. The Assistant will enter all the checks and cash from the collection into the Church Accounting software system. All checks received will be noted in the accounting system by name and amount to ensure proper identification for inclusion on the end of year donor reports.
9. When the deposit details are complete in the Church Accounting software, a Deposit Summary page will be printed and attached to the photocopied checks that accompany the deposit. All documents related to the deposit will be stored in the Deposits folder on the Accountant's desk until the bank receipt is attached, then the documents can be moved to the Accountant's desk drawer and stored with the other completed monthly deposit documentation.
10. The Assistant will then take the deposit(s) to the Church bank and make the deposit. The bank receipt will be brought back to the Church by the Assistant and stapled to the Deposit Summary printed from the Church Accounting software system.

If the Assistant is not able to make the bank deposit, a member of the Finance Team will assume the Assistant's duties and make the bank deposit.
11. In the situation of a deposit for a fundraiser, Sunday School collection, or other special collection, the Assistant will provide the individual from whom the collection was received a paper receipt, from the numbered receipt book, to confirm the deposit of such funds has in fact been made. This step will be completed at the next available date when the Assistant sees the individual from whom the collection was received.
12. The Accountant will match the bank receipt to the deposit slip previously provided by the Assistant to ensure they match.
13. The Accountant will place a copy of all receipts, including a copy of the deposit slip in the Treasurer's file folder for review and confirmation and for use in the Bank Reconciliation review process. See section [1.4 General Policies](#).
14. Access to the safe in the church office is restricted to the Assistant, Treasurer, Finance Team Members and those church members who have been trained in the Tithes and Offerings and Cash Receipt Procedures. The combination to the safe should be changed at least annually and the Treasurer should ensure the security of the combination to the safe.

## 2.11 Unassigned Fund Balance

At the end of the church financial calendar year, receipts are compared to expenditures within each Fund. The resulting difference, known as Net Receipts over (under) Expenditures, are added (subtracted) to the existing fund balance for each Fund. It is not the intent of the Church to accumulate funds beyond a pre-approved amount. It will be the responsibility of the Treasurer to ensure adherence to the guidelines for unassigned fund balances for each Fund as noted below. The Finance Team will recommend usage of all unassigned fund balances by Fund as follows:

### A. General Fund

1. The Finance Team will attempt to maintain an unassigned fund balance equal to 30 days (one month) of operating costs determined by dividing the ensuing years approved budget by 12. The resultant amount will be considered the minimum unassigned fund balance for the General Fund. The typical goal is to have sufficient fund balance to manage monthly cash flows for receipts for the annual budget so that monthly deficits are not realized.
2. An amount in excess of the minimum amount can be recommended for use after the Finance Team considers the following series of questions:
  - » What is the current level of debt that the church owes?
  - » What is the status of the Capital Reserve Accumulation? See sub-section [2.11.2 Capital Reserve Accumulation](#)
  - » What capital needs are pressing or unfunded at the current time or very near future?
  - » What mission obligations does the church have or foresee in the near future?

### B. Once the Finance Team has considered these four (4) questions, they will develop a plan for the use of such funds and submit to the Elders for approval as follows:

1. First consideration will be given to reduce or retire any debt the church has incurred understanding that debt reduction, while very important, cannot trump the proper maintenance of the physical plant and property of the Church.
2. Next consideration will be given to develop and maintain a Capital Reserve Accumulation (see sub-section [2.11.2 Capital Reserve Accumulation](#)) within the Building Fund, or to pay for any capital need identified by the Facilities Team and approved by the Church Membership.
3. Any additional excess will then be considered for missions funding as recommended by the Mission's Team and approved by the Church Membership.

### C. Sometimes needs arise during the fiscal year which were not included in the original approved budget. Such needs include emergencies or other needs that arise due to circumstances or ministry opportunities. The Treasurer shall be notified (within 24 hours) for approval of such an expense. If the Treasurer cannot be reached, a member of the Finance Team shall be contacted for approval. In either case the entire Finance Team will be surveyed for approval of the expenditure.

1. The Finance Team will make a recommendation to the Elders from which Fund to pull the necessary dollars to pay for any unexpected expenditures, or costs associated with an Emergency or other need.

2. Expenditures that require an appropriation of unassigned fund balance must receive approval as follows:
  - a. Up to 15% of the available unassigned fund balance of the respective fund must receive Finance Team approval.
  - b. Once 15% of an available unassigned fund balance for any fund has been appropriated to meet an unanticipated expenditure or Emergency, any further request to utilize unassigned fund balance within a fund must receive approval by the Finance Team and the Elders.
  - c. Once 30% of an available unassigned fund balance for any fund has been appropriated, any further request to utilize unreserved fund balance within a fund must receive approval of the Church Membership.

### **2.11.1 Restricted Fund Balance**

All Funds, with the exception of the General Fund, have only a fund balance, which according to GAAP, is restricted for the specific purpose of the intent for which the Fund was developed. As described in section [2.1 Annual Budget Development Process](#), each fund has a specific purpose. The restricted fund balance for that fund can only be used for that funds purpose and then only with the Church Membership's approval.

Even in the General Fund, the church membership could establish a restricted fund balance for a specific purpose. A restricted fund balance can be appropriated within the Fund it resides for a specific purpose that is approved by the church membership. Such approval are typically received as part of the annual budget approval process. However, a special meeting of the Church Membership can be called to seek such approval for the use of a restricted fund balance.

### **2.11.2 Capital Reserve Accumulation**

It is prudent for a church to commence the accumulation of funds for the purpose of funding capital expenditures. A capital reserve accumulation will be accounted for in the Building Fund. Such accumulation of funds is considered a restricted fund balance in the Building Fund. A capital reserve accumulation must receive church approval. It can take the form of a specific capital reserve fund program that is advertised to the Church for a specific purpose; or, by recommendation of the Finance Team and approval of the Elders and the Church Membership, some portion of the General Fund unassigned fund balance in excess of the minimum amount specified in section [2.11 Unassigned Fund Balance](#) can be appropriated to the Building Fund for purposes of the establishment, or continued accumulation of the Capital Reserve Accumulation account. Any appropriation of this restricted fund balance can only be approved by the Church Membership.

## **2.12 Memorials**

Memorials are a way for a family, and friends of a family, to remember their loved one with a financial gift to the Church. However, the Church reserves the right to accept or reject any memorial gift. Memorials should be handled in the following manner.

### **2.12.1 Undesignated Memorials**

Undesignated memorials are those that go directly to the church in memory of a loved one without any designated purpose or fund. The Finance Team will recommend to the Church for their approval how the memorial is to be used.

### 2.12.2 Designated Memorials

It is understood that certain members, before their death, have areas of ministry in which they were active or involved. The church understands that declining a gift or request from a grieving family could provide additional emotions that are unnecessary during this time. Therefore, all phone calls, requests, and memorial gifts should be directed to the Treasurer. The Treasurer will work with the Finance Team to handle each such gift on a case by case basis. The Finance Team is to gather all information necessary to make a recommendation to the Elders to approve or disapprove the acceptance of all designated gifts.

### 2.13 Travel and Meal Expenditures

- A. All travel for the church must receive advance approval from the Elders and must be supported by the budget that is approved for such travel.
- B. While traveling for Harvest Baptist Church the employee (minister) or church member is expected to be financially prudent in regards to expenditures incurred. **The Church reserves the right to reimburse what is deemed reasonable travel and meal expenses.** Only official travel authorized by the Church in accordance with the following policies will be reimbursed.
- C. For an employee to be reimbursed, a travel voucher must be completed and submitted to the Assistant for processing. The Assistant will code the voucher and submit to the Accountant for reimbursement within two (2) weeks after the Treasurer has approved the travel voucher.
- D. Copies of the Travel Voucher forms are included in [Appendix E: Travel Voucher](#).
- E. The following policies shall be followed:
  1. All planned travel must be included within the approved church budget.
  2. Unplanned travel for which a budget line item does not exist, must be submitted to the Treasurer in advance for review and approval. A Budget Change/Adjustment/Transfer form will need to be completed by the employee or member requesting the travel.
  3. If actual expenses incurred for the travel exceed the federal per diem rates, then the reimbursement will be limited to the federal per diem rates. Otherwise, actual expenses incurred will be reimbursed.
  4. Reimbursement for travel expenses will be allowed only for official business on behalf of the Church.
  5. A travel advance may be obtained to defer travel expenses for conferences, seminars, convention meetings, or other short-term travel. However, the advance shall not exceed the lesser of \$500 or fifty percent (50%) of the estimated travel expense, but only upon approval by the Treasurer.
  6. Pre-travel arrangements for hotel, airfare, and car rental should be booked 30-days in advance, whenever possible. This will allow the Church to secure the most advantageous rates available.
  7. Overnight stays should take into consideration the budget of the Church and the stewardship the congregation expects of the employee. It is understood that some conferences require stay in specific hotels; however, if possible the most advantageous rates in similar hotels should be verified, within proximity of the conference, to ensure good financial stewardship.
  8. The church will pay the expenses of the authorized individual's travel only and only for authorized travel. Costs for recreational activities while on travel will not be reimbursed.

9. In regards to general meal reimbursement, the following applies:
  - a. Only meals associated with official Church travel incurred by the authorized traveler will be reimbursed.
  - b. The U.S. General Services Administration (GSA) schedule of meal rates as found at <http://www.gsa.gov/perdiem> will be used as the maximum amount of reimbursement for meals. Detailed expense information shall be provided with the travel voucher (e.g., receipts).
  - c. IF the employee does not submit a receipt and the church reimburses the employee without a documented receipt, THEN the amount reimbursed that does not have a receipt will be considered income to the employee in accordance with IRS guidelines.
  - d. All Reimbursements for travel and meals must be submitted no later than 30 days from the date the expense is incurred. Any request past the 30 day deadline are subject to refusal for payment.
  - e. The church will not reimburse for any alcoholic beverages, tobacco products, speeding tickets, pornographic materials or other items deemed non-conforming to the Christian walk of life. Any abuse of this policy by an employee or minister, in regards to these items, is subject to disciplinary action, up to and including possible termination of employment.

## **2.14 Voided Checks**

Voided checks must be marked VOID and the signature section cut out and placed in the Void check file for review by the Treasurer. The void check transaction must be recorded by the Accountant in the software accounting system.

## **2.15 Privacy and Information Security Policy**

The personal information of church members in regards to contributions and giving is considered confidential in nature. Therefore, an individual's giving records are held in confidence. Access to this information is restricted to the contributor, the counters, the Administrative Assistant (if inputting contributions information into the database) and the Church Treasurer or the Assistant Church Treasurer (if they input contributions information into the database). Physical security, electronic security safeguards, and strict procedural measures are to be maintained to protect the givers' information.

## **2.16 Capital Expenditure (Fixed Asset)**

Capital expenditures are fixed assets of a physical nature which have a long-term period of usefulness (more than one year). Fixed assets include all land, buildings, furniture and equipment that exceed the capitalization threshold.

### **A. Capitalization Threshold**

1. The current HBC capitalization threshold is \$1,000.
2. HBC's capitalization threshold will be reviewed annually by the Finance and Facility Teams and recommendations made to the Elders to increase or decrease the threshold.
3. The Elders have the final authority for the establishment of the capitalization threshold.
4. The expenditure of church funds for fixed assets should only be made from the Building Fund.
5. The purchase of items with a cost of less than the capitalization threshold will be accounted for as a supply even if the useful life is expected to exceed one year.

6. Ancillary costs, such as delivery and installation costs, associated with a capital expenditure must be taken into consideration when determining capitalization of the expenditure. Such items when combined exceed the capitalization threshold will be capitalized as a fixed asset.

#### B. Donations of Fixed Assets

In accordance with sub-section [2.10.2 Designated Gifts/Receipts](#), any physical (fixed) asset donated to the church must be approved by the Facilities Team prior to acceptance. Review by the Facilities Team of such donations or gifts is very important in order to determine if the cost to accept and maintain the gift on the part of the Church will exceed the actual value of the asset to the church.

#### C. Safeguarding Fixed Assets

1. Expenditures made from the Building Fund for the acquisition of fixed assets must be included in the Fixed Asset Inventory maintained by the church accountant.
2. The Fixed Asset Inventory will provide the following details concerning the asset:
  - a. Detail description of the asset including identifying numbers such as model numbers or serial numbers
  - b. Estimated useful life of the asset as assigned by the Finance Team
  - c. Current location of the fixed asset
3. A physical inventory of the items included in the Fixed Asset Inventory will be performed annually by the Facilities Team and the results of the physical inventory will be reported back to the Finance Team.
  - a. The physical inventory should include a status on the performance and adequacy of each fixed asset to make sure disposal or obsolescence of an asset isn't warranted.
  - b. The Facilities Team is responsible for making recommendations annually to the Finance Team concerning the Capital Reserve Accumulation, see sub-section [2.11.2 Capital Reserve Accumulation](#).
4. It will be the Finance Team's responsibility to ensure that all fixed assets are adequately covered by property insurance with a reputable insurance carrier.

#### D. Disposal of Fixed Assets

The Treasurer must dispose of all fixed assets as follows:

1. Land and buildings - Disposals must be approved by the Elders and the HBC congregation.
2. Furniture and equipment - Disposals must be approved by the Facilities Team and the Finance Team and the Treasurer can only dispose of the asset in one of four (4) ways:
  - a. Sell the item via competitive bid.
  - b. Sell the item via internet based on-line public auction.
  - c. Donate to other public non-profit agencies.
  - d. Discard or recycle, only if the Treasurer was unable to dispose of the asset in one of the prior three (3) methods.

3. The Treasurer will be responsible for determining the proper method of disposal that will assure the maximum possible recovery from such disposal at the least possible cost.

E. Asset Reporting

The Treasurer will make sure the church Accountant maintains a complete inventory of all fixed assets. Reports will be of sufficient detail as to afford proper identification, location and cost of all fixed assets. An annual fixed asset report will be provided to the Facilities Team in order to perform the physical inventory of all assets.



***Chapter 3: Community Use of Church Facilities***

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**3.1 Use of Church Facilities**

Outside organizations, members of the community or members of Harvest Baptist Church may desire at various times to use our church facilities for various purposes. In order to reflect the love of Jesus, we will review each request individually and in accordance with Facilities Team procedures.

## ***Appendix A: Budget Line Item Assignments***

Each budget line item in the Harvest Baptist Church approved annual budget will have a responsible ministry group or individual assigned to it per the following tables. The responsibilities of the ministry group / individual relative to the assigned budget items are as follows:

- A. Monitor the expenditures against the budget approved by the Church to make sure the budget is not exceeded for the year. Budget-to-actual statements will be provided by the Accountant to the Finance Team as requested. If it is determined that additional funds are necessary, the chairperson of the responsible ministry group shall coordinate with the Finance Team to get an additional funds request before the Church for approval. The responsible ministry group is not authorized to expend funds not approved by the Church except in an emergency, see section [2.1 Annual Budget Development Process](#). In the case of an emergency, the church treasurer shall be notified within 24 hours of incurring the expense. (An emergency is defined as a situation where immediate action is necessary to prevent significant loss of church property or to prevent life threatening injuries to personnel engaged in church-sponsored activities.)
- B. Review all invoices received for payment to make sure they accurately reflect the services or products received by the church and they accurately reflect the agreed upon cost of the services or products. This review is to take place before payment will be approved by the Treasurer. Completion of the review will be documented by signature of the person purchasing the items.
- C. When authorizing expenditures under an assigned budget item, particular attention should be given to the budget limits on the items requiring action.
- D. When requested, provide input to the Finance Team for the ministry group / individual's area of responsibility in developing an annual budget recommendation for the Church's approval. The input should be detailed enough to support the requested budget and provide a point of contact for the Finance Team, if questions arise. The Budget Request Form, see [Appendix F: Budget Request Form](#), should be used.

**Table A.1: General Fund**

<b>Budget Line Item</b>	<b>Responsible Ministry Group / Individual</b>
Salaries and Benefits:	
Administrative Assistant	Salary Review Board
Janitorial	Salary Review Board
Senior Pastor	Salary Review Board
Payroll Taxes	Salary Review Board
Payroll Fees	Salary Review Board
Other	Salary Review Board
Worship:	
Bulletins	Assistant
Supplies	Assistant
Lord's Supper	Assistant
Music	Praise Team

<b>Budget Line Item</b>	<b>Responsible Ministry Group / Individual</b>
Decorations for Sanctuary	Assistant
Worship/Media Arts	Pastor
Guest Speakers	Pastor
Other	Assistant
Fellowship:	
Food	Assistant
Supplies	Assistant
Other	Assistant
Discipleship:	
Encouragement/Hospitality/Flowers	Assistant
Nursery	Kristine Heatwole
Men's Ministry	Pastor
Women's Ministry	Heidi Gore
Youth Ministry	Pastor
Sunday School - Children	Lori Bier
Praise Factory	Assistant / Ellen Dyer
Small Groups	Jerry Bier
Other	Pastor
Evangelism:	
Advertising/Marketing	Pastor
Web Page	Tifanne / Assistant
College Outreach	Pastor
Vacation Bible School	N/A at this time
Visitation/Hospitality	Assistant
Welcome Center	Linda Tilghman
Other	Pastor
Facilities:	
Electricity	Facilities Team
Security	Facilities Team
Trash Removal	Facilities Team
Telephones & Cable	Facilities Team
Insurance	Facilities Team
Maintenance	Facilities Team
Janitorial Supplies	Facilities Team

<b>Budget Line Item</b>	<b>Responsible Ministry Group / Individual</b>
Lawn Care	Facilities Team
Snow Removal	Facilities Team
Other	Facilities Team
Administrative Costs:	
Copier Costs	Assistant
Dues and Subscriptions	Assistant
Office Supplies and Paper	Assistant
Postage	Assistant
Office Equipment	Assistant
Library - Pastor	Assistant
Conferences/Meals - Pastor	Assistant
Accounting Services	Assistant
Miscellaneous	Assistant
Other	Assistant

**Table A.2: Missions Fund**

<b>Budget Line Item</b>	<b>Responsible Ministry Group / Individual</b>
Missions Conference	Missions Team
Mission Trips	Missions Team
Missionary Support	Missions Team

**Table A.3: Debt Service Fund**

<b>Budget Line Item</b>	<b>Responsible Ministry Group / Individual</b>
Interest Expense	Finance Team
Principal - Provident	Finance Team
Principal - Northpointe	Finance Team

**Appendix B: Bank Reconciliation Form**

HARVEST BAPTIST CHURCH						
FINANCIAL POSITION/BANK RECONCILIATION						
FOR THE MONTH OF : _____						
GENERAL FUND CASH POSITION	Checking Account			Savings Account		
	KEY	Object		KEY	Object	
Beginning Balance	0	301		0	305	
Receipts/Revenue		Debits +			Debits +	
Checks/Expenditures		Credits -			Credits -	
Ending Balance	0	301	\$0.00	0	305	\$0.00
Claim on Cash:			A			B
General Fund	1	300				
Building Fund	2	300				
Debt Service Fund	3	300			A + B	\$0.00
Mission Fund	4	300			Credits -	
Benevolence Fund	5	300				
	Total Claim on Cash		\$0.00			
	Proof of Claim on Cash a/c# 0.300					A+B=C
BANK RECONCILIATION - Checking Account						
Ending Balance per Stmt.			bank statement balance----->			
	Date					
Add total outstanding deposits				(1) +		\$0.00
Deduct total outstanding checks				(2) -		\$0.00
ADJUSTED BANK BALANCE				A		\$0.00
Checks Not Reported on Statement						
Check #	Vendor	Amount	Check #	Vendor	Amount	
				Total (2)		\$0.00
Deposits Not Reported On Statement						
Date	Amount	Date	Amount	Date	Amount	Date
				Total (1)		\$0.00
Prepared By			Date			
			Treasurer's Signature			

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***Appendix C: Budget Change/Adjustment/Transfer Request***

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A Budget Change/Adjustment/Transfer Request form must be completed whenever a ministry or program within the Church requests additional funds as a result of an Emergency or ministry requirement when the need exceeds the amount approved by the Church Membership in the approved annual budget or if the requested expenditure is unbudgeted, see section [2.1 Annual Budget Development Process](#) paragraph G.

The attached form is to be completed by the ministry group or person assigned responsibility for the Fund within which the budget line item is allocated in accordance with [Appendix A: Budget Line Item Assignments](#). Upon completion of the form, it is to be submitted to the Finance Team for evaluation in accordance with the approval process identified in section [2.1 Annual Budget Development Process](#) paragraph G. The Finance Team shall evaluate the request and resolve any questions with the submitting ministry group or person. The Finance Team will notify the submitting ministry group of its determination of approval/disapproval for those within the authority of the Finance Team or its recommendation to the Church for those requiring the Church's approval. If required, the Finance Team will present its recommendation to the Church for their vote at the earliest ministry meeting following the submittal of the request, but not less than two weeks after receipt of the request.

**HARVEST BAPTIST CHURCH**  
**Budget Change/Adjustment/Transfer Request**

Date: 04NOV17

Date: \_\_\_\_\_

Budget Account #: \_\_\_\_\_

Current Approved	Requested
<u>Allocated Budget</u>	<u>Allocated Budget</u>
(\$) _____	(\$) _____

Reason for the Request: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Contact information (phone/email)

\_\_\_\_\_  
Signature of Ministry Group Leader

[Routing: Complete the above information then forward the form to the Finance Team.](#)

(Finance Team Use Below This Line)

Recommended Approval?: \_\_\_\_\_

Justification: \_\_\_\_\_

\_\_\_\_\_

Date Recommendation Presented to the Church: \_\_\_\_\_

Church's Vote: \_\_\_\_\_

\_\_\_\_\_  
Signature, Treasurer

\_\_\_\_\_  
Date

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## **Appendix D: Benevolence Fund Policy**

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The Benevolence Fund is an officially recognized and designated permanent fund, established according to the church bylaws and constitution. As such, it is an approved recipient for designated giving. It has no budget for either income or expense. Its receipts consist entirely of designated giving, and its expenses consist of funds disbursed for its stated purpose at the direction of the Elders through the Benevolence Fund Board.

### **D.1 Purposes**

The purpose of this document is to set forth the responsibilities of the Benevolence Fund Board and the guidelines for discharging those responsibilities. It is not intended to cover all circumstances under which funds may be disbursed from the fund, only those which involve the Benevolence Fund Board. The elders have ultimate responsibility and accountability for the Benevolence Fund, and the pastor will necessarily make decisions to disburse funds under the amount of \$100, according to its charter and subject to these guidelines, without involving the Benevolence Fund Board. The elders will be consulted in cases that require special discernment and/or appeals.

The purpose of the benevolence fund is to help meet people's basic needs. The fund achieves this purpose through specific disbursement at the direction of the Benevolence Fund Board or the pastor. The desire to meet the needs of people but at the same time to deal with the underlying issues that brought them into need in the first place. A holistic approach to help is to be used.

The guiding principle for the disbursement of funds should be based on the principle conveyed in 1 John 3:16-18:

*This is how we know what love is: Jesus Christ laid down his life for us. And we ought to lay down our lives for our brothers and sisters. If anyone has material possessions and sees a brother or sister in need but has no pity on them, how can the love of God be in that person? Dear children, let us not love with words or speech but with actions and in truth.*

The love of God should drive us to love those around us and the neediest amongst us should be helped with action by those with more. Though caution and discretion should be used for all interactions and decisions for giving, it is better to lean on the side of generosity and grace than caution. Better to be defrauded (in the same vein as 1 Corinthians 6:7) than hold back good things to those who might be in need. We should be intent more on following the command of Jesus to give to those who ask than trying to ferret out the tares from the wheat (Matthew 5:42 and Matthew 13:24-30).

Lastly, the benevolence process should be dignity preserving. The process should not be wearing on those asking and should preserve their dignity by making the application simple, the response prompt and the help as affirming as possible with little scolding or reproaching.

### **D.2 Benevolence Fund Board**

The Benevolence Fund Board serves at the appointment of the Elders for a term of three years. There is no restriction on the number of consecutive years a member may serve on the Benevolence Fund Board. The Benevolence Fund Board does not consist of a fixed number of members; however five (5) persons is considered the norm.



### **D.3 Oversight and Accountability**

The Benevolence Fund Board is accountable to the Elders. The Benevolence Fund Board will interface with the Elders when necessary. The Assistant will serve as liaison between the applicant and Benevolence Fund Board.

### **D.4 Income**

The only regular source of income for the benevolence fund is the benevolence offering, which is taken once a month during the worship service at which the Lord's Supper is served. This is a standing arrangement; however, it is prudent for the pastor to coordinate the collection of this offering with those overseeing the worship service to ensure the offering is announced, appropriately designated for the benevolence fund, and collected.

Gifts intended for the benevolence fund can simply be designated as such at the time the gift is given. Members of the congregation, however, will not be encouraged to give to the benevolence fund in lieu of giving to the general fund of the church.

### **D.5 Guidelines for Disbursement**

#### **A. General**

The benevolence fund is intended as a source of last resort, to be used when the family or individual requesting assistance has explored all other possibilities of help from family, friends, savings or investments. It is intended to be a temporary help during a time of crisis.

Assistance from the benevolence fund is intended to be a one-time gift. In unusual circumstances, the Benevolence Fund Board may decide to help more than one time. However, under no circumstance is a gift from the Benevolence Fund to be considered a loan. No gift may be repaid, either in part or in full, in money or in labor.

Those requesting assistance must also be willing to receive financial, family or emotional counseling. The Benevolence Fund Board will not provide help to anyone who, in its estimation, is not willing to seek help with respect to the underlying cause of their current problems.

Those requesting help must be willing to give the Benevolence Fund Board permission to follow up on any of the information provided to the board. The board will be sensitive to confidential issues.

#### **B. Recipients**

In order of priority, recipients of funds disbursed from the Benevolence Fund at the direction of the Benevolence Fund Board are:

1. Church members
2. Regular attenders
3. Non-members when appropriate

#### **C. Criteria**

The stated purpose of the Benevolence Fund is to meet people's basic needs. Normally, these needs are defined as:

- Lodging
- Food

- Clothing
- Medical treatment
- Transportation to or from a place of employment
- Funeral expenses
- Initial evaluation and professional counseling appointments

Discernment should be used in determining if an expense will be meeting a basic need or not.

Financial assistance for counseling will be considered if it is perceived that counseling would directly enable the individual to address a current financial situation. In most cases, this would be limited to an initial counseling appointment. Under special circumstances, additional financial help could be given. In such cases, the board will consult with the Elders to determine a specific amount.

Generally, assistance from the benevolence fund should not exceed \$1,000 per person or family. In very unusual circumstances, families and individuals who are in need of substantial funds (over \$1,000) and who have the opportunity to make a life-changing decision can continue to be assisted up to whatever limit the Benevolence Fund Board deems appropriate. Such cases should be reviewed carefully and, when appropriate, additional accountability of Elders should be sought.

Special projects, sometimes funded by special offerings designated for the benevolence fund, might include supporting local outreach ministries to the poor, or helping to provide assistance during times of catastrophe or major crises.

In no case can an amount be approved for disbursement that will exceed the amount then currently in the Benevolence Fund. The Benevolence Fund Board will check with the Treasurer, or other member of the Finance Team, to confirm the balance in the Benevolence Fund prior to approving a gift.

## **D.6 Procedure for Disbursement**

### **A. Source of Request**

A Benevolence Application Form (see the end of this appendix) must be completed by the person requesting help or by someone who is assisting the person in need (Assistant, Benevolence Fund Board member, Elder, etc.). The church member taking the request will record references and contacts to corroborate the need if the situation warrants it. The purpose of the Benevolence Application Form is for proper record keeping and should not become a hindrance to those seeking help. A conversation with the person seeking assistance can be documented later especially if the person in need is a member or regular attender that is well known to the board. Discernment is needed for each situation and amount needed to determine how much background information needs to be gathered to corroborate the need.

### **B. Processing the Request**

1. The Request for Assistance Application is returned to the Assistant in preparation for presentation to the Benevolence Fund Board.
2. In a meeting, by a telephone conference, email or text messaging, the Benevolence Fund Board reviews the request and comes to a decision.
3. The person making the request is informed of the decision.
4. Checks are written and disbursed. Checks from the Benevolence Fund will be payable to vendors, homeowners associations, etc. rather than to the individual requesting assistance. In rare cases, a Visa/MasterCard gift card can be given when the situation warrants it.

**HARVEST BAPTIST CHURCH**

**Date: 04NOV17**

**Benevolence Application Form**

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_(home) \_\_\_\_\_(cell)

Email: \_\_\_\_\_

What assistance are you requesting? (Please be specific with amounts and dates needed by)

**Appendix E: Travel Voucher**

**HARVEST BAPTIST CHURCH**

Date: 04NOV17

**Travel Voucher**

Voucher No. \_\_\_\_\_

Period of Travel:

Name: \_\_\_\_\_ From: \_\_\_\_\_ To: \_\_\_\_\_

Mailing Address: \_\_\_\_\_  
\_\_\_\_\_

Travel Advance Received: \$ \_\_\_\_\_

Transportation Expenses (other than personal vehicle): \$ \_\_\_\_\_ (Attach ticket receipt)

<b>Date</b>	<b>Time</b>	<b>Description (departure/arrival city, expense description)</b>	<b>Expense (\$)</b>

Use additional sheets, if needed. Receipts must be attached.

\_\_\_\_\_  
Signature of Traveler/Date

\_\_\_\_\_  
Signature of Supervisor/Date

Date Paid: \_\_\_\_\_

\_\_\_\_\_  
Signature of Treasurer/Date

Routing: Traveler will submit form to the Assistant.  
The Assistant will code and forward to the Treasure for approval.  
The Treasurer will forward to the Accountant for payment when approved.

**Appendix F: Budget Request Form**

**HARVEST BAPTIST CHURCH**

Date: 04NOV17

**Budget Request Form**

This form is to be used to submit Budget Requests to the HBC Finance Team in accordance with the annual budget calendar.

It must be filled out **COMPLETELY**, signed by the requestor and submitted to the Treasurer.

Budget Year: \_\_\_\_\_

Fund	Object	Sub-object	Account Description	Budget Request	Current Year Budget	Current Y-T-D Spending	Prior Year Actual Spending

Please describe the details behind your request (if necessary, please attach additional documentation to support your request)

**Requestor:** By signing below, I certify that the above requests are necessary in order to complete the programs in which I am involved, or am supervising at HBC.

Ministry Group/Individual: \_\_\_\_\_

Signature of Requestor: \_\_\_\_\_ Date: \_\_\_\_\_

**Finance Team Action:**

Approved: \_\_\_\_\_ Denied: \_\_\_\_\_

Treasurer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Routing: The requestor will complete the form and submit to the Finance Team.

**Appendix G: Fundraiser Authorization Form****HARVEST BAPTIST CHURCH**

Date: 04NOV17

**Fundraiser Authorization**

<b>Date of Request:</b> _____ <b>Individual Making Request:</b> _____
<b>Ministry Team Sponsoring the Fundraiser:</b> _____
<b>Ministry Team / Group Leader:</b> _____ <b>Leader Approval Signature:</b> _____
<b>Description of Fundraiser Request:</b> _____ _____ _____
<b>Purpose of Fundraiser Request:</b> _____ _____ _____
<b>If Contract Exists Attach Copy:</b> <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A
<b>Projected Gross Sales:</b> _____ <b>If multiple church members are involved in collecting sales, a list of individuals from whom sales receipts are to be received and a projected sales sheet (e.g., 50 candy bars given = \$50 due at completion) must be provided to the Assistant and/or Treasurer.</b> <b>Projected Gross Profit Margin:</b> _____
<b>Start Date:</b> _____ <b>End Date:</b> _____
<b>Approved:</b> <input type="checkbox"/> YES <input type="checkbox"/> NO <b>Treasurer's Signature:</b> _____ <b>Date:</b> _____ <b>Elder's Signature:</b> _____ <b>Date:</b> _____
Routing: The fundraiser sponsor will complete the form and submit to the Finance Team.

**Appendix H: Missing Receipt Form**

**HARVEST BAPTIST CHURCH**

Date: 04NOV17

**Missing Receipt Form**

This form is to be used **ONLY** if the actual receipt, invoice, or internet order print-out is not available.

**It will be allowed only in extenuating circumstances.** It must be filled out **COMPLETELY** and signed by the purchaser and an Elder.

Transaction Information		
Purchaser Name: _____		
Vendor Name: _____	Purchase Date: _____	
Vendor Location: _____	Vendor Phone: _____	
Explanation of why receipt is unavailable: _____		
_____		
_____		
Description of Purchase (list Items & Quantities)		
Description	Quantity	Cost
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
		Total: _____
Purpose: _____		
_____		
_____		
(Attach additional pages if needed)		

**PURCHASER:** By signing below, I certify that the above purchase was made for official church business only.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**ELDER:** By signing this form, I agree that the above purchase was for church business purposes. The Purchaser was reminded that vendor receipts are required for all purchases.

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Routing: The purchaser will complete the form and have it signed by an Elder. The form will then be submitted to the Assistant.

**Appendix I: Tithes and Offerings Collection Sheet**

**HARVEST BAPTIST CHURCH**  
**Tithes and Offering Collection Sheet**

Date: 04NOV17

Date: \_\_\_\_\_

**Kind of Deposit:**

- Tithes and Offerings
- Benevolence
- Other (please specify) \_\_\_\_\_

Counter Signatures: 1. \_\_\_\_\_ 2. \_\_\_\_\_

**NUMBER OF LOOSE CHECKS** \_\_\_\_\_

Bills \_\_\_\_\_ x \$1 = \_\_\_\_\_  
 \_\_\_\_\_ x \$5 = \_\_\_\_\_  
 \_\_\_\_\_ x \$10 = \_\_\_\_\_  
 \_\_\_\_\_ x \$20 = \_\_\_\_\_  
 \_\_\_\_\_ x \$50 = \_\_\_\_\_  
 \_\_\_\_\_ x \$100 = \_\_\_\_\_

**Bills Total** \_\_\_\_\_

Coins \_\_\_\_\_ x \$.01 = \_\_\_\_\_  
 \_\_\_\_\_ x \$.05 = \_\_\_\_\_  
 \_\_\_\_\_ x \$.10 = \_\_\_\_\_  
 \_\_\_\_\_ x \$.25 = \_\_\_\_\_

**Coins Total** \_\_\_\_\_

**LOOSE CASH TOTAL** \_\_\_\_\_

For Office Use Only:  
 Loose Checks Total \_\_\_\_\_  
 Cash Total \_\_\_\_\_  
 Total Deposit to Account \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Routing: Complete this form for each offering received. The form will be forwarded by the Assistant to the Treasurer when totals have been verified.