
Finance Policy – St. Mark’s Lutheran Church, Winnipeg, MB

Effective Date: February 1, 2019

Approved by: CC-2019-07

Amendments: CC-2020-66; CC-2022-17; CC-2022-39; CC-2023-28

1. General Principles

- a) As per the Policy on Committees, a Finance Committee shall be appointed by the congregational council. The duties and responsibilities of the Finance Committee are listed in the Committee Terms of Reference Policy.
- b) All financial activity of the congregation shall be conducted and reported with the utmost transparency.
- c) The avoidance of conflict of interest and / or the appearance of conflict of interest shall be paramount in all financial decision-making and transactions of the congregation.
- d) The Treasurer shall be the senior financial officer of the congregation.

2. Signing Authority on Cheques

- a) Signing authority shall rest with the Treasurer, the Council Chair, and two other persons designated by the council.
- b) All cheques drawn on funds of the congregation shall be signed by two persons holding signing authority.
- c) Prior to a signing officer signing or co-signing a cheque, each signing officer must ensure certain requirements are met to ensure accuracy and appropriateness:

For purchases of materials:

- i) there is a clearly labeled invoice or receipt and if applicable, a payment requisition form with appropriate signatures.
- ii) the amount on the invoice or the receipt equals the amount on the cheque.

For purchases of services through a contract:

- i) if payment is to be made prior to the completion of all the service(s) outlined in the contract, the signing officers must be confident that the contract has been authorized and accepted by council

- ii) if payment is to be made after the provision of the agreed upon services, the signing officers must be confident the services provided are satisfactorily completed

3. Payment Requisitions

Members who incur out of pocket expenses on behalf of the congregation shall be reimbursed upon submission of the following documentation:

- a) a copy of the bill of sale.
- b) a completed payment requisition form that is co-signed by either the chair of the committee to which the expense will be charged for budgetary purposes, the pastor or another member of the congregational council. A co-signer must not be an immediate member of the payee's family.

In situations where payments will result in charges against a committee budget, the office administrator will forward a copy of the signed requisition form to the committee.

4. Spending Authority

Unless otherwise directed by the congregational council, committees and staff persons shall have authority to spend congregational funds for budgeted purchases without prior approval of the congregational council. All such purchases shall be verified by receipts and/or requisitions.

5. Credit Cards

- (a) Upon approval by the congregational council, staff members may be provided with an organizational credit card with a credit limit to be determined by the council. The Card will only be used for those activities that are a direct consequence of the cardholders' function within the organization. **Payments will be by automatic deduction.**
- (b) The cardholder shall:
 - i. Have authority to make purchases for which budgetary approval has been received and which do not exceed \$200. Authority to charge purchases greater than \$200 or that exceed the approved budget must be obtained from the Pastor or the Treasurer before the purchase is made.
 - ii. In all cases obtain sufficient supporting documentation to validate the expense (e.g. receipt, invoice)
 - iii. Submit documentation (receipts, invoices) for the purchase to the Officer Administrator as soon as possible after the purchase is made. Proof of delivery is not valid documentation to support a charge.

- iv. Notify the bank and the Office Administrator or the Treasurer immediately if
 - a. the card is lost or stolen.
 - b. any unauthorized transaction is detected or suspected
- v. Notify the Office Administrator of any change in name or contact details
- vi. Take adequate measures to ensure the security of the card.
- vii. Return the card to the Office Administrator if
 - a. the Cardholder resigns;
 - b. the Pastor or Treasurer determines that there is no longer a need for the cardholder to retain the card;
 - c. the Organizational Credit Card has been cancelled by the bank;
 - d. the employee is terminated
- viii. Not use the credit card for personal or unauthorized purchases. An employee's personal or unauthorized use of the credit card may be cause for discipline as outlined in the St. Mark's Personnel Policy Handbook.
- ix. Sign the attached declaration (see Appendix A).

(d) The Office Administrator shall support the work of the bookkeeper as requested.

(e) The Treasurer shall oversee the issuance and cancelation of credit cards.

6. Financial Records and Reporting

The responsibilities of the treasurer as related to financial records and reporting are defined in the bylaws of the congregation (see Part VIII – Section 4).

In addition to that prescribed in the bylaws, the Treasurer shall be responsible for overseeing monthly financial statements and payroll entries prepared by the bookkeeping staff person. Normally, statements will be prepared within 10 working days of each month end. Financial statements shall be provided to the congregational council for review and approval at its next meeting.

7. Offering Recorders

- (a) A counting team of two persons shall be assigned to count and record offerings for each worship service. If two persons are not available or the offering will be counted at a later time, the counters should place all offering envelopes and loose cash in a sealed envelope. Both counters should sign across the seal on the back of the envelope and then the envelope is to be placed in the church safe.

- (b) Volunteer counters shall be at least 18 years of age. Persons under 18 may assist with counting provided they are the third member of the counting team for that particular worship service.
- (c) Recognizing the increasingly difficult task of recruiting volunteer counters, married couples may serve as a counting team when an unrelated team of counters is not available.
- (d) Offerings shall be deposited in the bank on the same day they are counted.

8. Financial Secretary

- (a) A financial secretary shall be appointed by the council on the recommendation of the Finance Committee.
- (b) The financial secretary shall maintain a record of giving to the congregation. An interim report of giving shall be provided to all members at the end of the third quarter. The financial secretary will prepare year-end receipts of charitable donations in accordance with rules and regulations established by Canada Revenue Agency. The receipting process shall be reviewed by the Treasurer to insure the amount receipted for charitable purposes equals the amount of donated funds.
- (c) The financial secretary shall not serve as an offering recorder.

9 Annual Review of Financial Statements

An annual review of the books, accounts and financial statements of the congregation shall be conducted by an Audit Committee consisting of three members elected by the congregation at the annual meeting. Members of the Finance Committee shall not be eligible to serve concurrently on the Audit Committee or for a period of two years following the completion of their Finance Committee duties.

Statements reviewed by the Audit Committee for the previous fiscal year will be presented at the annual meeting for approval by the members.

10 Fiscal Year End

The fiscal year end of the congregation shall be December 31.

11. Budget Development

The Finance Committee will be responsible for developing a draft budget for approval by the congregational council at its November meeting. Consultation with program committees on budgetary needs shall normally commence in September.

At its November meeting, council will finalize a budget for recommendation to the congregation. A special congregational meeting will be held in December to approve the budget.

12. Contracts for Services

St. Mark's Lutheran Church may enter into contracts for services from time to time. Contracts exceeding \$1000 in value not anticipated in the annual budget require the prior approval of the Council. Normally, contracts for amounts over \$1,000 shall be chosen through a call for at least two proposals.

The Council shall be advised at its next meeting or within 30 days of any anticipated overruns of expenditures related to contracts.

Employees, council members and program and standing committee members shall not be involved in retaining the services of any contractor providing goods or services to the organization where they, or some member of their immediate family, has a relationship to or financial interest in that contractor.

13. Protection of Assets

St. Mark's Lutheran Church will maintain insurance policies to cover its equipment and capital assets in addition to liability coverage. In addition, Officers and Directors insurance will be maintained.

15. Investment Policy

- (a) The Finance Committee shall have authority to make decisions regarding the investment of surplus funds. Details of approved transactions shall be recorded in Finance Committee meeting minutes.
- (b) Surplus funds, if invested, shall be placed in relatively low risk investments with the overriding goal being the preservation of capital.
- (c) An investment account shall be maintained for the receiving of gifted shares of publicly traded companies. The Council Chair, Treasurer and the Office Administrator shall be listed with the financial institution as having authority on the investment account. Securities received as gifts shall be sold as soon as possible after being received.
- (d) The office administrator shall process approved investment transactions only when a member of the finance committee is present to witness the transaction.

16. Access to Safe

Access to the congregation's safe shall be restricted to the following:

- a) the Office Administrator
- b) the Office Assistant
- c) the pastor
- d) the Financial Secretary

The combination to the safe shall be changed whenever there is turnover in any of the above listed positions.

APPENDIX A

CARD ISSUE FORM

Organisation Name St. Mark's Lutheran Church Inc.

Cardholder Name

Position

I understand and agree that the St. Mark's Lutheran *Church Inc* credit card is issued to me with the express understanding that I will, at all times, comply with the following conditions.

USE

1. The Credit Card ('the Card') is the property of St. Mark's Lutheran *Church Inc* and is in my possession and under my strict control.
2. I will not permit the Card to be used by any person other than myself.
3. I will only use the Card for official purposes.
4. I will immediately report any unauthorised use of the Card to the bank, the Office Administrator and the Treasurer.
5. I will not use the Card to pay for expenses that have already been claimed (or will be claimed) by any form of allowance.
6. I will not use the Card for purchases over \$200 or that have not been previously budgeted for without the previous approval of the Pastor or the Treasurer.

MONTHLY RECONCILIATION

7. I will submit all receipts and invoices as soon as possible after the purchase has been made to the Office Administrator to be entered into Quickbooks.
8. When the monthly statement has been received and reviewed with the Office Administrator,
 - Ensure that all transactions that appear on the monthly statement are verified by me.
 - Ensure that sufficient supporting documentation is attached to the monthly statement when it is submitted for approval.
 - Certify that goods or services paid for using the Card have been actually delivered or provided.

- Sign the monthly statement provided by the service provider to indicate that the transactions appearing on the statement have been made only for official purposes.

CHANGE IN CARDHOLDER DETAILS

9. I will immediately advise the Office Administrator of any change in my name or contact details.

UPON RESIGNATION OR TRANSFER

10. I will immediately return my Card to the Office Administrator or Treasurer if I resign or retire, or if my services as an employee of the organization are otherwise terminated, or if I am instructed to do so by the ~~Executive Director~~/Treasurer.

LOST OR STOLEN CARDS

11. I will immediately report the loss or theft of my Card to the bank and the Office Administrator and the Treasurer.

DECLARATION

12. I confirm that I have access to only one Card.
13. I acknowledge that I have been briefed on all aspects of the operation and use of the Card.

Cardholder Signature

Signature of Treasurer

Date