

Internal Controls in United Methodist Churches

(prepared by Audit Committee of Arkansas Conference of the United Methodist Church)

The church has a judiciary responsibility to its donors to ensure that the resources made available to the church are used in a manner consistent with the church's mission and any donor restrictions. Therefore, every church, regardless of size, should have a system of internal controls. Objectives of internal controls are:

- * prevent loss or theft of the church's assets
- * minimize the opportunity for an employee or volunteer to steal or misuse the assets and/or records of the church
- * provide timely and accurate information to management; and
- * ensure compliance with laws and regulations

The goal of a sound system of internal control is to balance asset protection with efficient operation. Only those controls in which the benefits outweigh both the financial and emotional costs should be implemented. Often, internal controls are installed due to the fear of fraud or in response to fraud. Many people may resent the discussion of controls. However, a system of internal controls benefits not only the church but also the employees and volunteers of the church. The employees and volunteers can be protected from false accusations of fraud or misuse of assets.

Cash Receipts

The goals for internal controls over cash receipts are:

- * to protect all revenue
- * to record all receipts
- * acknowledge contributions and any restrictions on contributions
- * to comply with Internal Revenue Service requirements

Church offerings make up the majority of cash receipts. Some recommendations are:

- * Always follow the principle of two - At least two people should always collect and count the offering. Offerings should never be left in the possession of only one person. Also, the collection/count teams should be rotated and the same individuals should not always be paired together.
- * Count the offering as soon as possible. The shorter the length of time between the receipt of funds and counting it, the potential for mishandling the funds decreases.
- * Count in a secure area - No one should be allowed in the count room other than those counting. Also, coats, purses, or briefcases should not be allowed to be brought into the count room.

- * Deposit all offerings intact - All offerings should always be counted and deposited intact. This means not allowing cash in the offering to be used to pay church expenses or exchanged for other cash or a check. An unidentified variance could occur if offerings are not deposited intact.
- * Use a restrictive endorsement - Before or while counting, a restrictive endorsement should be stamped on the back of all checks.
- * Verify amounts on offering envelopes - When the count team removes contents from offering envelopes, the amount written on the envelope should be compared to the contents. Any differences should be noted on the envelopes and initialed by the count team.
- * Provide a secure location when offerings are stored on church property - Again, follow the principle of two. No one person should have access to the collections at anytime. This can be accomplished by placing the offerings in a locked bag before placing them in a lock box.
- * Use count sheets
- * Segregate duties - Someone separate from the count team should record individual gifts in donor records. Also, count sheets should be reconciled regularly to deposits by someone other than the person making the deposit.

Cash Disbursements

The goals for internal controls over cash disbursements are:

- * to ensure disbursements are made only upon proper authorization.
- * to ensure expenditures are for valid business purposes
- * that they are properly recorded in church's records.

Again, segregation of duties is important. One person should not handle a transaction from beginning (authorization) to end (reconciliation). An individual should not have an opportunity to make an accounting error, whether intentional or unintentional, and also conceal it. Generally, the same person should not authorize, process, sign the check, record and reconcile a transaction.

Expenditures should be controlled by an approved budget, should be based on approved purchase orders or requisitions and receipt of goods and services should be verified before the payment of an invoice. Payments of customer statements should generally be avoided, however, periodic statements received from vendors should be reconciled to underlying invoices received from the vendor.

All disbursement checks should require two authorized signatures. Checks should be submitted for signatures with all properly approved original invoices or receipts attached to each individual check. Authorized signers should never sign any checks without reviewing the check and the attached supporting documentation information. The church financial secretary or bookkeeper should not be given the authority to sign checks.

Credit Card Charges

Absolutely, under no circumstances should church credit cards be used for personal reasons. Certain church staff members may be issued a church credit card. They will be personally responsible for all charges made on that card. Additional cards may be available for church members to use. These cards will need to be signed in/out in the financial secretary's office. Receipts should be given to the financial secretary in order to support the charges on the bill and, if required, a payment request form should also accompany the receipt.

Reconciliations

Sound decisions are difficult to make if the information in the financial reports cannot be relied upon. Therefore, adequate steps should be taken to confirm the accuracy of the balances shown in checking accounts, and all other financial accounts. Balances of these accounts should be compared to detailed reports of any subsidiary ledgers. Differences should be documented using reconciling items.

Reconciliations should be completed monthly. All accounts should be reconciled to a subsidiary ledger on a regular and timely basis.

The person responsible for reconciling the bank accounts should not also authorize transactions.

Other

Often, the most valuable property the church owns is its building and facilities. The church may also own other properties like a parsonage or youth center. The church often owns personal property like office equipment, organ, piano, audio-visual equipment, and vehicles. Controls protecting such assets should ensure that the property is catalogued, present, and adequately insured with up to date coverage. In addition, purchases or dispositions should be properly authorized. This can be accomplished by instituting a policy or policies regarding use of the facilities - wedding policy, building use policy, and van policy.

In many small churches, the most important component of internal control is the control environment which is influenced by the governing board and management. Often, it is the minister who is the driving force of the control environment. The minister's attitude with respect to internal controls has a significant impact on the church's control environment. Most church members want to believe that anyone connected with their church is trustworthy and in such arena of trust let their guard down, thus, making the church vulnerable. Even though no system is foolproof and it is difficult to put a value on internal controls, consider whether there is a benefit to the church to:

- * remove temptation for misappropriation
- * prevent clouds of suspicion from developing over heads of honest staff members
- * improve likelihood of errors, both intentional and unintentional, being discovered
- * reduce risk of having to confront a member or employee who has taken funds
- * reduce chance of having to tell congregation that their contributions are lost.

Acknowledgement

Appreciation is expressed to the First United Methodist Church of El Dorado, Arkansas for allowing access to their Policies and Procedures Manual as a resource for the completion of this document. The drafting of the document was done under the leadership of Laura Griffin, CPA, Russellville, Arkansas.

CHURCH POLICIES AND PROCEDURES

(An Illustration)

2007

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**PART ONE:
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(A) Personal Integrity

A personal commitment to integrity in all circumstances benefits each individual, as well as the church. Each employee and/or committee member of the church should:

- * respect and seek out the truth and avoid misrepresentation
- * ensure fairness and objectivity in all activities
- * set an example, as an employee or representative of our church, for high standards and morals
- * honor the right of privacy of all people, including co-workers
- * refuse to engage in or tolerate any fraud or misuse of church resources.

(B) Responsibilities of Volunteers

Volunteers who serve the church and the congregation through its Administrative Board, committees or as other volunteers are crucial in the furtherance of our great mission. It is imperative that they represent the church with the highest of Christian standards.

- * Volunteers should review the Code of Ethics of the church and ensure that they adhere to the spirit of the code when making policies or otherwise managing the affairs of the church.
- * No volunteer should knowingly take any action or make any statement intended to influence the conduct of church members or committee members in such a way as to confer any personal financial benefit for the volunteer, his or her immediate family, etc.
- * In the event that there comes before the Administrative Board, Board of Trustees or Finance Committee a matter for consideration or decision that raises a potential conflict of interest for any member of the board, the member shall disclose the conflict of interest as soon as he or she becomes aware of it and abstain from voting in connection with the matter; the disclosure and abstention shall be recorded in the minutes of the meeting.

(C) Donor Relations

The church has responsibilities to its donors who have placed faith in their church. Employees of the church should not violate their trust and, where applicable, they should:

- * make full and fair disclosure of all information relevant to donors, who have a right to know how their dollars are spent.
- * spend the donor's money wisely, efficiently and objectively.
- * always be mindful of the designation of the contribution by the donors.

(D) Confidential Information

Confidentiality is a hallmark of professionalism. Each church employee should commit to ensure that all information which is confidential or privileged or which is not publicly available is not disclosed inappropriately.

(E) Reportability

We must all ensure prompt and consistent action against violations of this Code. Employees and volunteers are encouraged to contact the Pastor/Associate Pastor/Chair of Administrative Board about observed unethical behavior or violations of this Code.

Any claim of a possible violation may be made anonymously if the claimant so desires, and all claimants shall be provided confidentiality to the extent practicable in the handling of the potential violation. Employees and volunteers are expected to cooperate in internal investigations of misconduct.

(F) Criminal Activity

The church is required to report to the appropriate authorities and the bonding company, any criminal activity involving financial transactions by employees or volunteers. Employees who have been convicted of a criminal offense involving dishonesty or breach of trust or money laundering, or have agreed to enter into a pretrial diversion or similar program in connection with a prosecution for such offense, may be subject to immediate dismissal.

(G) Code Administration

This Code shall be administered by the Senior Pastor, who shall act as the Compliance Officer of the church. Church employees are encouraged to seek guidance regarding the application or interpretation of this Code from the Senior Pastor and are expected to cooperate fully in any investigation of any potential violation of this Code.

(H) Violations

Any violations can result in counseling, reprimand, or dismissal for abuse of the aforementioned code.

FORM G: AFFIRMATION FORM

I, _____ have read and understood the Procedures and Policy Manual and the Code of Ethics of the church.

I have been provided and have read the Employee Handbook. _____ (check if applicable)

I have been provided an explanation of my duties as a committee member of _____
_____ (Committee Name) _____ (check if applicable)

Employee/Committee Member signature

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(1) CHURCH ORGANIZATIONS

(A) Financial Accounts

Any organization that maintains a financial account (checking, certificate of deposit, savings, etc.) associated with the church by the use of the church's name or federal ID number on the account, must have all statements of account mailed to the church office each month.

A file will be set up in the church office for each organization, and a copy of the monthly statement will be maintained in the file. The name, address, and telephone number of the person(s) who control(s) the account for the organization should be provided to the church office. A file with a list of certificates of deposit will also be maintained and updated (bank, certificate numbers, maturity date, interest rate, etc.) as changes occur.

(B) Statement of Purpose

Each organization needing a separate checking account will provide a Statement of Purpose, describing the general intent or purpose of the organization. Example: The XX organizations purpose is to provide aid to the church members who have suffered illness, or loss of a family member. We will also support the summer camp trip for the youth of the church.

(C) New Financial Accounts

In order to establish a new church affiliated checking account, or special fund the organization requesting the account must have the approval of the Finance Committee. A written request should be submitted to the church office with an explanation of the purpose for the account. The request will be reviewed at the next Finance Committee meeting, and a decision will be communicated to the organization within one week of the meeting.

(2) EXPENDITURES

(A) Credit Card Charges

- (1) Certain church staff members may be issued their own church credit card. They will be held personally accountable for all purchases made with that card.
- (2) Additional credit cards may be available to be signed out by church members. Anyone using these cards should sign the check out/in sheet in the Financial Secretary's office both the day checked out and the day checked in.
- (3) Absolutely, under NO circumstances should church credit cards be used for personal reasons. No personal charges will be accepted. Cards will be revoked if used for personal reasons.

- (4) A Credit Card Charges form (Form A) must be supplied for each credit card purchase. No purchases will be approved for payment unless accompanied by this form. Each credit card charge must be accompanied by a separate form. The person requesting approval should not be one of the persons approving the charge. The form requires the signature of three different persons.
- (5) Receipts, if available, must be attached to the form. If receipts are unavailable for a phone purchase, a detailed description of the charge must be provided. For internet purchases please print out any type of receipt that the site provides.
- (6) The Credit Card Charge form must be signed by the person making the charge the church financial secretary, and either the pastor or an authorized member. This form should be completed before the purchase is made. If this is not possible it should be completed within 72 hours of the purchase.

(B) Requisition Requests

- (1) Any check requisition must be accompanied by a Purchase Requisition form (Form B).
- (2) When receipts become available, they must be submitted to the church financial secretary, who will attach them to the purchase requisition form.
- (3) The Purchase Requisition form must be signed by the person requesting payment, the church financial secretary and either the pastor or an authorized member. This form is to be completed before the purchase is made.

(C) Reimbursement Requests

- (1) Any request for reimbursement must be accompanied by a Travel/Expense Voucher form (Form C).
- (2) Receipts required in the form must be attached.
- (3) This form may be used for cash advances if deemed necessary by the financial secretary and either the pastor or an authorized member. A separate form must be completed after the trip or event clearly showing expenses and accompanied by appropriate receipts.

(D) Documentation

All disbursement checks should require two authorized signatures. Checks should be submitted for signatures with all properly approved original invoices or receipts attached to each individual check. Authorized signers should Never sign any checks without reviewing the check and the attached supporting documentation information. Any check without the required attachments supporting the disbursement should never be signed. The church financial secretary or bookkeeper will not be given the authority to sign checks.

Only members of the Church Finance Committee may be authorized to sign checks from the Operating or Savings Accounts. The church financial secretary will not have the authority to sign checks.

(E) Church Charge Accounts

The Finance Committee will annually review all church charge accounts and designate authorized purchasers.

(3) COLLECTIONS/BANK DEPOSITS

(A) Sunday Offering

Offerings should be counted and verified by two ushers after the collections are taken up. The ushers should fill out Form E verifying total currency, coins and checks. The form should be signed by each usher and the offering, calculator tape and signed form should be placed into the bank bag. Each service should have their own night deposit bag to place the collections in and each service should deliver their locked bag to the bank.

Please note: if a gift is in an envelope the contents should be counted and the usher should make sure that the cash or check associated with the envelope remains in the proper envelope.

The bank bag will be retrieved and opened in the presence of two designated persons on the next business day after the deposit. Form E should be filled out, compared to the usher's count, and signed by both persons. The financial secretary will then deposit the money.

(B) Communion Offering

Communion offerings must be kept separate. The contributions should be collected by two designed church members, counted by both and Form E should be filled out and signed by the two counters and place the signed form and the collections in the bank bag.

(C) Other Collections

Contributions which are dropped off at the church office, or those received by mail, should be deposited separately from the Sunday collections. The mail should be opened by two individuals with checks being copied and stamped for deposit only at that time. Contributions collected during the week should be deposited on Friday, or before, if a substantial amount (\$500) is received.

(D) Fund Raisers

Money collected at church events should be counted by two individuals designated for that event. A tally sheet should be completed, signed by both individuals, and turned in to the church financial secretary with the funds collected. (See Form E)

(E) Security of Funds

The head usher will be responsible for making sure that the locked bank bags are dropped off at the night depository box, immediately after the last service.

(F) Memorial Gifts

The church has an established program for special gifts. Most of the gifts received as special gifts are memorial gifts or gifts in honor of a loved one. Money and other gifts given in memory or honor of loved ones may go to either a designated or undesignated fund.

A gift in any amount desired may be given in memorial or honor of someone. Upon receipt of a gift, the financial secretary will notify the family or person memorialized/honored, with an engraved card or letter noting the name(s) of the person making the gift (but not the amount of the gift). Also, notice of a gift is published, unless the person who presents the gift asks that it not be published.

Benefits of this program are:

- (1) a remembrance of someone special will bless the people to whom and with whom we minister, and
- (2) the church will be able to purchase needed items (i.e., equipment, library books).

Designated Memorials

Money and other gifts in kind may be designated for special projects, and special funds may be established for new projects, with the following provisions:

All special funds and projects must be approved by the appropriate committee or Board. No funds or special project will be established without such approval.

All special funds and/or memorial projects will be reviewed annually by the Memorial Committee. If it is determined that the project has been completed, the Finance Committee will determine into which of the special funds remaining monies will be placed. If the appropriate committee or Board determines that the special project is to be discontinued, those who gave money will be contacted, if possible, for instruction on where they would like to have the remaining money placed. If the giver cannot be contacted, final decisions of the use of the money will be made by the Finance committee.

The Finance Committee, Administrative Board, and Memorial Committee will work with one another to try to prioritize the special funds, so that appropriate attention and support can be given to those deemed most important.

Under no circumstances will designated money be used for any purposes other than what the funds were designated for, unless specific permission is granted by the giver.

Undesignated Memorials

The Memorial committee will determine how undesignated money given in honor or in memory of friends and loved ones will be used. Such money can be used for any approved church purpose, within the following guidelines:

- (1) The general memorial fund will be administered by the Memorial Committee of the church, who will distribute money from the fund for various church projects and improvements as they see fit. Oversight of this fund lies strictly with the Memorial Committee.
- (2) Donors who give undesignated gifts of \$250 or more will be contacted for advice on where to use the money. The availability of special funds - including apportionments - will be provided to them. If the donor has no specific request on where the gift should be applied, the Memorial Committee will review and decide where the gift is most needed in the church.
- (3) If undesignated memorials totaling \$500 or more are received in memory of any person, that family will be contacted for advice on where to use the money. The availability of special funds - including apportionments - will be provided to them. At any time a family may request donations to be applied to a specific special fund. If the donor has no specific request on where the gift should be applied, the Memorial Committee will review and decide where the gift is most needed in the church.

(4) ASSETS

(A) Journal Entries

Journal entries are to be made only by the Finance Committee Chair, the church treasurer, or the church financial secretary. Entries to the financial records are to be made only for transactions that cannot be made with regular transaction documents, i.e., checks, deposits, etc. Journal entries are to be identified with a title that incorporates the initials of the preparer and the date of the journal entry. All entries are to be prepared on a written form that specifies the accounts to be debited and credited, and the specific reason for the entry (Form F). Any backup information applicable should be attached to the journal entry. Journal entries are to be reviewed by a person authorized by the Finance Committee. Both the preparer and the reviewer should sign the journal entry form.

(B) Bonding and Insurance

All members of the church staff handling money will be bonded in an appropriate amount. A member of the Trustees Committee will conduct an annual review of all church insurance policies with the agent to insure adequate coverage.

(C) Bank Account Reconciliations

Adequate steps shall be taken to conform the accuracy of the balances shown in DDA accounts, and all other financial accounts. Balances of these accounts shall be compared to detailed reports of any subsidiary ledgers. Differences will be documented using reconciling items.

GUIDELINES

Reconciliations should be completed monthly. All accounts should be reconciled to a subsidiary ledger on a regular and timely basis.

PROCEDURES

Reconciliation should be completed using the following standard format. Reconciliations should have the following items adequately documented:

- * Bank name and bank number
- * Account number and account description
- * Balance per Bank Account and Balance per subsidiary ledger
- * Account reconciling items (Description, date, amount and estimated clear date)
- * Subsidiary ledger reconciling items (Description, date, amount and estimated clear date)
- * Reconciling items should be sorted in date order (oldest to current)
- * Reconciling items should be cleared in a timely manner
- * Stale reconciling items (over 90 days outstanding) should be cleared or charged-off and a memo describing the charge-off sent to the Finance Committee (items not considered a loss, should be documented in a memo to the same as above)
- * Prepared by Name
- * Approved by Initials of Reviewer

Preparation Timeliness

Reconciliations should be prepared on a regular basis. All accounts should be reconciled on a monthly basis. Reconciliations should be completed before the Finance Committee monthly meeting.

Internal Control

Proper segregation of duties should be maintained over all Bank account reconciliations. The person responsible for reconciliation of Bank accounts should not perform the following duties related to the account being reconciled:

- * Authorization of transactions
- * Safeguarding or physical control of the checks/credit cards

Reconciliation Review and Monitoring

Reconciliations will be reviewed and monitored by members of the Finance Committee. Reconciliations not completed in a timely manner or with old outstanding items will be reported to Finance Committee Chair. The reconciliation is the responsibility of the financial secretary. It is their responsibility to accurately prepare, approve and clear reconciliations in a timely manner.

(5) CHURCH COMMITTEES/EMPLOYEES

(A) Committees

Each of the church's incoming committee members should receive a copy of the Procedures and Policy Manual, a detailed description of their applicable duties and the code of ethics. They should sign Form G noting that they have read and understood the aforementioned.

(B) Employees

All employees should receive a copy of the Procedures and Policy Manual. They should sign Form G noting that they have read and understood the aforementioned.

(6) FINANCE COMMITTEE RESPONSIBILITIES

(A) Bank Statements

The financial secretary should use the online bank statements for reconciliation purposes. A person should be designated by the Finance Committee to receive the original bank statements (operating and savings accounts) directly from the bank. The statement will be forwarded to Finance Committee members. This person should review the statements noting anything questionable, i.e., lack of two signatures or an unusual vendor. If in doubt the back up for the check should be reviewed.

(B) Revenues

The deposits from the bank statements should be compared to the financial statements each month. If anything is questionable the deposits and the required attachments should be reviewed.

(C) General Ledger

A detailed general ledger report should be submitted by the financial secretary and the committee should review the transactions for each account. Journal entries should be scrutinized if they appear unusual the backup should be reviewed.

(D) Church Audits

The Finance Committee will insure that an audit of the church's internal controls, financial records and year-end financial statements be conducted annually. That audit is to be performed by a CPA firm that is independent from the church and is licensed and duly qualified to issue an audit opinion. The Finance Committee is to engage the CPA firm annually to perform that audit and will estimate the fee for the audit engagement as part of its annual budget process.

FORM A - CREDIT CARD CHARGES

Date Charged _____

Person Charging _____

Credit Card Charged _____

Vendor _____

Amount of Charge _____

Account Number _____

Explanation of Charge _____

Each credit card charge must be accompanied by a separate form. Receipts must be attached. If unavailable for a phone purchase a detailed description of the charge must be provided. For internet purchases please print out any type of receipt that the site provides. The form should be signed by the Financial Secretary before purchases are made to verify the availability of funds.

No personal charges will be allowed. There are no exceptions.

Signature _____
Requester

Signature _____
Financial Secretary

Signature _____
Pastor or Authorized Member

FORM B - PURCHASE REQUISITION FORM

Date Requested _____

Date Needed By _____

Person Making the Requisition _____

Amount Requested _____

Account Charged _____

Check to be issued to:
Name _____

Address _____

Description of purchase or service _____

Signature _____
Requester

Signature _____
Financial Secretary

Signature _____
Pastor or Authorized Member

FORM C - TRAVEL/EXPENSE VOUCHER

**PLEASE TYPE OR PRINT ALL INFORMATION
RECEIPTS FOR ALL EXPENSES MUST BE ATTACHED**

Event/Meeting _____ Date _____

Pay to the Order of _____

Address _____

City/State _____ Zip _____

Home Phone () _____ Work Phone () _____

Account Payable From	Expenses	
_____	\$ _____	Airline (receipt required)
_____	\$ _____	Automobile _____ miles x _____ per mile
_____	\$ _____	Lodging (receipt requires)
_____	\$ _____	Meals (total, receipts required)
_____	\$ _____	Postage, printing, telephone
_____	\$ _____	*Other (receipts required)
_____	\$ _____	Total Expenses
_____	\$ _____	<Advance Amount>
_____	\$ _____	Total amount due payee

*Explanation of other expenses: _____

Signature _____
Requester

Signature _____
Financial Secretary

Signature _____
Pastor or Authorized Member

FORM D - PETTY CASH CHARGES

**PLEASE TYPE OR PRINT ALL INFORMATION
RECEIPTS FOR ALL EXPENSES MUST BE ATTACHED**

Date Received _____

Person Receiving _____

Amount Received _____

Account Number _____

Explanation _____

Each request must be accompanied by a separate form. Receipts must be attached. If unavailable for a phone purchase a detailed description of the purchase must be provided. For internet purchases please print out any type of receipt that the site provides. The form should be signed by the Financial Secretary before purchases are made to verify the availability of funds.

Signature _____
Requester

Signature _____
Financial Secretary

Signature _____
Pastor or Authorized Member

FORM E - CONTRIBUTIONS RECEIVED

Receipts for (date) _____

	<u>Currency</u>	<u>Coin</u>	<u>Checks</u>	<u>Total</u>
First Light Service	_____	_____	_____	_____
Sanctuary Service	_____	_____	_____	_____
Evening Worship	_____	_____	_____	_____
Communion	_____	_____	_____	_____
Special Events	_____	_____	_____	_____

Lead Counter: _____

Assistant Counter _____

Place signed form in bank bag and lock

FORM F - JOURNAL ENTRY FORM

Date _____

Title _____

Description	Account #	Debit	Credit

Reason for entry _____

Prepared by _____

Reviewed by _____

Date _____

FORM G - AFFIRMATION FORM

I, _____ have read and understood the Procedures and Policy Manual and the Code of Ethics of _____ (Church Name)

I have been provided and have read the Employee Handbook. _____ (check if applicable)

I have been provided an explanation of my duties as a committee member of _____
_____ (Committee Name) _____ (check if applicable)

FORM H - CREDIT CARD CHECK OUT

Credit Card Check Out/In Form

Credit Card Name _____

Credit Card Number _____

**Note Please sign the card in and out on a separate line.

Name	Date Checked Out	Date Checked In

PART THREE
Building and Van Use Policy

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- (1) Use of Facilities
- (2) Use of Church Equipment
- (3) Maintenance and Operation
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- (5) Van Use Form

(1) Use of Facilities

- (A) Community Service groups and organizations with the approval of the Pastor and/or the Administrative Board may use the facilities with no formal charge, but are encouraged to give an offering to offset the cost of utilities.
- (B) No individuals, groups, or organizations will be allowed to use any church facilities for their own use on a regularly-scheduled basis without authorization from the Board of Trustees. Church program activities will have priority over all other scheduling.
- (C) No alcoholic beverages will be allowed on the church premises for any occasion. Tobacco products will not be allowed in the buildings, and smoking will only be allowed in designated areas. The church will abide by all community anti-smoking ordinances.
- (D) Any group desiring to use the facility shall agree to abide by the church's procedures and policies.
- (E) There is no formal charge for use of facilities for funerals. For non-members, an offering to offset cost of utilities is encouraged.

(2) Use of Church Equipment

- (A) All church employees and volunteers should protect the church's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Church. All assets should be used for legitimate church related purposes (unless by permission from the Pastor/Associate Pastor). Church equipment should not be used for non-church related business, but incidental personal use may be permitted.
- (B) The sanctuary organ and chapel organ are not available for general use except by permission of the church organist and pastor. The organ is to be used only by those engaged by the church for the performance of ministry of music and by those engaged in weddings, funerals, or other special needs.
- (C) Equipment, (projectors, VCR's, etc.) may be borrowed with approval from the Minister. In all cases, those borrowing any equipment will assume full responsibility for care and safe return. No items may be borrowed from the kitchen.
- (D) Designated folding tables and chairs may be borrowed by a member of the church with clearance from the Minister and/or church secretary. Individuals or groups who are non-members may borrow such equipment only with approval of the Trustees Committees. In all cases, those borrowing equipment will assume responsibility for its care and safe return.

- (E) All requests or situations not covered by this statement of the policy which involves facilities, property, or equipment of First United Methodist Church shall be subject to approval of the Trustees and/or Administrative Board.

(3) Maintenance and Operation

- (A) The Trustees will take property action to maintain all equipment and utilities in efficient working condition. They will maintain all portions of the building and grounds in good repair and in a neat and presentable condition.
- (B) The Custodian will be responsible for the cleanliness and order of the buildings and grounds. The buildings will be opened, closed, and maintained in accordance with the schedule established by the church office as approved by the Senior Minister. All requests for work from the custodian shall be submitted at least 24 hours in advance of time needed. Personal service from the custodian for groups or individuals outside of regular hours or duties will cost \$10.00 per hour with a minimum charge of \$10.00 and is contingent on the Custodian's approval.

(4) Van Policy

- (A) When the van is used by an organized group within the church for an official church function, the church will bear the operating expense for trips up to 30 miles. For all trips over 30 miles, those using the van shall pay for the gas and oil for the entire trip at the determined rate. The rates to be charged on the use of the van will be 40 cents per mile. It is the intent for the rate charged on the van to cover routine maintenance and gasoline. Therefore, the rates may be altered by the Trustees to ensure this is done.
- (B) The van is to be used exclusively for those groups or functions related to the Church. Our insurance policy does not permit loan or rental of the van to outside groups. Guests may be invited, however, provided minors submit permission slips. No minors will be allowed to ride the van until a permission slip is signed by parents or guardian granting permission for the minor to ride in the vehicle and participate in the church activity requiring the use of the vehicle. Permission slips must be in the church office before the van leaves. The van may not be kept by any one group for more than two weeks without special permission from the Trustees. This permission will be given only after it is ascertained that other groups are not wanting to use the van. If the bus or van is left in a city for a group to go by other transportation, the bus or van must be properly stored in a secured parking area in an effort to avoid damage to or theft of the vehicle. Youth groups will not be allowed to use the church van unless there is at least one adult on the trip in addition to the driver. Once a need has been determined for the van, the person responsible for organizing the trip must contact the church office to see (1) that the van is available, and (2) register the group that they may be put on the calendar at least a week in advance of the trip. The day of the trip (or before if necessary) the person

organizing or the driver must go to the church office to pick up keys and vehicle authorization. The church office will prepare the vehicle authorization showing assigned to whom, date issued, destination, beginning miles and date of expected return. Upon return the person organizing the trip or the driver will complete the vehicle authorization showing the ending mileage and note of any equipment problems during the trip. A copy of the vehicle authorization will be kept in the church office. A copy of any invoice for reimbursement or credit card purchase must be submitted to the church office. The van must be returned to the church clean. The person responsible for organizing the trip will be responsible for having this done. A cleaning fee of \$50.00 will be charged if the van is returned and left dirty.

- (C) Drivers: Drivers of the van must maintain a valid drivers license from the State of Arkansas. Only those drivers legally qualified, and approved by the pastor shall be given permission to drive the van. In addition, any restrictions or limitations imposed by the van insurance policy must be followed. Currently van drivers must be registered with and approved by our insurance company. Drivers of the van must be placed on the insurance list of authorized drivers. Drivers are expected to conform to ICC regulations on length of time behind the wheel. They will not drive over ten hours maximum with eight continuous hours off duty.
- (D) The van will not be loaned for use by groups not associated with our church.

(5) VAN USE FORM

Event/Purpose _____ Date of Request _____
Number/Passengers _____ Trip Destination _____
Requested By: _____
Beginning Mileage _____ Ending Mileage _____
Departure (date/time) / / : am/pm Return (date/time) / / : am/pm

Authorized By _____
Church representative

I have read and understand this van use policy:

Designated Drivers:

Name	Signature	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

The following additional information must also be provided when a personal vehicle is used along with the van for a church trip:

Owner _____
Vehicle Make and Model _____
Insurance Carrier _____
Liability Amounts _____

Please note: ANYONE using the van should take note of the gas gauge. When it is half-empty, please fill it up and bring the receipt back to the church office for reimbursement. Thank you!