

**Presbytery of Carlisle**  
**Policy and Procedures for Financial Management and Accounting**

- I. General: Sound financial control requires a segregation of responsibilities to provide the necessary checks and balances. Custody of assets, authorization for expenditures and maintenance of records should be assigned to different persons.
- II. Fiscal Year: The fiscal year for the presbytery shall be the calendar year unless otherwise designated by the Administration Committee.
- III. Receipt of Funds: All receipts are to be logged in by an administrative associate, who opens the mail, records all checks and cash on a log sheet, and delivers the receipts with a copy of the log sheet to the bookkeeper for deposit. The original log sheet is delivered to the executive presbyter.

All monetary transmittals from individual churches to presbytery should be made by check.

IV. Disbursements

- A. Vouchers: Vouchers shall be prepared for all disbursements of funds, except employee payroll, in order to maintain proper control. When approving a voucher, one is certifying the acceptability of the expenditure for the presbytery.

Vouchers are intended to cover expenditures within budgeted levels. Those that involve expenditures in excess of budget shall be approved by the treasurer or executive presbyter. Those involving significant overruns or controversial expenditures shall be approved by the Administration Committee.

All vouchers may be approved by the following: executive presbyter, associate for congregational service, new church development director, treasurer, stated clerk or chair of the appropriate committee. (Note - the committee chair may appoint an alternate if properly recorded in the committee's minutes.)

- B. Checks: No checks will be signed without a properly approved voucher.

Checks must be signed by persons other than those who signed the corresponding vouchers.

Checks may be signed by the following: executive presbyter, treasurer, chair of Administration Committee and stated clerk.

Checks under \$5,000.00 require only one signature; checks over \$5,000.00 require two signatures.

- C. Employee Payroll: Compensation and benefits for staff members are prepared annually by the Administration Committee and submitted with the overall budget to the presbytery for approval. A schedule of approved compensation and benefits for each employee shall be certified by the treasurer and stated clerk.

Payroll checks are issued by the bookkeeper in accordance with the certified schedule. Payroll checks in excess of \$5,000.00 are governed by the provision of IV.B. except that an employee may not sign his/her own paycheck.

- D. Transfer of Funds to the General Assembly or Synod: The transfer of funds from presbytery to General Assembly or synod shall be accomplished by check in accordance with IV.A. & B.
- E. Transfers of Funds between the Checking Account and the Money Market Account: Transfers of funds between the checking account and the money market account are routinely made by the bookkeeper as deemed appropriate.

The investment institutions will provide monthly reports to the treasurer covering account balances and transactions for the money market, bond and equity accounts.

- V. Management of Presbytery Investments: The Administration Committee shall review the asset allocation ratios of the presbytery's investments (including money market, bond and equity funds) on an annual basis, make revisions to the asset allocation targets as deemed advisable and report any changes to presbytery.

The Administration Committee will review the financial statements of the various investment categories quarterly, and redeploy assets among the fund and/or financial institutions as appropriate.

- VI. Access to and Security of Financial Information: Primary access to financial information on the computer is by the bookkeeper. The treasurer and the executive presbyter also have access for emergency purposes.

Special inquiries for financial information can be answered by the current financial statements, which all committee chairs receive, or by contacting the bookkeeper.

Computerized financial data is backed-up each business day by the bookkeeper who removes the back-up from the office building.

- VII. Audits and Compliance: Inasmuch as the Financial Accounting Standards Board (FASB) has established accounting standards for not-for-profit institutions, and the General Assembly has recommended annual external audits for all receiving sites, an external audit of presbytery's annual financial statements will be conducted by a suitable CPA by June 30<sup>th</sup> of the subsequent year. The annual audit should also include any reporting changes that might be required for compliance with FASB regulations.

It is the responsibility of the treasurer, assisted by the bookkeeper, to assure that the annual audits are conducted in a timely manner and that compliance recommendations are implemented.

- VIII. Liability Coverage: Employees, officers, and Administration Committee members who handle monetary receipts and disbursements or participate in asset allocation and investment decisions relevant to assets of the presbytery shall be covered by a liability insurance policy for which the presbytery will contract and pay.

Administration Committee approval	<u>5/15/2002</u>
Reported to Presbytery	<u>6/25/2002</u>
Amendment reported to presbytery	<u>9/28/2004</u>

## **Credit Cards**

The following policy and guidelines have been developed and adopted by the Administration Committee.

### **Policy:**

Credit cards may be made available to Presbytery staff. The Executive Presbyter, in consultation with the Administration Committee, shall determine which staff shall have credit cards.

### **Guidelines to implement this policy:**

A credit card issued to a Presbytery staff person may only be used for office or official expenses. A definition of such expenses is anything that the employee could ordinarily be compensated for through submitting a vouchered expense.

The billing address for an office credit card must be the Presbytery office address.

When the bill for credit card expenses is received, a staff person other than the staff person who incurred the expense must review and approve payment of the bill. Receipts shall be provided for each item on the bill.

Under no circumstance may such a card be used for any personal expense, nor shall there be any cash advances for any purpose. Further, the card shall be used only by the staff person to whom it is issued.

When an employee who has been issued an office credit card leaves the employ of Presbytery, the credit card must be handed in, along with any other similar item, e.g. office keys.

An office credit card may not be used to purchase gasoline, even if the employee is on Presbytery business. To compensate the employee for automobile expenses, the IRS allowable rate for mileage will be used.

The credit card shall have a limit of \$ 1,500 for any single purchase.

If such a credit card is lost, it is the employee's responsibility immediately to notify the issuing credit card company to cancel the card, as well as to notify the Presbytery.

When a Presbytery staff person receives an office credit card, that staff person shall be given a copy of this policy and guidelines, and agree to comply with the above stated guidelines, as evidenced by signing a form indicating receipt of the policy and guidelines.

Adopted by the Administration Committee, January 11, 2006