

University Presbyterian Church FINANCIAL GUIDELINES

I. SESSION

- (a) Approves annual operating budget and modifications to it.
- (b) Approves, with Trustee guidance, policies on investment of reserve funds and receipt of non-standard donations (donations other than outright gifts of cash, stock, or bonds).
- (c) Approves, with Administration Committee and, in areas of their oversight, Trustee guidance, expenditures for unbudgeted items from reserve funds.
- (d) Approves, with UPPS Committee guidance, the UPPS budget and expenditures from UPPS reserves.
- (e) In accordance with the UPC Endowment Articles and with Endowment Committee guidance, approves expenditures from available Endowment funds and makes other decisions regarding the Endowment as appropriate.
- (f) During the middle of the year, provides quantitative guidance to Church boards, committees and staff concerning the next year's budget to assure realistic fund requests for the draft or planning budget.
- (g) Adopts in the fall of each year a draft or planning budget for presentation to the congregation in the Stewardship Campaign. As soon as practical, adopts an operating budget for the new budget year.

SESSION ADMINISTRATION COMMITTEE

- (a) Is responsible for the preparation and oversight of the annual operating budget.
- (b) Is responsible for annual audit within the first quarter of each year by outside auditors or appointed Church members not otherwise involved in finances.
- (c) Acts as liaison between Trustees and Session.
- (d) Acts as liaison between Stewardship Campaign and Session.
- (e) Monitors balance sheet and UPC finances, and advises the Session on financial expenditures not covered in the budget from reserve funds with advice from the Trustees, when appropriate.
- (f) Recommends to the Session annually the appropriate allocation to the Operating Reserve (#2Y1000) ("rainy day fund") and to other unrestricted reserve accounts, considering the advice of the Treasurer.
- (g) Has primary responsibility to review the suitability of UPC accepting gifts under the UPC Gift Acceptance Policy, with issues typically arising for non-monetary and restricted gifts.
- (h) Consults with the Treasurer on the general accounting structure and chart of accounts.
- (i) Consults with Treasurer regarding investment policy and investment of assets of UPC and UPPS, and is principally responsible for periodic review of investment policy for UPC reserve accounts.
- (j) Together with appropriate Session committees, may create a long-range financial plan to help guide UPC priorities, using information from the Pastor, Trustees, Treasurer, Session, and outside sources.
- (k) In the absence of the Treasurer and Chair of the Board of Trustees, the Chair of the Administration Committee Chair may direct the sale or other action on any securities donated to UPC.

MAJOR SESSION POLICIES AND PRACTICES REGARDING FINANCIAL OPERATIONS

(a) The principal repository of unrestricted and available reserve funds is the General Reserve (#2Y2000). The General Reserve, aided by a smaller Miscellaneous Small Memorial Gifts Reserve Account (#209199), is the primary funding source used to cover unbudgeted expenditures. It is Session policy to minimize the number of designated funds so as maintain flexibility in providing needed funding for facility and program needs that arise unexpectedly. However, designated accounts are appropriate to set aside funds for substantial and/or reoccurring expenses, such as steeple painting, that require expenditures that cannot easily be financed from revenues taken from income in a single budget year.

(b) Any budget surplus at the end of the budget year that is produced when revenues exceed expenses is to be placed in the General Reserve unless a specific contrary designation is made by the Session. In addition, interest income earned on the funds in the various UPC reserve accounts shall be deposited on a regular basis in the General Reserve, except for donor restricted funds (e.g., the Elma Hooker Fund For Expansion (#209015)) and funds exempted by Session action (e.g., the Fun & Fellowship Reserve (#211010)).

(c) Unless the Session acts specifically on the matter to the contrary, all undesignated gifts to UPC of \$2,500 or more will be split evenly between UPC reserve funds and the UPC Endowment. Absent a specific allocation to a different reserve fund, the portion going into reserves will be placed in the General Reserve.

(d) In order to be able to withstand a major unexpected financial shock, the policy of UPC is to maintain in the Operating Reserve (#2Y1000) (“rainy day fund”) the equivalent of three months of anticipated operating expenses. Except in extraordinary circumstances, this reserve should not be tapped. Ordinary deficits should not be offset from this fund.

(e) Ordinarily and if financial conditions permit, the Operating Reserve will be maintained at a level equal to 110% of the three months of the operating expenses, with the level being reset once the new operating budget is adopted computing the reserve total based on the newly adopted budget. When the year ends with a surplus, the required increase in the Operating Reserve occasioned by normal growth in the budget is obtained by transferring year-end surplus funds from the General Reserve to the Operating Reserve. The extra 10% over the three months operating expenses generally held in the Operating Reserve is intended to give the Session flexibility so that the minimum three months total is held inviolate while adding no additional funds to the Operating Reserve when an ordinary budgetary shortfall occurs. Otherwise, the required addition to the Operating Reserve would likely take funds from the General Reserve at a time when they are otherwise needed to offset the year-end shortfall in revenue. The 110% figure is intended to allow a “holiday” to be taken occasionally and in appropriate circumstances from replenishing the Operating Reserve while adhering to the strict requirement that at least the equivalent of three months of operating expenses be maintained in the Operating Reserve.

(f) Ordinarily, the operating budget for the year will be based on pledges received before March 1 of each year. Pledges received after that date will ordinarily not be added to the budgeted pledge income for that year’s budget.

II. BOARD OF TRUSTEES

(a) Develops and reviews investment policy for UPC reserves.

(b) Develops and reviews policy on receipt of donated property.

(c) Reviews, evaluates, and recommends approval of insurance coverage annually for Church property and its activities. Such coverage also includes the Presbytery as additionally insured.

(d) Approves items over \$1,000 within Property and Data operating budget line items. Chairs of Trustee Property and Data Committee may approve expenditures up to \$1,000 in previously approved budget line items under their jurisdiction.

(e) Recommends to Session, through the Administration Committee, unbudgeted expenditures from reserve funds within its areas of responsibility.

(f) Reviews and approves annual operating budget prepared by the Administration Committee with respect to its accuracy, completeness, and consistency with established practices. May offer advice to the Session on priorities and other budget matters as it sees fit. May recommend expenditure limitations or budget changes if the financial situation so indicates during the course of the budget year.

(g) Takes responsibility for scheduling and arranging for collecting and securing Sunday offering and other special offerings.

(h) Chair of Trustees has authority in the absence of the Treasurer to direct the sale or other action on any securities donated to UPC.

TRUSTEES PROPERTY COMMITTEE

(a) May approve specific expenditures up to \$1,000 in previously approved property budget line-item categories.

(b) May recommend specific expenditures over \$1,000 on previously approved property line-items for Trustee approval, and makes recommendations on all unbudgeted property related items for Trustee consideration and Session action.

(c) Advises Treasurer and Administration Committee of expected major short-term expenditures where cash-flow or investments will be affected, and long-range expenditure needs.

(d) Manages the 212 East Rosemary property and advises the Trustees and Session regarding its maintenance and commercial uses.

(e) Reviews and evaluates insurance policies annually for Church property and activities and recommends to the Trustees appropriate coverage. Such coverage also includes the Presbytery as additionally insured.

(f) Evaluates and monitors the security system for Church property.

TRUSTEES DATA COMMITTEE

(a) Assists Treasurer and Administration Committee in providing appropriate computer hardware, software, and system design and control for the finance function.

(b) Is responsible for making recommendations regarding the acquisition, security, and operation of UPC's data processing equipment and systems.

(c) May approve expenditures up to \$1,000 in data budget line-items.

(d) May recommend specific expenditures over \$1,000 in previously approved data line-items for Trustees approval and all unbudgeted data related items for Trustee recommendation to the Session.

III. TREASURER

(a) Appointed or reappointed by the Session annually in consultation with the Board of Trustees, with a limit of six years.

(b) Operates under the UPC Accounting Policy and Procedures Manual and policies established by the Session. Ensures that appropriate internal accounting controls are in place, with particular emphasis on the processing of cash receipts and disbursements.

(c) Assists Pastor in monitoring activities of the Financial Administrator and the Session and Trustees in their interactions with the finance office.

(d) Oversees the finances of UPC and UPPS and the accounting for all collections and their timely deposit.

(e) Has care and custody of, and is responsible for, all funds, securities, bonds, and investments of the Church (except for those designated as endowment funds). Initiates and/or authorizes all transactions involving securities, bonds, or other investment instruments. If the Treasurer is unavailable, the responsibility and authority for the sale or other action with regard to securities donated to UPC will go to the Chair of the Board of Trustees.

(f) Monitors liquidity to ensure availability of funds to meet cash requirements, and in consultation with Administration Committee Chair, maintains appropriate investments consistent with investment policy. Regularly monitors status of General Reserve balance and availability of funds from that account.

(g) Maintains ongoing relationship with the Church's independent accountants, bankers, and investment advisors and oversees the implementation of recommendations as necessary.

(h) Signs or endorses, on behalf of the Church, all checks, drafts, warrants, and other instruments of receipt or disbursement of funds. Two signatures are required on checks over \$5,000, as outlined in the Accounting Policies and Procedures Manual.

(i) Supervises preparation of monthly summary and detailed quarterly financial statements for the Trustees and Session, and annual and any special reports to the congregation on the financial status of UPC. Supervises preparation of the monthly financial statements of UPPS and the annual and any special reports on its financial status.

(j) Is responsible for supervision of payroll preparation, reports and payments of withheld taxes, insurance premiums and Board of Pension medical and pension quarterly premium payments.

(k) Attends and/or designates an Assistant Treasurer or other individual to attend Session, Trustee, and Administration Committee meetings as appropriate.

(l) Serves as Treasurer of the University Presbyterian Church Corporation.

(m) Serves as Administrator of Flexible Spending Benefits Plan for all UPC and UPPS staff.

(n) Performs such other duties as are customarily incident to the office of Treasurer, or may be assigned by the Trustees or Session.

(o) Is responsible, principally through delegation to an Assistant Treasurer, for scheduling and arranging for collecting and securing Sunday offering and other special offerings.

ASSISTANT TREASURER(S)/ACTING TREASURER

(a) Appointed or reappointed annually by the Session in consultation with the Board of Trustees.

(b) Works with and acts in behalf of, the Treasurer in those areas designated by the Treasurer, performs duties delegated by the Treasurer when the Treasurer is temporarily absent, and performs the full tasks of the Treasurer when the Treasurer is unable to perform his or her duties and the Assistant Treasurer has been designated as Acting Treasurer by the Pastor and/or the Session. Upon designation by the Treasurer, is responsible for scheduling and arranging for collecting and securing Sunday offering and other special offerings.

(c) Also serves as Assistant Treasurer of the University Presbyterian Church Corporation.

FINANCIAL ADMINISTRATOR

(a) In accordance with the UPC Personnel Manual, reports to the Pastor. Is responsible to the Treasurer for matters relating to the financial operation of UPC and UPPS.

(b) Performs all financial accounting functions and prepares monthly financial reports.

(c) Maintains records for Federal and State payroll taxes, W-2s, and state sales & use taxes.

(d) Maintains Flexible Spending Benefits Plan for UPC and UPPS employees.

(e) Prepares payroll and payroll reports for UPC staff on a semimonthly basis and for UPPS administrative staff on a monthly basis.

(f) Performs account analysis for UPC and UPPS as needed. Sends updates, as needed, to ministry leaders with account status information.

(e) Assists Treasurer as needed in preparing deposits and statements.

(f) Is responsible for weekly contribution counting. Enters individual contributions into ACS. Prepares and delivers bank deposits.

(g) Processes and records checks donated to various UPC funds, as well as gifts collected through special offerings.

(h) Maintains records on securities given to UPC and prepares letters of acknowledgement and receipts to donors.

(i) Prepares and maintains ACH contributions from congregants through monthly bank drafts.

(j) Acts as back up on all financial matters in the absence of the Office Manager.

(k) Maintains records of Session decisions concerning financial matters in the Finance Office.

(l) Is responsible for the preparation for the annual audit. Works closely with the auditors to ensure a complete and cost effective process.

(m) Keeps informed of changes in the law regarding Church business.

(n) Is responsible for sending quarterly statements to UPC congregants with updates on YTD giving and pledge balances.

(o) Posts and tracks tuition and other miscellaneous payments to UPPS. On a monthly basis, alerts the UPPS Director of late tuition payments.

(p) Receives all invoices; secures proper UPC approvals; and resolves any questions or corrections with vendors. Assigns account code to each expenditure. Prepares and submits invoices to the Office Manager for review and approval. Processes checks and mails/disburses checks once they have been signed by the Church Treasurer.

(q) Acts as liaison between operating departments and accounting on questions of expense allocation.

(r) Maintains reconciliations for UPC Endowment, RBC bank statements, and Smith Barney investment accounts.

IV. OFFICE MANAGER

(a) In coordination with at least one other person, processes and records cash donations and promptly forwards them to the Treasurer or Financial Administrator for recording and deposit. Processes and records payments and special gifts. Prepares acknowledgment letters of memorial and other special financial gifts for the Pastor's signature, and gives notification, where appropriate, to others concerned.

(b) Authorizes purchases of office supplies and miscellaneous equipment, as approved by appropriate committees. Purchases outside budget line items or beyond line item limits are to be handled through the normal approval process for non-budgeted expenditures, which involves a request to the Administration Committee and approval by the Session.

(c) Monitors receipt of materials or services ordered and timely payment of bills.

(d) Supervises petty cash fund.

(e) Maintains Personnel records on UPC office administrative staff. Obtains and updates employment, tax, health insurance and pension forms and information.

(f) Processes weekly time reports and records leaves taken and furnishes accurate attendance data to Financial Administrator for payroll accounting.

(g) Under parameters set by Trustees, controls custody, issuance, recording, and recovery of keys to the Church facilities.

(h) Maintains account balances with US Postal Service for Bulk Rate permit, postage meter account, and post office box.

(i) Secures bids, contracts for and manages outside printing and production projects.

(j) Acts as staff liaison with Presbyterian Board of Pensions on matters pertaining to staff salaries and benefits.

(k) Reviews and approves check requests prior to the checks being processed by the Financial Administrator.

(l) Serves as substitute for the Financial Administrator in her absence as directed by the Treasurer and/or Pastor.

V. PROPERTY MANAGER

(a) May authorize unanticipated repairs/maintenance expenditures from a property related budget line-item that do not exceed \$500. Absent pressing need, expenditures greater than \$500 are to be approved by the Property Committee Chair, Property Committee, Trustees, or Session, depending on amount and whether the repair/maintenance involves a budgeted expenditure. In cases of pressing need, notice of action taken is to be provided to appropriate parties.

(b) Without additional authorization, makes purchases for anticipated building maintenance needs and supplies within budget line-items.

Adopted by Session June 2010

Amended in accordance with Session Manual of Administrative Operations April 2012