



**TRINITY EPISCOPAL CHURCH
TRUMBULL, CONNECTICUT**

TRINITY NICHOLS FINANCIAL MATTERS POLICY

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Finance Committee:

Members:

The members of the Finance Committee shall be the Rector or Priest in Charge, the Treasurer who serves as Committee Chair, the Parish Bookkeeper, the Senior Warden, and two additional parishioners who have experience in financial affairs.

Meetings:

The committee will meet on the second Tuesday of each month.

Purpose and Role of the Committee:

The presence of a fully engaged finance committee is a strong indication that the church is committed to good stewardship and is actively building and preserving the financial resources necessary to support the accomplishment of its mission, both for the short and the long term.

The role of the finance committee is primarily to provide financial oversight for the church. Typical task areas for small and midsized groups include budgeting and financial planning, financial reporting, and the creation and monitoring of internal controls and accountability policies. An outline of responsibilities appears below.

Committee Responsibilities:

- Develop an annual operating budget.
- Present a budget to the Vestry for approval.
- Monitor adherence to the budget.
- Set long-range financial goals along with funding strategies to achieve them.
- Present all financial goals and proposals to the Vestry for approval.
- Develop a policy for record retention.

In addition to developing an annual budget, the committee should also set long-term financial goals. These goals might include, for example, the creation of a working capital or cash reserve fund and the creation of a fund for maintaining or replacing equipment.

Reporting:

- Develop useful and readable report formats.
- Work to ensure that the Vestry understands the implications of the reports.
- Present the financial reports to the Vestry.

Internal Controls and Accountability Policies:

- Create, and update (as necessary) policies that help ensure the assets of the organization are protected. Present them to the Vestry for approval.
- Ensure policies and procedures for financial transactions are documented, reviewed annually, and updated as necessary, in compliance with diocesan and national church policies.
- Ensure approved financial policies and procedures are being followed.

Although the entire Vestry carries fiduciary responsibility for the organization, the finance committee serves a leadership role in this area.

Audits:

- Recruit and select the auditor – to be approved by the Vestry.
- Review the draft audit as presented by the auditor.
- Present the audit report to the Vestry.
- Review the management recommendation letter from the auditor and ensure follow up on any issues mentioned.

Investments:

- Most parish investments will be maintained by the ECCT through their Donations and Bequests (D&B) fund. Should the parish choose to manage any investments, the following applies:
- Draft an investment policy detailing the objectives of the investment portfolio, guidelines on the asset allocation of the portfolio based on a predetermined level of risk tolerance, authorizations for executing transactions, disposition of earned income, etc.
- Review the policy at least annually and update if necessary.
- Recommend investment managers/advisors to the Vestry to ensure optimization of earned revenue.

Role of the Chair:

The finance committee chair is the Vestry Treasurer, whose specific duties are described in the church's bylaws. In practice these duties can vary considerably from a hands-on role, in the case of the "working board" model, to a more supervisory role where transactions are largely handled by staff.

The Treasurer is chair of the finance committee. Specific duties of the chair include:

- Serving as the principal liaison between the committee and the Vestry,
- Set an agenda for each committee meeting,
- Notifying members about the meeting,
- Ensuring handouts and reports are prepared for committee members.

Financial Controls:

- Any unbudgeted expenditure, regardless of amount, requires Vestry approval in advance of the expenditure.
- Any expenditure that would result in a budget overrun for that budget item requires Vestry approval in advance of the expenditure.
- Any two members of the Finance Committee will have the authority to approve expenditures in excess of \$500 provided they notify the Committee members as soon as possible after making such authorization.
- Any approved budget item in excess of \$500 (except recurring operating expenses) requires Committee approval in advance of the expenditure. This is not required with prior Vestry approval.
- Any item exceeding \$1000 (except recurring operating expenses) must have multiple bids. This is waived if only one bid can be obtained or for specialized services. These bids and supporting documents must be submitted to the Vestry for approval.
- Checks in excess of \$1000 (except for recurring operating expenses) require two authorized signatures.
- No individual can sign a check made out to him/herself.
- No individual can approve (on the Treasurer's approval line) an Accounts Payable voucher for him/herself.
- An expenditure deemed an emergency must be approved by the Rector, Priest in Charge, or a Warden. The expenditure then needs to be reported to/approved by the Vestry as appropriate.

Capital Expenditures:

- With Vestry approval, expenditures relating to property additions or upgrades, or major property maintenance projects may be classified as capital projects if their estimated cost exceeds \$1,500. Projects not meeting the capital project definition would be reported as minor property additions or maintenance and reported as operating expenses.
- With Vestry approval, items under \$1,500 may be bundled into a single capital project if the expenditures are related.
- To be classified as capital projects, property upgrades must be permanent in nature or must provide a long lasting (5 years+) benefit to Trinity.

Reimbursement:

- A fully completed "Accounts Payable Check Request Voucher" along with bills or receipts needs to be submitted to the Parish Administrator for payment.
- The Commission Chair needs to authorize the purchase before it is submitted for payment – no individual can approve an Accounts Payable voucher for him/herself.
- Any nonroutine expenditure exceeding \$100 must be approved in advance by the Treasurer as a condition for reimbursement.

- Anyone making a purchase on behalf of Trinity should obtain a copy of the Parish's CT sales tax exemption certificate from the Parish Administrator. Reimbursement for sales tax paid on items purchased for Parish purposes will not be made.

Debit and Credit Cards:

Trinity's Bank Debit and Credit Cards simplify purchases and payment of certain items for the church. The advantages of the Debit Card are that the bank pays the vendor directly for purchases within a few days and the church pays a single monthly payment to the bank for all church charges.

The Debit Card should be used by the carriers whenever possible for purchases of supplies and small equipment in accordance with applicable purchasing procedures.

Bank Card Administrator: The Treasurer is the Bank Card Administrator and must reconcile the cards at the end of each month. All original receipts of purchases must be approved and reconciled with all applicable Trinity policies before monthly payment. All card activities are subject to review by the Finance Committee. The Finance Committee can close the bank card account at any time with the approval of the Rector or Priest in Charge. The Bank Card holders are appointed by the Finance Committee and approved by the Rector, and the bank. The holders must complete the bank application, authorization/agreement. **Card Holder Responsibilities:** By accepting and using the Bank Card the card holder agrees to:

- Use the card for purchases for Trinity Episcopal Church, Trumbull, CT.
- The card holder is personally responsible for all charges made on the card.
- Keep the telephone number listed on the back of the card of the issuing bank in an accessible place.
- Notify the bank issuing the card immediately by calling the number on the back of the card; notify the Rector, the Treasurer, and the Senior Warden if the card is lost or stolen.
- The card holder may be liable for all charges incurred until the Debit Card is reported lost or stolen to the bank.
- The card holder must understand and comply with the list of prohibited and restricted purchases in this policy.
- The card holder must provide complete shipping instructions when placing orders to vendors and ask the vendor to include the receipts with the shipment. The receipt must include the vendors name, amount of order, date and an itemized description of the item (s) purchased.
- Verify that supplies are received and follow up with the vendor on any delivery problems, discrepancies or damaged goods.
- Handle any returns of purchases made on the Card.
- Pay no sales tax in CT. The card holder should emphasize the churches' exempt status and give the vendor the tax exemption number (EIN) when ordering. Purchases outside of CT may or may not be exempt.

The card holder must create an order log for each transaction made with the Debit Card. An order log is to be created immediately after each purchase. This may be provided by the card holder or delegated to

another individual provided with the necessary information. The order log must be presented to the Treasurer and contain the following information:

- Transaction date for purchase
- Name of the vendor from whom the item(s) were purchased.
- Total dollar amount of the transaction
- Description of purchase
- Original receipts
- Allowable meal receipts must state the name of each person attending the event and describe the meeting. (IRS regulations).

Unauthorized purchases:

- Personal items or items for family and friends.
- Purchases from businesses concerns of which the cardholder, family member is a sole or principal owner.
- Purchase of travel and hotel expenses without the approval of the Rector and the Vestry.
- Cash advances

Pledges and Offerings:

Counters:

The Sunday offering is vulnerable to theft or embezzlement unless good checks and balances are in place. The following are guidelines to use for counting the offering:

- At least two unrelated people must be present to handle the collected offering – this allows one person to count while the other person observes and then the observer counts while the original counter observes.
- There should be a rotation of counters so that the same two people are not repeatedly working together.
- The amounts received both in checks and cash should be noted on duplicate forms, both initialed by the two counters. One form stays with the offering and the other is given to the bookkeeper or treasurer.
- Neither the treasurer nor the bookkeeper should be counters. If it becomes necessary that either the treasurer or the bookkeeper are counters, then only one should be counting and the second counter may not be in either of those positions.
- Checks should be stamped “For Deposit Only” with Trinity Episcopal Church and the bank account number. Unless otherwise designated, all cash and checks received must be deposited into the general operating checking account.
- Church funds must never be taken to anyone’s private home.
- Pledge envelopes should be noted with the amount of pledge enclosed, whether it was by check or cash, and the envelopes retained in the parish office for one year.
- When the count is complete, the cash, checks, and counting form are placed in a locked bank deposit bag and the bag is stored in the locked parish safe until deposited at the bank.

- Ideally, the offering should be counted immediately after the service. If for some reason this is not possible, then the entire collection must be placed in a locked bank deposit bag and the bag stored in the locked parish safe until counted. This must be witnessed by two unrelated people.

Electronic Payments:

Trinity has established an account which allows parishioners and others to be able to electronically donate funds and designate the account that they want credited. These accounts include Altar Flowers, Book of Remembrance, Capital Improvements, Endowment Fund, Initial Offering, Memorial Garden, and Weekly Pledge. Other accounts can be added as the need arises.

Links to this payment option are listed on the Parish website, the Parish facebook page, and in written communication with the parishioners.

Twice during each month, the Treasurer or Bookkeeper will log on to this account to reconcile the payments made with the Parish records.

Statements:

- Quarterly statements will be provided to regular donors.
- Annual giving statements will be provided to donors no later than January 31st.
- Statements may be delivered electronically or by USPS mail.
- Donors who give a single gift of \$250 or more need an acknowledgment of that gift. While the quarterly or annual statement will show that, a separate acknowledgment indicating the date and amount is appropriate. The acknowledgment must include the statement that it is “the contemporaneous acknowledgment required by the Internal revenue Code and that, in accordance with Section 170(F)(8)(B), and goods or services provided consist solely of intangible religious benefits”.
- If tangible goods or services are provided to a donor in exchange for their contribution, the written statement must inform the donor that the amount of the contribution is limited to the excess of the donation above the value of the goods or services received and if appropriate should provide the giver with a good faith estimate of the fair market value of the goods or services.

Financial Reviews:

A Parish Financial Review, conducted by an independent accountant, must be submitted to the ECCT each year on or before September 1st. The engagement letter with the accountant should include the development of:

- A summary of findings letter to the parish.
- A statement of financial position based on information (unaudited) that is presented to the parish.
- An assessment of the adequacy of the parish’s financial controls as assessed against a listing of agreed upon procedures to include an evaluation of the process that Trinity used to complete its Parochial Report submission.

Trinity Parish Manual, January 2017
Appendix N: Financial Matters Policy, August 2021

- A time to present and discuss the findings with the Vestry.

All funds and entities that are under the Parish's control must be included in the deliverables.

The following forms should be completed and given to the accountant performing the review:

- Internal Control Questionnaire
- Parish Financial Report Excel template
- Management Representation Letter

As the independent accountant completes the procedures, any errors or missing information should be communicated and worked out between the Parish and the independent accountant.