

**Surfside United Methodist Church
Policies and Procedures
Accounting, Receivables, Payables**

These policies and procedures apply to all church members and groups who use the church's tax identification number, and are considered to be church ministries. All church ministries are subject, at any time to an audit by the Finance Committee or their designees.

The Office Manager oversees the process of reviewing for accuracy and documentation vouchers, recording receipts, preparing disbursements and general accounting procedures with guidance and assistance from the Finance Committee. Questionable requests and discrepancies are brought to the attention of the Treasurer for review and final approval. The Treasurer, Finance Committee Chairperson and the Trustee Chairperson, with approval of the Church Council, will make all investment decisions.

The exception is the Endowment Fund, which is managed by the Endowment Committee per the Charge Conference. The Senior Pastor will provide input, in a non-voting capacity.

The Financial Secretary is responsible for overseeing all Receivables tasks and the Treasurer is responsible for overseeing all Payables tasks.

**I
Accounting**

The Office Manager is responsible for maintaining and reconciling:

- a. Church Checking Accounts
- b. Money Market Accounts
- c. Investments Accounts

The Office Manager is responsible for:

- a. Preparing and distributing weekly, monthly and year-to-date Budget reports for the church bulletins and newsletter.
- b. Prepares and prints all accounting reports.
- c. Prepares as required, reports for the Senior Pastor, Finance Committee Chairman and Church Treasurer.
- d. Attends all Finance Committee and Church Council meetings and prepares and distributes financial information as required.

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- e. Prepares and provides all financial information, as required for the annual audit.

**II
Receivables**

Offering Counters

The Counting Committee, with guidance from the Finance Committee, serves on a rotating basis throughout the year to insure that four (4) counters, including one (1) head counter is present each Monday, or the next business day, to count and record all collections received from the preceding Sunday services, Sunday school, Mid-Week Service and all miscellaneous monies received by the Church during the week.

The Usher Captain, Youth Minister, Sunday School Superintendent, Coffee Fellowship Leader and the Spirit Night Leader are responsible for insuring that collections from Worship Services, Mid-Week Service, Sunday school, Coffee Fellowship and Spirit Night are collected by two persons and placed in individual deposit bag. The collections from Sunday school, Coffee Fellowship and Spirit Night are placed in a money bag, sealed and placed in the drop safe. Monies collected from all other activities that are church related require two unrelated persons to count the money, place it in an envelope, seal and sign the envelope. Monies are to be placed in the drop safe the same day they are received.

Sunday School Superintendent

The Sunday School Superintendent picks the envelopes up from each Sunday school class. S/he, along with a second unrelated person, counts the money to verify the amount on the envelope, records the amount in the Sunday school record book and submits a report, along with the Sunday school envelopes, to the Office Manager. The monies are placed in a money bag, sealed by the Sunday School Superintendent and placed in the drop safe on same morning as collected. On Monday morning, the Office Manager opens the safe with one of the Head Counters present. The bags and envelopes are taken by the Head Counter to the counting room. The counting room is locked and the bags and envelopes are counted.

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1. Member Envelopes are put in sequential order with the member name and amounts for their pledge or special offering noted on the front of the envelope and compared with the amount of the check or the cash inside. All envelopes with cash inside are noted "cash." A tape run is then run for the envelopes as well as a tape run for the cash and checks. This tape should balance all monies and should be included in the documentation given to the Office Manager.

2. Pew Envelopes
 - a. If a name is on the envelope, it is cross-referenced with the Member list and if they are a member, their name and number is written on the front of the envelope and included with the sequence of envelopes.
 - b. If the person is a non-member and the offering is in cash, the monies are placed in the "loose offering" pile.
 - c. If the person is a non-member and the offering is a check, the name and address is given to the Office Manager so a statement can be prepared and sent to them for tax purposes.
 - d. If an envelope has a "special offering" indicated on it and is from a non-member, and in cash, then the Amount and Special Offering is listed on balancing sheet by the counter and the monies are placed in the "loose offering" pile.

3. Loose Plate Offering

Loose plate cash, coins and checks are counted by two (2) unrelated Counters, a tape is run and the amount is noted on the balancing sheet. A list of non-member names and addresses is made from loose offering checks for church records.

4. Mid-Week Service Collection

If an offering is received at a mid-week service, the money is then placed in an envelope, sealed and signed by two unrelated persons, placed in money bag and then placed in the drop safe after the service.

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5. Miscellaneous Monies

- a. Collection plate: loose cash, coins and checks are handled as the “offering plate” monies are handled above.
- b. Non Collection Plate: Monies from Vacation Bible School, Fall Festival, Youth Pumpkin Patch Sales, Salkehatchie, Spirit Night, Upward Basketball and all other ministry fund raising activities, where money is collected or donated for that activity are to be counted by two unrelated persons, and placed in an envelope. The activity from which the monies came is to be noted on the envelope, and then sealed and signed by both persons. The envelope is to be placed in the drop safe the same day it is collected. Note: The activity and the amount are to be listed on the balancing sheet.

6. Balancing

- a. All cash, coins and checks are counted and totaled.
- b. Each series of envelopes has a tape run of the amount on the envelope and totaled.
- c. The balancing sheet is totaled.
- d. The three (3) totals (from cash, coins and checks, envelopes and balancing sheet) should match. If the three totals do not match, the counters must start over and recheck each category to find where the error is and make the correction.
- e. ALL counters are to sign the balancing sheet.
- f. All envelopes are placed in sequence order and given to the Office Manager for the offering to be posted to member accounts.

7. Bank Deposit

The bank deposit is prepared by a Head Counter. Cash, coins and checks are listed on the deposit slip. Two (2) unrelated counters will take the deposit to the bank and return the deposit slip, along with the member envelopes to the Office Manager. Office Manager verifies that the totals of the cash, coins and checks, envelopes and balancing sheet match the deposit slip when posting.

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**III
Payables**

1. Invoices and Credit Card Holder

All invoices and church credit card receipts must be turned in, along with a voucher to the Office Manager within twenty four (24) hours of purchase. If this requirement is not met, SUMC will have no responsibility for payment. The payment obligation will be the responsibility of the purchaser. If this policy is violated while using a church credit card, charging privileges will be rescinded. Department Heads, Church Staff, Committee Chairpersons, and Authorized Credit Card users will prepare payment vouchers for their invoices. The voucher must be approved by the committee chairperson, Lead Pastor (for staff) and must include:

- a. Name, address and the amount to be paid to the payee.
- b. Chart of accounts billing number.
- c. Explanation for the purchase must be specific.
(Example: 29 Tee shirts for Jason's House.)

2. Personal Reimbursements

When traveling or conducting church business, an expense report is to be completed and receipts for travel, mileage, lodging, meals, etc. should be attached. Personal items will not be reimbursed. A voucher is to be prepared by the person to be reimbursed and submitted, through the approval process, to the Office Manager for processing and the Treasurer for approval.

3. Advances

All advances, check or cash, requires planning. Vouchers must be prepared by the person making the request, to include an explanation for the request, amount requested and the date the money is needed. Proper approval is required. Exceptions will be handled on a case by case basis.

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4. Office Manager

- a. Checks and vouchers with attached invoices for correctness. Initials voucher to indicate the audit.
- b. All vouchers without proper supporting documentation will be returned to the person that submitted it for payment. Office Manager will retain a copy so payment may be made to keep the church from incurring a penalty.
- c. Prepares and prints checks for vouchers, church payroll and Preschool payroll.
- d. Checks are printed on Thursday and audited against the vouchers for correctness. Exceptions are approved by the Treasurer.

5. Treasurer (in his/her absence, the Asst. Treasurer)

- a. Audits the invoice or credit card receipt against the Voucher for correctness.
- b. If the voucher does not have the supporting documentation attached, it will be returned to the person making the request for correcting. A copy is given to the Office Manager for the reason noted above (4b).
- c. If all is correct, the Treasurer or Asst. Treasurer signs the voucher approving the payment and signs the check for payment. Checks are signed on Thursdays.
- d. The Treasurer or Asst. Treasurer are the only authorized signers of checks.

Restricted (800) accounts are accounts holding donations received by donors/givers for specific mission(s) or purposes. The monies are to remain in the account assigned and not transferred to any other account, except where designated monies are intended to be used for General Budget expenses. Restricted account monies are to be used first before **any** monies from a church budget account are used.

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6. Management

The Finance Committee will have oversight of the Restricted monies and are charged with the responsibility of ensuring they are properly managed and used for the purposes for which they are intended. Restricted (800) monies will reside in an interest bearing money market checking account. Planning will be required, as the bank will only allow a certain number of checks to be written each month without penalty. Properly approved requests are to be submitted to the church office by noon on Wednesday. Under normal circumstances, signed checks will be ready by 4 pm on Thursdays.

7. Approval

- a. A voucher is to be prepared with the date, amount requested and a detailed explanation for the use of the monies. Vouchers must be approved by committee chairperson, lead pastor (if a staff person) and/or the treasurer.
- b. Request for Capital Expenditures, up to \$15,000 must be approved by Trustee Chairperson.
- c. Request for Capital Expenditures above \$15,000 must be approved by Trustee Chairperson and submitted to the Finance Committee for review.

8. Accountability

These accounts are to be managed and maintained with the highest regard. They will be subject to audit at any and all times.

9. Financial Reporting

All ministries of the church that use the church's tax ID number are required to submit quarterly financial reports to the Finance Committee by the end of the month following the end of the quarter. These reports are to contain bank reconciliation and a balance sheet. The chairperson is responsible for submitting these reports.

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10. Inventory

Current inventories are to be maintained at all times for church assets. The most current inventory listing is to be maintained in a secure and fire proof file cabinet in the church office for insurance purposes. All departments are required to maintain their inventory. When an asset is purchased, it is to be added to the inventory at the time of purchase. When an asset is sold or removed, it is to be deleted from the inventory at the time of sale or removal. The purchase receipt will be maintained in the department's records. When an asset is sold or removed, a receipt, signed by the department head or chairpersons, will be maintained in the records. These records help to determine the age of the asset for insurance purposes. Physical inventories of all church assets are to be conducted annually by each department in November. The inventory listing is to be submitted to the Trustee Committee by December 1st.