

FINANCIAL POLICIES AND PROCEDURES MANUAL

**FIRST BAPTIST CHURCH  
SHALLOTTE  
4486 Main Street  
Shallotte, North Carolina 28470**

**FINANCIAL  
POLICIES  
AND  
PROCEDURES  
MANUAL**

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# FINANCIAL POLICIES AND PROCEDURES MANUAL

## Table of Contents

Section	Page
<b>I. Introduction</b>	<b>4</b>
A. Organization	4
B. Statement of Purpose	4
C. Scope of Financial Policies and Procedures Manual	5
D. Procedure for Revising the Policies and Procedures Manual	5
E. Exception Process for Handling Non-Compliance to Procedures	5
F. Copies of Financial Policies and Procedures Manual	5
<b>II. Collecting, Recording and Depositing Funds</b>	<b>6</b>
A. Offerings	6
B. Counting of Offerings	6
C. Recording of Contributions	6
D. Tax Deductible Contributions	7
E. Statement of Contributions	7
F. Privacy of Giving Records	7
G. Usage Fees, Special Fees, and Other Monies Collected	7
H. Accounting for All Monies Expended	9
I. Fund-Raising Activities	10
J. Love Offerings Collected	10
K. Memorials	10
<b>III. Approving, Establishing, and Receiving Restricted Use Funds</b>	<b>10</b>
A. Charitable Deductibility	10
B. Establishing a Designated Project or Fund	10
C. Purpose of the Restricted Use Funds Procedure	11
D. Redirecting Previously Designated Contributions	11
E. Gifts Donated in Memory or in Honor of a Person	11
F. Directed Contributions	11
<b>IV. Authorizing and Disbursing of Funds</b>	<b>12</b>
A. Petty Cash Fund	12
B. Payment Request Procedures	12
C. Purchase of Services and Supplies	13
D. Invoice Payments	14
E. Competitive Quotes Policy	14
F. Insurance Coverage/Analysis	15
G. Cash Management	16
H. Credit Card Management	16
I. Vendor Charge Accounts	17
J. Authorizing, Disbursing Payments for Cooperative Program & Associational Missions	17

# FINANCIAL POLICIES AND PROCEDURES MANUAL

<b>V.</b>	<b>Accountable Reimbursement Plan</b>	<b>17</b>
	A. Defining an Accountable Reimbursement Plan	17
	B. Reimbursement of Travel Expenses for Conferences and Conventions, Education Conferences and Personal Development Seminars	18
	C. Reimbursement of Hospitality (Miscellaneous) Expenses	18
	D. Expense Reimbursement Procedures	19
<b>VI.</b>	<b>Reporting to Government Agencies</b>	<b>20</b>
	A. Internal Revenue Service (IRS)	20
	B. Government Tax Reports	20
	C. New Employee Forms	21
	D. Annual Reports	21
	E. Sales Tax Refund	21
	F. International Fuel Tax Agreement (IFTA) Return	21
<b>VII.</b>	<b>Preparing the Budget and Compiling Financial Reports</b>	<b>21</b>
	A. The Budgeting Process	21
	B. Financial Reports	22
	C. External Audit of Financial Internal Control Procedures	22
<b>VIII.</b>	<b>Describing the Tax Classification and Treatment of Staff Members</b>	<b>23</b>
	A. Definition of “Employee”	23
	B. Gifts to Ministerial and Non-Ministerial Employees	23
	C. Housing Allowance for Ordained Staff Members	23
	D. Related Party Interests and/or Conflicts of Interest	24
	E. Use of Church Assets for Other Than Church Business	24
	F. Moving Expense for Ordained Staff Members	24
<b>IX.</b>	<b>Recording of Time Worked and Paying of Employees</b>	<b>24</b>
	A. Payroll Procedures	24
	B. Salaried Employees	25
	C. Hourly Employees	25
<b>X.</b>	<b>Securing and Reconciling Cash/Cash Equivalent Assets</b>	<b>25</b>
	A. Church Bank Checking Account	25
<b>XI.</b>	<b>Accounting for Designated – Restricted Use – Contributions</b>	<b>26</b>
	A. Classifying Contributions	26
	B. Disbursing Funds – Restricted Use	26
<b>XII.</b>	<b>Retaining of Documents and Financial Records</b>	<b>27</b>
<b>XIII.</b>	<b>Sample Forms File in Church Office</b>	<b>27</b>
<b>XIV.</b>	<b>Glossary of Terms &amp; Forms</b>	<b>28</b>

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## I. INTRODUCTION

### A. Organization

The First Baptist Church of Shallotte, Shallotte, North Carolina is a 501(c)(3), not-for-profit organization, and is tax exempt from federal income taxes. Further, the church is an association of church members and is tax exempt from state income taxes.

The Financial Policies and Procedures, as set forth in this manual, are intended to provide an accurate and confidential accounting of all financial transactions to the membership of the church.

Charitable contributions are the primary source of support of the church and are received as tithes and offerings in the form of cash, checks, bank drafts, credit cards, goods, stocks, bonds, and real property.

The Financial Policies and Procedures are intended to assure the membership that the mission of the church is being financially empowered through good fiscal management and accountability.

### B. Statement of Purpose

The Financial Policies and Procedures contained herein are established to provide specific guidelines for the handling of all funds and properties received by First Baptist Church of Shallotte whether they are contributions, fees/donations for usage of space or equipment, services rendered, or any other purpose for which payment or special contributions are received.

The purpose of the Financial Policies and Procedures Manual is eight-fold:

1. To provide an administrative framework of best practices to assist the staff and elected leadership to conduct the business of the church in a consistent and standardized manner;
2. To establish checks and balances within the administrative processes to assure the integrity and safety of the monies and properties received from the membership and other sources;
3. To assure compliance with actions of the membership as approved and recorded in the Church Constitution and By-Laws and minutes of any church business conference;
4. To assure compliance with all governmental regulations and/or laws;
5. To protect the Internal Revenue Service (IRS) 501(c)(3) tax exempt status;
6. To prevent liability claims;
7. To protect the employees;
8. To serve as an orientation document for newly hired staff members and as a reference for the existing staff members and lay leadership which should enhance the continuity and ease the transition of

# FINANCIAL POLICIES AND PROCEDURES MANUAL

annual rotations of involved councils, committees, organizational leadership in conducting the financial business of the church.

## **C. Scope of Financial Policies and Procedures Manual**

The Financial Policies and Procedures contained herein, subject to the Church Constitution and By-Laws, replace and supersede any and all policies and procedures concerning the issues described within these specific guidelines that may have been previously adopted by First Baptist Church of Shallotte.

## **D. Procedure for Revising the Policies and Procedures Manual**

The Financial Assurance Committee will review the adopted Financial Policies and Procedures annually in order to maintain consistency of the procedural guidelines and the actual practices and to ensure that the guidelines remain in compliance with applicable state and federal laws. Changes may be proposed by the ministerial staff, any church member or committee and must be submitted to the Financial Assurance Committee Chairperson for discussion and adoption by the full committee. The Financial Assurance Committee will then be responsible for submitting approved changes to the Budget and Finance Committee for approval. The Financial Assurance and Budget and Finance will jointly present all approved changes to the Church in a business conference.

A formal request to review the Financial Policies and Procedures may also be made by a church member at a regularly scheduled church conference. The request must be supported by a majority vote of the members present in order for such a review to be conducted.

It is recommended that any proposed change to the Financial Policies and Procedures be discussed with the ministerial staff and the Deacons in a regularly scheduled or specially called meeting prior to submission during a church business conference. The Deacons are not required to approve the proposed change, but its support would be elicited since the changes could affect how the committees, councils, and ministry areas conduct their business.

## **E. Exception Process for Handling Non-Compliance to Procedures**

Any non-compliance to the required procedures in this manual may be addressed to any of the following parties depending on the non-compliant party involved and the escalation needed for approval of the non-compliance or the disciplinary actions needed: Pastor, ministers, Personnel Committee, Budget & Finance Committee, Deacons, Financial Assurance Committee, Treasurer or Financial Manager.

## **F. Copies of Financial Policies and Procedures Manual**

Copies of this manual can be viewed in the Church office or obtained by a request through the church office.

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## II. COLLECTING, RECORDING, AND DEPOSITING FUNDS

### A. Offerings

1. Sunday School: Offerings and Sunday School records from all Sunday School classes will be placed in the designated offering envelope (Exhibit 13) completed with all the required information, signed by the designated representative, sealed, and carried to the church office by the designated representative and dropped in the church safe.

2. Other Sunday Offerings: All other Sunday offerings will be placed in the designated locked box(es). The Financial Manager/Treasurer and a member of the Counting Team will collect the offerings from the designated locked box(es) on the next business day. In the absence of the Financial Manager/Treasurer, another member of the Counting Team will be present.

### B. Counting of Offerings

#### 1. Counting Guidelines:

The purpose of the Offering Counting Guidelines is three fold:

- i. To account for all of the monies received by the church,
- ii. To properly document the contributions into the appropriate funds,
- iii. To protect the church members who have the counting responsibilities for the funds.

#### 2. Procedure:

The offerings from the worship service(s) will be collected from the designated locked box(es) on the next business day following the Sunday worship services, the Treasurer/Financial Manager and one person from the Counting Team must be present to count at the scheduled time. In the absence of the Treasurer/Financial Manager, another member of the counting team should be present. They will open all envelopes, verify, and total all monies. A deposit is made to the financial institution on the same day as the counting is completed.

See Exhibit 7 (Offering Counting Team Guidelines)

### C. Recording of Contributions

1. Cash/Checks: All contributions should be counted and recorded on an individual's annual contribution statement. All offering envelope should be filled out stating name and any designation of funds as approved by the church requested by the contributor other than general tithes and offerings. Amounts stated on the envelope, but not included in the envelope, will not be recorded or included on the individual's contribution statement.

# FINANCIAL POLICIES AND PROCEDURES MANUAL

2. Credit Card/ACH: Credit card and ACH offerings made on the FBCS website and/or FBCS app will be recorded on the individuals annual contribution statement.
3. Property: Contributions of personal or real property should be valued by the contributor to establish fair giving credit. If a donation is greater than \$5000, the Financial Manager will need to complete Section B, Part IV, of the IRS Appraisal Summary Form 8283, Non-cash Charitable Contributions. For property valued at greater than \$500, an informational return IRS Form 8282, Donee Information Return (Sale, Exchange or Other Disposition of Donated Property), shall be completed within 125 days from the date of sale, exchange or disposal of the donated property within two (2) years of the property's donation.
4. Stocks: Stock contributions will be valued at the trading price the next trading day after the stock is received regardless of market conditions.
5. Undesignated Gifts: Contributions made to the church without stipulations or designations will be applied to the general fund.
6. Designated Gifts: Contributions made to the church with designations will be applied to the appropriate designated account that has been previously approved by church in conference.

## **D. Tax Deductible Contributions**

Contributions will be considered deductible (for income tax purposes) if they are given with respect to, or for the use of, the church, including church organizations, denominational programs, and missions. A contributor's intent to pass monies/property through the church to a designated individual will not be considered charitable or included on the individual's annual giving statement. Monies given to the church for which goods or services are received are not considered charitable contributions and will not be a part of the contribution record.

## **E. Statements of Contributions**

Statements of contributions received by the church by December 31 of the previous year will be disseminated to the donors by January 31 of the following year.

## **F. Privacy of Giving Records**

Records shall be locked and/or inaccessible when not being used during the normal course of business operations. The only people to have access to these records are the Treasurer, Financial Assurance Team, Counting Team and Financial Manager.

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## G. Usage Fees, Special Fees, and Other Monies Collected

1. The following policies and procedures apply to monies collected at other times than on Sunday mornings. The list below includes identification of occasions and situations when monies are collected:

- a) Wednesday Family Night suppers – Funds are used to offset the cost of food and drinks
- b) Heart to Heart, Brotherhood, Quest, Fusion and Youth luncheons or banquets – Money is used to offset the cost of each event
- c) Vacation Bible School special missions offering – Offering is sent directly to the agency serving the designated mission cause
- d) Return of excess of advanced funds – Money is credited to the account from which it was originally charged
- e) Members' contributions received during the week – The Financial Manager/Treasurer handles the counting and depositing of any monies received during the week
- f) Usage of buildings and grounds for special events – Fees will be used to offset the costs of utilities.
- g) Usage of buildings and facilities by visiting *not-for-profit* groups – Fees used to offset the cost of utilities
- h) Information Technology Fees – Fees are to be deposited and check written to appropriate volunteer for the event.
- i) Mission trips, conferences, retreats, workshops, or camps – Fees used to pay for participating in ministry event or project and should be shown as receipts against the budgeted line item for which the receipts were collected
- j) Other – not listed above – Funds will be applied to the appropriate ministry or event account

2. Monies received for an activity must be submitted intact to the Financial Manager. All bills must be paid by checks or credit card prepared by the Financial Manager rather than by cash, except in an emergency. In the event paying cash is necessary, a written receipt must be obtained.

3. Monies collected for activities, trips, “special gifts” and other restricted use funds must be turned in to the Financial Manager in an approved collection envelope. A detailed statement must show the amount collected and identify the organization, ministry, account number, special gift or other restricted use fund that should be credited and be signed by the person responsible for the collection. For other than meals, the committee, staff member, or ministry receiving the funds should record to whom the money was turned in to, the amount received and the purpose of the monies. Copies of such records should be maintained by that organization, committee, ministry, or group for at least three years and transferred to the new Chairperson for planning and budgeting purposes.



# FINANCIAL POLICIES AND PROCEDURES MANUAL

4. Monies received for trip-related expenses should be collected prior to the day of travel, rather than taking large amounts of cash and/or checks to the destination. Any checks or cash collected on the day of travel must be documented, placed in an envelope and turned in to the Financial Manager/Treasurer or dropped in the safe on the same day or the next working day if it is after office hours. Monies collected over the weekend should be submitted to the Financial Manager/Treasurer on the first working day after the weekend. If possible, designate in advance, someone not going on the trip to deliver to the Financial Manager/Treasurer any money turned in on the day of travel.
5. When monies are collected for meals, at least two people should separately total and verify the amount of all monies received. A Tally Sheet should be used for counting and verifying the total amount. Both persons performing the compilation should sign the Tally Sheet.
6. When monies are collected, the person collecting them should take the funds to the Financial Manager or church office on the same day or the next working day. If the person collecting the monies cannot deliver the funds on the same day or the next working day, s/he must arrange for a designated person to meet the time schedule. The funds must not be left in a desk or any other unsecured place within the church facilities or off campus.
7. When possible and practical, the person delivering the monies and the Financial Manager/Treasurer should open the envelope in which the monies are delivered and verify the amount in the presence of one another. If at times when the Financial Manager/Treasurer verifies the money alone and a discrepancy is discovered, the person delivering the monies should be notified, so that a correction can be documented in writing.
8. Once the Financial Manager receives monies, the monies must be secured in a fireproof safe or locked cabinet/drawer.

## **H. Accounting for All Monies Expended**

All monies expended for a budget line item will be shown on the quarterly financial reports whether the monies were spent from general budget contributions or were received from other sources. The inclusion of all monies from all sources will provide a better understanding of the total funds expended for each mission and ministry area. Such information will fulfill the purpose of financial reports to assist in managing all funds, to enhance the decision making process, and to facilitate better budget planning.

The guidelines described below are to be adhered to:

1. For each of the major accounts where there may be income (fees) or transfer of funds (Special Gifts accounts), there will be an income account.
2. Monies from Special Gifts funds or from fees paid to cover all or part of the cost of missions or other trips, retreats, workshops,

# FINANCIAL POLICIES AND PROCEDURES MANUAL

conferences, camps, meals, and the like will be shown as income for the appropriate account.

3. Expenses will be charged against the appropriate income account.

4. The quarterly financial report, which is furnished to each Budget and Finance Committee member and made available at the quarterly church conference meetings, or upon request from the Church Office, will include information on all income and expenses.

5. At the end of the year, for each major budget line item account number, it will be possible to determine the total monies expended from budgeted funds, Special Gifts funds and from fees.

## **I. Fund-Raising Activities**

All committees or ministries planning fund-raising activities during each year are required to notify and review these plans with the Budget and Finance Committee in order to understand how monies should be handled and accounted for. All monies must be handled through church accounts. The Budget and Finance Committee should communicate these fund-raising policies and procedures to other groups that hold fund-raising activities.

## **J. Love Offerings Collected**

All love offerings must be deposited to the main checking account and paid by check drawn from the main checking account.

## **K. Memorials**

Memorials may be designated to a specific existing fund with First Baptist Church of Shallotte. Undesignated memorials will be deposited into the General fund.

## **III. APPROVING, ESTABLISHING, AND RECEIVING RESTRICTED USE FUNDS**

### **A. Charitable Deductibility**

“Designated Gifts” are contributions made to the church for a specified (restricted) purpose.

1. If the specified purpose is an approved (See III B below) project or program of the church, the designation will not affect the charitable deductibility of the contribution.

2. However, if a donor stipulates that a contribution be spent on a designated individual or family or specific purpose not already approved by the church, no deduction is usually allowed.

3. For a Designated Gift to be a Charitable Contribution, the church must exercise **full** administrative control over the donated funds to ensure that the funds are being spent in the furtherance of the tax-exempt purpose of the church.

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## **B. Establishing a Designated Project or Fund**

1. The member and/or elected leader should discuss the proposed project with the Pastor and the Chairman of Deacons.
2. The member and/or elected leader, Pastor, and Chairman of the Deacons then meet with the Budget and Finance Committee to present in writing all aspects of the proposed project.
3. The Budget and Finance Committee will vote to recommend approval or denial of the proposed project to the church.
4. The Chairperson of the Budget and Finance Committee will present the proposed project and report the approval or denial recommendation of the Budget and Finance Committee to the church in a regularly scheduled or called Church Conference.
5. A simple majority vote of the members' present will be required to approve the proposed project and for the church to receive Restricted Use funds that will be considered and classified as a charitable contribution from donors.

## **C. Purpose of the Restricted Use Funds Procedure**

The purpose of the procedure is not intended to prohibit the establishment of such projects or restricted funds. The procedure for gaining the approval of the church will provide greater communication and it will be viewed by the membership as a proposed church-wide project or fund. Further, the project should contribute to fulfilling the vision and mission of the Church.

## **D. Redirecting Previously Designated Contributions**

In most cases, the designated contributions will be used for the purpose for which given. There may be instances where the church in business conference, upon the recommendation of the Budget and Finance Committee, may decide that the contributions could be better used for another purpose.

1. The Church in business conference, upon the recommendation of the Budget and Finance Committee, will take official action with regard to the alternative use of the designated funds.
2. In any situation, the church retains the authority to use designated funds as the church so chooses if the funds are not used for the designated purpose.

## **E. Gifts Donated in Memory or in Honor of a Person**

Monies received in memory or in honor of a person are to be credited to undesignated contributions unless the donor or donors specify an approved church fund.

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## **F. Directed Contributions**

Directed contributions to individuals, other organizations or agencies external to First Baptist Church of Shallotte must be accounted for separately from regular contributions. Such directed contributions must not be included in the annual contribution statements issued to individuals by the church. Such contributions must meet prior approval from the Budget and Finance Committee.

## **IV. AUTHORIZING AND DISBURSING OF FUNDS**

These policies and procedures are intended to be an aid to those involved in purchasing supplies, equipment, or services necessary for First Baptist Church of Shallotte. Observance of these procedures will help to accomplish: (1) compliance with the financial policies of the church Budget and Finance Committee; (2) compliance with good fiscal management practices as established by auditors; (3) monitoring and control of expenditures in all budgeted line items.

### **A. Petty Cash Fund:**

1. A Petty Cash Fund of \$150.00 should be established and held by the Financial Manager or the Administrative Assistant (petty cash custodian). Cash payments are authorized from this fund for minor church office expenditures where a Purchase Order, church/personal credit card or check is not practical or accepted by the supplier. Documentation should be kept in the locked box/fund drawer for all petty cash expenditures.
2. A log showing the date, amount, and description of all expenditures from Petty Cash must be maintained by the custodian at all times with supporting documentation attached to account for all expenditures from the fund.
3. The Petty Cash Fund should be replenished by writing a check as needed to maintain the appropriate working balance. The Petty Cash fund will not be replenished without an up-to-date log and supporting documentation for the amounts expended. The Petty Cash custodian cannot be one of the check signers.
4. The Petty Cash Fund should be reconciled prior to the end of each budget year.

### **B. Payment Request Procedures:**

1. Only the Pastor, the Associate Pastor(s), Deacon Chairman, (for Deacon expenditures), Budget & Finance Chairperson, and committee Chairpersons may authorize the Financial Manager to prepare a check. Requests must be presented in writing using a Check Request Form.
2. Authorized to Sign:

# FINANCIAL POLICIES AND PROCEDURES MANUAL

- a) On all accounts excluding investment accounts:
    - (1) Primary – Treasurer, Financial Manager, or B&F Chairperson
    - (2) Secondary – Treasurer or Financial Manager, or B&F Chairperson
  - b) Investment Accounts:
    - (1) Primary – Chairman of Deacons, Chairman of Budget & Finance, or Trustees
    - (2) Secondary – Treasurer or Financial Manager
3. Persons wishing to receive reimbursement for an expense must complete an Expense Reimbursement Form and attach receipts before a reimbursement check will be issued. Reimbursement checks will be written within 1 week of submission of a completed Expense Reimbursement Form.
4. Check signers are required to initial all supporting documentation for any checks that require two signatures. If no documentation is attached, then the check cannot be signed.
5. No check signer should approve any of his/her own expenses.

## C. Purchase of Services and Supplies

1. The purchase of supplies, equipment, and services amounting to more than \$100 and that are charged to operations of the church shall be made on the authority of the appropriate committee Chairperson. The following people should approve, in writing, purchases for budgeted items up to the amount indicated:

Financial Manager	\$2,000
Budget & Finance Chairperson	\$2,000
Committee Chairpersons	\$1,000, only for their committee line items
Deacon Chairperson	\$500, only for Deacon line items
Pastors	\$1,500 only for their ministry area

Approval Levels: Budgeted items greater than those indicated above (other than exemptions below) must be approved by both the Financial Manager and a member of the Budget and Finance Committee.

Note: Separating items from a single purchase on different reimbursement forms to avoid getting the required approvals for budgeted items is not an acceptable practice. All purchase requests should be submitted to the Financial Manager prior to the actual purchase in order to validate fund availability.

2. In the event there are not sufficient funds available in the appropriate budget line item, these must be approved by the church in conference based on the recommendation by the Budget and Finance Committee.

Note: Separating items from a single purchase on different Purchase Orders to avoid getting the required approvals for unbudgeted items or

# FINANCIAL POLICIES AND PROCEDURES MANUAL

line items that have exceeded their annual budget amount is not an acceptable practice.

3. Exemptions: Some items and services are considered routine and are exempt from approval requirements. These include: purchases totaling less than \$100, perishable food products, service and maintenance contract invoices, utility bills, equipment lease invoices/payments, payroll checks, transfer of funds between the banking accounts, and contractual arrangements approved by the church.

4. Emergencies: For the purpose of these policies, emergencies are defined as situations which endanger lives, property, or the continuation of ongoing programs, and which can be corrected only by an immediate purchase or rental of equipment, supplies, materials, or services. When circumstances require such action, verbal approval should be obtained from one of the following: Pastor, Associate Pastor(s), Chairman of Deacons, Chairperson of the Budget and Finance Committee. Subsequently, the circumstances should be documented in writing and submitted to the Financial Manager.

5. Credit Card Purchases: Church Credit Card - For purchases made using a church credit card, credit card receipts must be turned in when the credit card is returned but no later than weekly to the Financial Manager.

## **D. Invoice Payments**

1. Requirements for Printing of Check: A check will be printed for payment of a service or a purchase only when the signed, completed Check Request Form has been received with attached supporting documentation by the Financial Manager.

2. Requirements for Signing the Check: A check for a service or purchase should not be signed without the signed payment form and documentation attached for audit by the check signers.

## **E. Competitive Quotes Policy**

1. Number of Quotes: In an effort to be good stewards of the church finances, at least 2 quotes, or 3 if available, should be sought for services or purchases greater than \$1,000.00. Exception: If only one source (vendor or supplier is the sole source) is available for a service or purchase, then only one quote is required.

2. Quote Responsibility: A committee, the committee Chairperson, designated committee member[s] of the committee, or the Financial Manager or staff minister needing or instructed to make a purchase will be responsible for obtaining necessary quotes and selecting the proper quote.

3. The Pastor, Associate Pastor(s), employees and members should disclose to the deciding body in the church their related party interest, including any benefit or financial gain that may be received from the vendor; those individuals must also abstain from any vote or decision. In any conflict of interest situation, any financial commitments made to vendors must be approved by the church prior to commencement.

# FINANCIAL POLICIES AND PROCEDURES MANUAL

4. Quote Selection: Choosing a quote should be based upon quality, references, timeliness, and total long-term cost of the purchase. Attention should be given to accepting quotes from insured contractors.

5. Waivers:

a) Full-Value Lien: For purchases or contracted services in which contractors supply materials and supplies, all necessary full-value lien waivers should be obtained before payment for work or services is made.

b) Workers Compensation: All companies or individuals selected to perform work for the church must provide the church with a Certificate of Insurance showing they have Workers Compensation and General Liability insurance for their employees. The certificate or waiver must be on file at the church prior to the individual or company beginning work at the church.

c) Quote Format: Written quotations are required. To insure quotes are comparable, a list of specifications should be given to those that are asked to submit quotes.

6. Central Contracts File:

All church contracts should be reviewed on an annual basis by the Budget and Finance Committee including but not limited to: Church cell phone plans, regular phone services, phone book and newspaper ads, food services, landscaping services, insurance policies, copying and/or printing services, security system, fire alarm system, rug contracts, janitorial supplies, hood cleaning, and cleaning services. The Budget and Finance Committee should establish a central contract file repository for all approved contracts, including revisions and amendments.

## **F. Insurance Coverage/Analysis**

1. Coverage Review Responsibility: The review of all insurance coverage is the responsibility of the Budget and Finance Committee and should be conducted at least every 3 years. The review should be initiated by the Budget and Finance Committee in consultation with the Building & Grounds Committee for property and liability insurance and with the Personnel Committee for health care and sexual harassment liability. The review should be made from an annually updated inventory of all church property and fixed assets conducted by the Building & Grounds Committee with assistance from the IT Committee to identify the inventory of all audio-visual equipment.

2. The official copy of the annual church property and fixed assets inventory should be stored in a locked fireproof cabinet.

3. Review Frequency: The church insurance package should be reviewed by the Budget and Finance Committee and the Personnel Committee

# FINANCIAL POLICIES AND PROCEDURES MANUAL

annually at least 2 months prior to the policy or policies' anniversary date(s).

4. Analysis: The insurance package review should determine that:
  - a) Adequate coverage is in place for all areas of the church including, but not limited to, property loss, casualty and theft, liability coverage, bus/van coverage, worker's compensation, sexual harassment liability, and health care coverage for employees.
  - b) The church is receiving the best value for the premiums paid by having competing insurance carriers quote annually on all insurance coverage per the current or increased amounts of coverage.

## **G. Cash Management**

1. Checking Account: Unless circumstances dictate otherwise, any church checking accounts should be interest bearing accounts.
2. Checking Account Balance: When the balance exceeds an amount equal to four (4) week's budgeted expenses, a transfer of funds should be made to the Capital Fund. The Capital Fund will be used for debt retirement or future growth. The Financial Manager is authorized to make this determination.

## **H. Credit Card Management**

1. The Budget and Finance Committee must approve the acquisition of a credit card for use by church personnel or church committees. The Budget and Finance Committee will establish available credit limits. The destruction of a church credit card or the closing of a church credit card account must also be approved by the Budget and Finance Committee.
2. The church will maintain up to **seven** credit cards for general use and specified departmental use. The Budget & Finance Committee will oversee the assignment and use of these cards. Department heads or leaders that have a need for the general use card will be asked to sign out the card on a log stating purpose and expected return of card. The card must be returned no later than weekly after use and should include all applicable receipts. Frequently used cards may be maintained by department chairs or staff with prior approval of Budget and Finance Committee. The Church Secretary or designated staff member will maintain responsibility for the check-out and return of all general use credit cards, and will also ensure proper log administration. Credit cards, when not in use, should be kept in a locked and secure place.
3. Card Use:
  - a) The cards can only be used for church and church program-related purchases.
  - b) A receipt for each credit card purchase must be returned when the card is returned.



# FINANCIAL POLICIES AND PROCEDURES MANUAL

- c) Purchases Not Church Related: Any credit card purchase deemed not church related by the Budget and Finance Committee must be paid for by the purchaser within one week of the purchase.
- 4. Credit Card Limits: The First Baptist Church, Shallotte general use credit cards will have an aggregate limit of **\$31,500** with individual card limits as follows:
  - a) Pastor - \$2,000.00
  - b) Administration - \$2,000.00
  - c) Buildings & Grounds - \$2,500.00
  - d) Holiday Committee - \$2,000.00
  - e) Kitchen Committee - \$2,000.00
  - f) Associate Pastor of Discipleship & Family Life - \$2,000.00
  - g) Finance Committee - \$ 15,000
  - h) Bags of Hope - \$2,000
  - i) Trail Life - \$2,000
- 5. In the event staff ministers prefer to use their own personal credit cards for church business, receipts must be submitted via a First Baptist Church Expense Report (See Section V B1 & B2) and approved by the Financial Manager.

## **G. Vendor Charge Accounts**

All vendor charge accounts should be reviewed by the Financial Manager, and a list of authorized individuals should be developed for every vendor. This list of authorized individuals should be provided to each vendor and kept updated.

## **H. Authorizing and Disbursing Payments for Cooperative Program and Associational Missions**

When the church approves the operating budget, it sets the levels of contributions based on percentages of actual undesignated receipts. The amounts are posted by journal entry to the Cooperative Program and Associational Missions accounts to book the expense in the same month. A payable is created each month as determined by the actual undesignated receipts and checks are written to the Baptist State Convention and the Brunswick Baptist Association, respectively, based on the availability of funds.

## **V. ACCOUNTABLE REIMBURSEMENT PLAN**

### **A. Defining an Accountable Reimbursable Plan**

To be an accountable plan, the reimbursement or allowance arrangements must include ALL four (4) of the following rules:

# FINANCIAL POLICIES AND PROCEDURES MANUAL

1. The expenses of the Pastor, Associate Pastor(s) and other employees must have a church business connection – that is, they must have paid or incurred deductible expenses while performing service as an employee of the church.
  2. The Pastor, Associate Pastor(s) and other employees must adequately account to the church for these expenses within thirty days. The Pastor, Associate Pastor(s) and other employees must adequately account by giving the church a statement of expense along with documentary evidence (such as receipts) of their travel, mileage, and other employee business expenses. The Pastor, Associate Pastor(s) and other employees must account for *all* amounts they receive from their employer during the year as advances, reimbursements, or allowances. Each employee must give the church the same type of records and supporting information that s/he would have to give the Internal Revenue Service (IRS) if the IRS questioned a deduction on her/his tax return. S/he must pay back the amount of any reimbursement or other expense allowance for which s/he does not adequately account or that is more than the amount for which s/he accounted.
  3. The Pastor, Associate Pastor(s) and other employees must return any excess reimbursement or allowance (cash advance) within ten (10) days after completing the trip. An excess reimbursement or allowance is any amount the Pastor, Associate Pastor(s) or the employees are paid that is more than the business-related expenses that they adequately accounted for to the church. Under an accountable plan, the Pastor, Associate Pastor(s) or other employees are required to return any excess reimbursement or other expense allowances for their businesses to the Financial Manager.
  4. No individual is allowed to approve their own or their spouses' expenses.
- B. Reimbursement of Travel Expenses for Conferences and Conventions, Educational Conferences and Personal Development Seminars**
1. The Personnel Committee is responsible for including in the Personnel portion of the General Fund Budget an annual amount to cover reimbursable expenses. The total reimbursement costs should not exceed the amounts budgeted. Such expenses are separate line items and are not shown as compensation.
  2. Upon provision of applicable receipts, employees and/or members will be reimbursed for authorized, reasonable out-of-pocket travel expenses while attending educational conferences, personal development seminars and conventions. Such expenses include meals, lodging, and transportation. Itemized requests on the FBC Expense Report for travel expense reimbursements shall be submitted to the Financial Manager for approval.
- C. Reimbursement of Hospitality (Miscellaneous) Expenses**

# FINANCIAL POLICIES AND PROCEDURES MANUAL

Budgeted expenses are to be used to reimburse the Pastor, Associate Pastor(s) and support staff for the following:

1. Business and professional expenses including travel costs while attending educational conferences, professional development seminars, and conventions.
2. Dues paid to ministry and other professional development organizations, periodicals, books, and reference materials.
3. Other business and professional expenses considered ordinary and necessary in performance of duty.
4. Rules governing the use of miscellaneous funds:
  - a) Use of personal car by support staff for church related travel will be reimbursed at the IRS approved level. Actual mileage incurred should be recorded on the First Baptist Church Expense Report or the mileage recorded may be from an approved Internet mileage chart of driving distances between First Baptist Church and frequently traveled locations. Automobile mileage will be reimbursed at the current IRS level.
  - b) Itemized requests for all expense reimbursements shall be submitted to the Financial Manager for approval.
  - c) The Financial Manager and/or Chairperson of the Budget and Finance Committee shall be the approving authority for expense reimbursement for the Pastor.
  - d) No expenses for staff shall be paid without appropriate applicable receipts submitted with the First Baptist Church Expense Report and signed by the Pastor and in the case of the Pastor, signed by the Financial Manager and/or Chairperson of the Budget and Finance Committee.
  - e) The total reimbursement costs shall not exceed the funds budgeted.
5. For all reimbursable expenses, a First Baptist Church Expense Report with receipts and vouchers shall be submitted to the Financial Manager by the end of the month for which the expense was incurred.
6. For all trips and retreats utilizing church budgeted funds, a First Baptist Church Expense Report with all receipts and vouchers shall be submitted to the Financial Manager within five days after returning from a trip. A report summary shall be submitted with the First Baptist Church Expense Report, which documents all expenses incurred and all monies paid out for that trip.
7. In no case will an expense be reimbursed if submitted more than 60 days after the expense is paid or incurred by an employee without Budget and Finance approval.
8. The church shall not include in an employee's W-2 Form the amount of any properly substantiated and reimbursed business or professional expense.
9. No employee or layperson will be reimbursed for expenses incurred on behalf of the church without proper documentation as specified herein.

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## **D. Expense Reimbursement Procedures**

1. Form Required: A First Baptist Church Expense Report must be completed for reimbursement of personal expenditures or the use of personal property for church related business or programs. The First Baptist Church Expense Report should include the following:

- Names of all persons present for whom expenses are being submitted
- Business reason for the expense
- Date and amount of the expense
- Receipts that match the date and amount of the expense

2. Original invoices or receipts for all personal expenditures, regardless of the amount, must be attached to the completed form.

3. Non-Reimbursable Expenses: The church will not reimburse the following expenses incurred or submitted on a First Baptist Church Expense Report: (1) purchases without a receipt or invoice, (2) alcoholic beverages, (3) meals served with alcoholic drinks included, and (4) motel within 50 miles of the church.

4. Expense Reimbursement Approval: A completed First Baptist Church Expense Report must be submitted to the Financial Manager for approval. The Pastor's Expense Reports will be approved by the Financial Manager and/or Chairperson of Budget and Finance. The approval signature must be an authorized approver who did not participate in the event. In the event that all authorized approvers participated in the event, the Deacon Chairman should approve the First Baptist Church Expense Report.

5. Reimbursement Payment: A reimbursement check will be written within 1 week of submitting a completed and approved First Baptist Church Expense Report to the Financial Manager.

6. Church Vehicle Expenses:

Expenses for the use of church vehicles should include the following:

- Date and amount of the expense
- Receipts that match the date and amount of the expense
- Purpose of the expense
- Vehicle identification

## **VI. REPORTING TO GOVERNMENT AGENCIES**

The Financial Manager will complete, sign or obtain signatures for reports and documentation related to the following:

### **A. Internal Revenue Service (IRS)**

Donee Information Return, Form 8282 (attached) for contribution of property to the church valued at  $\geq$ \$500 that were disposed of within two (2) years. This form must be filed within 125 days of disposition of the donated property.

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## B. Government Tax Report

Federal 941 payroll tax reports per the following schedule:

<u>Form 941</u>	<u>Quarter Ending</u>	<u>Due Date</u>
1. Jan-Feb-Mar	3/31	4/30
2. Apr-May-Jun	6/30	7/31
3. Jul-Aug-Sep	9/30	10/31
4. Oct-Nov-Dec	12/31	1/31

Federal Payroll Tax Payment (941-Form 8109) – remitted by the monthly schedule found in Federal Publication 15, Circular E. State Withholding Tax (NC-5 Form) – remitted monthly, reconciled annually. All payroll tax liabilities are paid when due according to IRS regulations.

## C. New Employee Forms

The following forms must be obtained from a new employee and copies placed in their personnel file:

1. Federal Form W-4
2. Proof of Citizenship or Immigration Form I-9
3. State Form NC-4
4. Work Permit, if under 18 years old

## D. Annual Reports

1. Employee W-2, W-3
2. Self-Employed 1099, 1096
3. State Reconciliation Form NC-3M

## E. Sales Tax Refund

1. Filed semi-annually; January through June filed by October 15; July through December filed by April 15.
2. Forms for requesting sales tax refund are provided by the North Carolina Department of Revenue.

## F. International Fuel Tax Agreement (IFTA) Return

1. NC Form GAS-1276, filed quarterly by end of month following end of regular quarter.
2. Forms are mailed to the church by the NC Dept of Revenue.
3. Information in report pertains to the use and mileage of the church bus due to the weight of the vehicle. See instructions for details.

## VII. PREPARING THE BUDGET AND COMPILING FINANCIAL REPORTS

### A. The Budgeting Process

Each year a budget will be established for the church and approved by the membership as established by the Constitution and By-Laws.

1. Preparation: An annual budget projecting revenues and expenditures, including local expenses, education, missions, and benevolences shall be prepared by the Budget and Finance Committee and presented to the church in a business session at least 60 days prior to the end of each calendar year. All staff and committee Chairpersons

# FINANCIAL POLICIES AND PROCEDURES MANUAL

responsible for a budget line item will be sent a Budget Request Form by the Budget & Finance Committee. This form should then be completed and submitted to the Financial Manager by a date set by the Budget and Finance Committee. The Budget Request Form should state all expected expenditures by month and by line item for the coming fiscal year. Each line item should include a narrative that will provide sufficient information to the Budget and Finance Committee to explain the nature of the proposed expenditure. The Budget and Finance Committee will assist each major ministry to assist the staff and/or committee Chairpersons in the development and discussion of the planned budget line item. The budget should be discussed/prepared/coordinated through the Budget and Finance Committee, Church Financial Manager and Pastor or his designee.

2. Presentation: The budget shall be given to the membership 2 weeks prior to a called or regular Business Conference to discuss the budget.

3. Discussion: The line item budget will be discussed by the church at the called or regular Business Conference at least 60 days prior to the end of the calendar year. During the Business Conference, the Chairperson of the Budget and Finance Committee, or his/her alternate, will provide an explanation of the projected revenue and all significant expenditures. During this meeting, any church member may make a motion to revise any part of the budget, which will be discussed and voted upon immediately.

4. Approval: The budget will be approved by the church by a majority vote of church members at a called or regular business conference. If a majority does not vote in support of the budget, the Budget and Finance Committee will present an alternate budget to the church for vote within 1 week.

## **B. Financial Reports**

Quarterly: A detailed report of the previous month's revenues and expenditures shall be presented and made available to the membership at each church conference of the year. This report will include comparisons of actual revenues and expenses to the budgeted figures by line item. If there is no monthly conference, handouts will be available at the next scheduled conference. Members can request copies of the financial statements through the church office at any time.

## **C. Internal Audit of Financial Internal Control Procedures**

1. Conducted By – The cash receipts and disbursement audit should be conducted by the Financial Assurance Committee.

*Frequency – This audit should be conducted annually and upon the position change of the Financial Manager.*

2. Scope – Each audit should review cash receipts and disbursements of the financial records of the Church Financial Manager.

# FINANCIAL POLICIES AND PROCEDURES MANUAL

3. Dissemination of Results – The Financial Assurance Committee shall report its findings to the Budget & Finance Committee by the March conference.
4. Implementation of Audit Recommendations – The Budget and Finance Committee, the Financial Manager, and other appropriate committees or staff, as instructed, should implement all parts of the Audit Report immediately following church approval. A Final Implementation Report should be filed with the Budget and Finance Committee minutes listing the “who, how and when” for each recommendation implemented.
5. Scope – Each audit should review all major financial procedures and transactions including but not limited to: collection of income and placement in night deposit box; counting, recording and depositing of income; recording of transactions in financial software; printing, signing and distribution of checks; petty cash procedures; credit card procedures; balancing of bank statements; records retention; government reporting; employee time reporting and payroll procedures.
6. Dissemination of Results – The Preliminary Audit Report (including all infractions and recommended solutions) will be reviewed in a joint meeting with the Financial Assurance Committee and the Budget & Finance Committee. All deletions and revisions agreed on in this meeting should be reflected in the Final Audit Report. Before the Final Report is issued, the Budget & Finance Committee should review the recommendations with the appropriate committees to accept or reject the findings.
7. The Final Audit Report should be presented by the Financial Assurance Committee and Budget & Finance Committee to the church in conference. A motion should be proposed by a church member to approve the resolutions and accept the report, which would bind the church to the recommendations that need to be implemented.

## VIII. DESCRIBING THE TAX CLASSIFICATION AND TREATMENT OF STAFF MEMBERS

### A. Definition of “Employee”

All permanent, non-ordained staff members shall be considered employees of the church for income tax purposes and issued an IRS W-2 form at the end of the year to report salary and withholding. The church is required by law to withhold federal and state taxes on all non-ordained employees. The church is not required to withhold any taxes on ordained ministerial employees. Ordained ministerial employees may voluntarily request in writing that the church withhold federal and state income tax.

### B. Gifts to Ministerial and Non-Ministerial Employees

All gifts to ministerial and non-ministerial employees of the church paid from church funds are classified as compensation and will be included on the W-2 or 1099 for the year received.

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## **C. Housing Allowance for Ordained Staff Members**

Whereas, Section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income a church-designated housing allowance paid to the minister as part of the minister's compensation to the extent used by the minister for actual expenses incurred in owning or renting a home, that a portion of the minister's salary that he or she has designated shall be considered as housing allowance for the following year and will stay in effect until a change is requested by the minister, reviewed by the Personnel Committee and approved by the church. Each minister participating in the housing allowance exclusion must submit to the IRS a Minister's Housing Allowance form (MH-1) accounting for actual housing expenses for a tax year. The burden of proof for the minister's actual housing expenses rests with the minister and is not the liability of First Baptist Church.

## **D. Related Party Interests and/or Conflicts of Interest**

The Pastor, Associate Pastor(s), employees and members should disclose to the deciding body in the church their related party interest, including any benefit or financial gain that may be received from any vendor; those individuals must also abstain from any vote or decision. In any conflict of interest situation, any financial commitments made to vendors must be approved by the church prior to commencement.

## **E. Use of Church Assets for Other than Church Business**

All employees of the church are prohibited from using church cell phones, equipment, computers or any other church property for purposes other than approved church business.

## **F. Moving Expenses for Ordained Staff Members**

The church may pay moving expenses for ministers it hires if recommended by the Personnel Committee and approved by the Church.

## **IX. RECORDING OF TIME WORKED AND PAYING OF EMPLOYEES**

### **A. Payroll Procedures**

- 1. Pay Period:** All employees will be issued payroll checks weekly.
- 2. All new employees and ministers of the church should be compensated only through the normal payroll system and that consistent pay periods must be utilized for all new employees of the same classification.**
- 3. Issuance of Payroll Checks:** Payroll checks are direct deposited into the accounts specified by the employee via a direct deposit authorization form. Checks may be printed and placed in a sealed



# FINANCIAL POLICIES AND PROCEDURES MANUAL

envelope at the request of the employee. A check for an employee or former employee who is unable to personally receive their check will be mailed to the individual, upon request.

4. Pay for a Terminated Employee: If at all possible, a payroll check should be given to a terminated employee before he/she leaves the premises.

5. Annual Notification of Time-Off for Hourly Employees: The Personnel Committee and the Financial Manager should provide each employee with information on the approved time-off that is due them for that year and that they clearly refer to all policies and procedures for how to account for and track time-off. The Personnel Committee and the Financial Manager should communicate to each employee a running total of time-off taken vs. available at the end of each quarter to keep all parties up to date and reconcile both sets of records.

## **B. Salaried Employees**

Salaried employees will be paid a fixed amount each pay period. The salary amount is the amount the Personnel Committee recommends for each person and that has been approved by the church as a part of the budget process.

Salaried employees are not required to complete a weekly time sheet.

## **C. Hourly Employees**

1. Recording of Hours Worked: The church is required by law to keep an accurate record of work hours. Each hourly employee will be issued a time sheet to be completed on a weekly basis. The hourly employee is to record total hours worked per day, including paid time off and overtime. The time sheet must be signed by the Pastor and given to the Financial Manager on the last day of every work week. Overtime hours are not allowed.

2. Rate of Pay: A completed "Rate of Pay Authorization" form must be given to the Financial Manager by the Personnel Committee Chairperson for each new hire approved in conference by the church body. This form should also be completed for each hourly paid and salaried employee at the beginning of each budget year.

## **X. SECURING AND RECONCILING CASH/CASH EQUIVALENT ASSETS**

### **A. Church Bank Checking Account**

1. Authorized Check Signers: Budget & Finance Chairperson, Church Financial Manager, and the Church Treasurer.

Number of Signatures on Checks: All checks in excess of \$2,000.00 require two (2) signatures with the exception of regular monthly recurring

# FINANCIAL POLICIES AND PROCEDURES MANUAL

payments and/or charges. It is understood that with the availability of at least three (3) check-signers, no checks should be pre-signed and left blank in case of emergency.

New checks should be printed that clearly state, on the face of each check, two signatures and that the Financial Manager and the Budget and Finance Committee update signature cards within 48 hours of any change in parties authorized to sign checks.

2. Balancing Checking Account: The checking account monthly bank statement should be balanced within the week it is received by the Financial Manager and reviewed by the Budget & Finance Committee within three months. The bank checking account balance after reconciliation should agree with the ending general ledger cash account balance. Unreconciled differences should be resolved immediately but normally should always equal zero.

3. Blank Check Stock: All of the blank check stock must be stored in a locked, secure place – in a safe or locked storage cabinet.

## **XI. ACCOUNTING FOR DESIGNATED -RESTRICTED USE - CONTRIBUTIONS**

### **A. Classifying Contributions**

In accordance with Statement of Financial Accounting Standards (SFAS) No. 116, *“Accounting for Contributions Received and Contributions Made,”* contributions are to be recorded as unrestricted (general use), temporarily restricted, or permanently restricted depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are to be reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are to be reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are to be reclassified to unrestricted (general use) net assets.

### **B. Disbursing Funds – Restricted Use**

By approving the Financial Policies and Procedures, the Designated or Restricted Use Funds have been approved by the Church in a business conference for receiving contributions to support missions, ministries, and other interests of First Baptist Church, Shallotte.

1. The church, not the donor, will exercise full administrative control over the donated funds to ensure that the funds are being spent in the furtherance of the tax-exempt purpose of the church.

2. The monies contributed to any one of the funds defined herein are considered a deductible charitable contribution.

# FINANCIAL POLICIES AND PROCEDURES MANUAL

3. The responsible committee, as indicated for each fund, will make recommendations for disbursements from its fund to the Budget and Finance Committee.
4. The Budget and Finance Committee has final approval over all distributions.
5. All disbursements in excess of \$2,000 must receive **prior** approval (See Section IV C1), and
6. The Budget and Finance Committee Chairperson and the Financial Manager will provide each responsible committee and the Church in a business conference a quarterly status report of the Designated – Restricted Use Funds. Such information will include the amount of the receipts and the nature of the disbursements for the most recent month and year to date. The reports will not include the names of individuals – neither donors nor recipients.

## XII. RETAINING OF DOCUMENTS AND FINANCIAL RECORDS

All church records listed below will be stored in the large safe or a designated area of the church building and clearly labeled. Proper storage & retention of records is the responsibility of the Church Clerk and Financial Manager. Records should be kept according to the following retention schedule:

<u>Document</u>	<u>Retention Period</u>
All Titles to Property, Deeds and Mortgages	Permanent
Articles of Incorporation	Permanent
<u>Document</u>	<u>Retention Period</u>
Constitution, Bylaws and Charter	Permanent
Membership Register	Permanent
Monthly and Called Congregational Business Meeting Minutes	Permanent
Audit Reports	Four Years
Bank Statements and reconciliations	Four Years
Checks stubs	Four Years
Contractor Liability and Worker's Comp Insurance Certificates	Four Years
Contracts & Agreements	Four Years
Correspondence – Legal & Tax	Four Years
Employment tax forms and details	Four Years
Expense Reimbursement records	Four Years
Financial Ledgers/Cash Books	Four Years
Financial Reports (Monthly)	Four Years
Insurance Claims (After Settlement)	Four Years
Insurance Policies (All Types-Expired)	Four Years
Mortgage Notes & Leases (Expired)	Four Years
Payroll (Individual Time Reports & Earnings Records)	Four Years
Personnel Disability & Sick Benefits Records	Four Years
Personnel Files (Terminated)	Four Years
Personnel Withholding Tax Statements	Four Years
Paid Invoices	Four Years

# FINANCIAL POLICIES AND PROCEDURES MANUAL

Correspondence General  
Offering Envelopes (filed by date)

Two Years  
Two Years

## XIII. SAMPLE FORMS FILE IN CHURCH OFFICE

A file of the latest blank Sample Forms referred to in this manual will be kept in the Church Office by the Financial Manager for copying and use by the church staff.

## XIV. GLOSSARY OF TERMS & FORMS

### **TERMS:**

#### **Annual Contribution Statement:**

Individual's summary of all contributions received by First Baptist Shallotte during a given year. Distributed no later than January 31<sup>st</sup>.

#### **Certificate of Insurance:**

Document designed to provide proof of insurance to vendors, suppliers, customers, etc. Explains in detail the type of insurance, policy information, named insured, coverage amounts and certain limitations.

#### **Contingency Fund:**

An amount kept in reserve to guard against possible losses.

#### **Endowment:**

Funds or property donated to an institution, individual or group as a source of income.

#### **Financial Manager:**

Responsibilities include but are not limited to: the day-to-day accounting, recording and reporting aspects of the church record keeping including payroll, check preparation, preparation of deposits during the week, the monthly financial statements and the year-end contribution statements to the church members.

#### **Majority Vote:**

Greater than 50% of members attending a Church conference.

#### **Purchase Order:**

A commercial document used to request someone to supply something in return for payment.

#### **Restricted Use Funds:**

Funds designated by the donor to be used for a specific purpose (not general use) can be temporary or permanent as defined in Section XI paragraph C.

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## **Separation of Duties:**

All good systems of internal control include a process to identify separation of duties conflicts. Separation of duties is a control used to ensure that no one individual has responsibilities within a process that would allow him/her to misuse or divert assets without detection. One individual should not be permitted to perform activities which combine: Authorization, Recording, Processing, Custody and Reporting/Reconciliation.

Staff members' responsibilities and access to systems should be reviewed at least annually to ensure that separation of duties conflicts are not inherent in their job responsibilities and system accesses.

## **Worker's Compensation:**

Payments required by law to be made to an employee who is injured or disabled in connection with work.

## **FORMS:**

### **Federal Form W-4: (Exhibit 1)**

Completed by employees to determine amount of federal tax to be withheld from pay.

### **State Form NC-4: (Exhibit 2)**

Completed by employees to determine amount of state tax to be withheld from pay.

### **Form I-9: (Exhibit 3)**

Proof of citizenship or immigration. Required for employment.

### **State Withholding Tax Form NC-5: (Exhibit 4)**

Remitted monthly to report state payroll tax.

### **Federal Payroll Tax Payment Form 941: (Exhibit 5)**

Remitted semiweekly to report federal payroll tax.

### **Form 8282: (Exhibit 6)**

IRS required form for contributions of property valued at > \$500.

### **Form 8283: (Exhibit 7)**

IRS required form for noncash contributions of \$5000 or less.

### **Counting Team Guidelines: (Exhibit 8)**

Directions and procedures for counting & deposit of offerings.

### **Record of Monies Received: (Exhibit 9)**

Form used to analysis & record deposit information when counting offerings.

# FINANCIAL POLICIES AND PROCEDURES MANUAL

**Benevolence Fund Policy & Guidelines: (Exhibit 10)**  
Guidelines for church benevolence assistance.

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## Exhibit 1 – Federal W4

### Form W-4 (2007)

**Purpose.** Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Because your tax situation may change, you may want to refigure your withholding each year.

**Exemption from withholding.** If you are exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2007 expires February 16, 2008. See Pub. 505, Tax Withholding and Estimated Tax.

**Note.** You cannot claim exemption from withholding if (a) your income exceeds \$850 and includes more than \$300 of unearned income (for example, interest and dividends) and (b) another person can claim you as a dependent on their tax return.

**Basic instructions.** If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 adjust your withholding allowances based on

itemized deductions, certain credits, adjustments to income, or two-earner/multiple job situations. Complete all worksheets that apply. However, you may claim fewer (or zero) allowances.

**Head of household.** Generally, you may claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals.

**Tax credits.** You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 919, How Do I Adjust My Tax Withholding, for information on converting your other credits into withholding allowances.

**Nonwage income.** If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax

for individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 919 to find out if you should adjust your withholding on Form W-4 or W-4P.

**Two earners/Multiple jobs.** If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others.

**Nonresident alien.** If you are a nonresident alien, see the instructions for Form 8233 before completing this Form W-4.

**Check your withholding.** After your Form W-4 takes effect, use Pub. 919 to see how the dollar amount you are having withheld compares to your projected total tax for 2007. See Pub. 919, especially if your earnings exceed \$130,000 (Single) or \$180,000 (Married).

#### Personal Allowances Worksheet (Keep for your records.)

<b>A</b>	Enter "1" for <b>yourself</b> if no one else can claim you as a dependent . . . . .	<b>A</b>	<u>      </u>
<b>B</b>	Enter "1" if: <div style="display: inline-block; vertical-align: middle; border-left: 1px solid black; border-right: 1px solid black; padding: 0 5px;"> <ul style="list-style-type: none"> <li>• You are single and have only one job; or</li> <li>• You are married, have only one job, and your spouse does not work; or</li> <li>• Your wages from a second job or your spouse's wages (or the total of both) are \$1,000 or less.</li> </ul> </div>	<b>B</b>	<u>      </u>
<b>C</b>	Enter "1" for your <b>spouse</b> . But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.) . . . . .	<b>C</b>	<u>      </u>
<b>D</b>	Enter number of <b>dependents</b> (other than your spouse or yourself) you will claim on your tax return . . . . .	<b>D</b>	<u>      </u>
<b>E</b>	Enter "1" if you will file as <b>head of household</b> on your tax return (see conditions under <b>Head of household</b> above) . . . . .	<b>E</b>	<u>      </u>
<b>F</b>	Enter "1" if you have at least \$1,500 of <b>child or dependent care expenses</b> for which you plan to claim a credit . . . . .	<b>F</b>	<u>      </u>
<b>(Note.</b> Do not include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)			
<b>G</b>	<b>Child Tax Credit</b> (including additional child tax credit). See Pub 972, Child Tax Credit, for more information. <ul style="list-style-type: none"> <li>• If your total income will be less than \$57,000 (\$85,000 if married), enter "2" for each eligible child.</li> <li>• If your total income will be between \$57,000 and \$84,000 (\$85,000 and \$119,000 if married), enter "1" for each eligible child plus "1" <b>additional</b> if you have 4 or more eligible children.</li> </ul>	<b>G</b>	<u>      </u>
<b>H</b>	Add lines A through G and enter total here. <b>(Note.</b> This may be different from the number of exemptions you claim on your tax return.) ▶	<b>H</b>	<u>      </u>
For accuracy, complete all worksheets that apply. <ul style="list-style-type: none"> <li>• If you plan to <b>itemize or claim adjustments to income</b> and want to reduce your withholding, see the <b>Deductions and Adjustments Worksheet</b> on page 2.</li> <li>• If you have <b>more than one job</b> or are <b>married and you and your spouse both work</b> and the combined earnings from all jobs exceed \$40,000 (\$25,000 if married) see the <b>Two-Earners/Multiple Jobs Worksheet</b> on page 2 to avoid having too little tax withheld.</li> <li>• If <b>neither</b> of the above situations applies, <b>stop here</b> and enter the number from line H on line 5 of Form W-4 below.</li> </ul>			

Cut here and give Form W-4 to your employer. Keep the top part for your records.

Form <b>W-4</b> Department of the Treasury Internal Revenue Service	<b>Employee's Withholding Allowance Certificate</b> ▶ Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.	OMB No. 1545-0074 <div style="font-size: 2em; font-weight: bold; border: 1px solid black; padding: 2px; display: inline-block;">2007</div>
1 Type or print your first name and middle initial. Last name		2 Your social security number
Home address (number and street or rural route)		3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. Note. If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.
City or town, state, and ZIP code		4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. <input type="checkbox"/>
5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2)		5 <u>      </u>
6 Additional amount, if any, you want withheld from each paycheck		6 \$ <u>      </u>
7 I claim exemption from withholding for 2007, and I certify that I meet <b>both</b> of the following conditions for exemption. <ul style="list-style-type: none"> <li>• Last year I had a right to a refund of <b>all</b> federal income tax withheld because I had <b>no</b> tax liability <b>and</b></li> <li>• This year I expect a refund of <b>all</b> federal income tax withheld because I expect to have <b>no</b> tax liability.</li> </ul> If you meet both conditions, write "Exempt" here		7 <u>      </u>
Under penalties of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.		
Employee's signature (Form is not valid unless you sign it.) ▶		
8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)		Date ▶
9 Office code (optional)		10 Employer identification number (EIN)

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## Exhibit 2 – NC State NC-4

**NC-4**  
Web  
7-06

### Employee's Withholding Allowance Certificate

North Carolina Department of Revenue

<p><b>PURPOSE.</b> Complete Form NC-4 so that your employer can withhold the correct amount of State income tax from your pay.</p> <p><b>BASIC INSTRUCTIONS.</b> Complete the <b>Personal Allowances Worksheet</b> on Page 2. An additional worksheet is provided on Page 2 for employees to adjust their withholding allowances based on itemized deductions, adjustments to income, or tax credits. The worksheets will help you figure the number of withholding allowances you are entitled to claim. However, you may claim fewer allowances if you wish to increase the tax withheld during the year. If your withholding allowances decrease, you must file a new NC-4 with your employer within 10 days after the change occurs except that a new NC-4 is not required until the next year in the following cases:</p> <ol style="list-style-type: none"> <li>1. When a dependent dies during the year.</li> <li>2. When an individual ceases to be a dependent during the year and the support furnished will be the chief support for the year.</li> <li>3. When an individual ceases to be head of household after maintaining the household for the major portion of the year.</li> </ol> <p><b>Note:</b> Read line 3 of the certificate below to see if you can claim exempt status. If exempt, only complete the certificate; but do not complete lines 1 and 2. No State</p>	<p>income tax will be withheld from your pay. If claiming exempt, the statement is effective for one calendar year only and a new statement must be completed and given to your employer by next February 15.</p> <p><b>HEAD OF HOUSEHOLD.</b> Generally you may claim head of household status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. Note: "Head of Household" for State tax purposes is the same as for federal tax purposes.</p> <p><b>QUALIFYING WIDOW(ER).</b> You may claim qualifying widow(er) status only if your spouse died in either of the two preceding tax years and you meet the following requirements:</p> <ol style="list-style-type: none"> <li>1. Your home is maintained as the main household of a child or stepchild for whom you can claim an exemption; and</li> <li>2. You were entitled to file a joint return with your spouse in the year of your spouse's death.</li> </ol> <p><b>Note:</b> "Qualifying Widow(er)" for State tax purposes is the same as for federal tax purposes. Because the standard deduction used in the tax tables for married and qualifying widow(er) is \$3,000 and you are entitled to a standard deduction of \$6,000, you may elect to</p>	<p>claim an additional personal withholding allowance on line C of the <b>Personal Allowances Worksheet</b> to avoid having too much tax withheld.</p> <p><b>MARRIED AND SPOUSE DOES NOT WORK OR HAS WAGE INCOME OF LESS THAN \$3,500.</b> The withholding tax tables are based on both spouses earning wages during the year. If your spouse does not work or will earn wages of less than \$3,500 during the year, you may elect to complete line B of the <b>Personal Allowances Worksheet</b> to avoid having too much tax withheld.</p> <p><b>TWO JOBS.</b> If you have more than one job, figure the total number of allowances you are entitled to claim on all jobs using only one form NC-4. This total should be divided among all jobs. Your withholding will usually be most accurate when all allowances are claimed on the NC-4 filed for the higher paying job and zero allowances are claimed for the other.</p> <p><b>NONWAGE INCOME.</b> If you have a large amount of nonwage income, such as interest or dividends, you should consider making estimated tax payments using Form NC-40.</p> <p><b>All NC-4 forms are subject to review by the North Carolina Department of Revenue. Your employer may be required to send this form to the North Carolina Department of Revenue.</b></p>
<p>Social Security Number _____</p> <p style="text-align: center;"> <input type="radio"/> Single                <input type="radio"/> Head of Household                <input type="radio"/> Married or Qualifying Widow(er)         </p> <p>First Name (USE CAPITAL LETTERS FOR YOUR NAME AND ADDRESS) _____ M.I. _____ Last Name _____</p> <p>Address _____ County (Enter first five letters) _____</p> <p>City _____ State _____ Zip Code (5 Digit) _____ Country (If not U.S.) _____</p>		
<p>1. Total number of allowances you are claiming (From Line F of the <b>Personal Allowances Worksheet</b> on Page 2) _____</p> <p>2. Additional amount, if any, you want deducted from each pay period (Enter whole dollars) _____ .00</p> <p>3. I claim exemption from withholding and I certify that I meet ALL of the following conditions for exemption:</p> <ul style="list-style-type: none"> <li>• Last year I was entitled to a refund of ALL State income tax withheld because I had NO tax liability; and</li> <li>• This year I expect a refund of ALL State income tax withheld because I expect to have NO tax liability.</li> </ul> <p>If you meet all of the above conditions, enter the year effective <u>20</u> and write "EXEMPT" here → _____</p>		
<p><b>CAUTION:</b> If you furnish an employer with an Employee's Withholding Allowance Certificate that contains information which has no reasonable basis and results in a lesser amount of tax being withheld than would have been withheld had you furnished reasonable information, you are subject to a penalty of 50% of the amount not properly withheld.</p>		
<p>Signature _____ Date _____</p> <p style="font-size: small; text-align: center;">I certify, under penalties provided by law, that the withholding allowances claimed on this certificate do not exceed the amount to which I am entitled.</p> <p style="text-align: center; font-size: small;">(Employer: Complete below only if sending to the North Carolina Department of Revenue. Submit the original and keep a copy for your records.)</p>		
<p>Employer's Name (USE CAPITAL LETTERS) _____ FEIN _____</p> <p>Employer's Address _____ County (Enter first five letters) _____</p>		





# FINANCIAL POLICIES AND PROCEDURES MANUAL

## Exhibit 3 – Employment Verification I-9

Department of Homeland Security  
U.S. Citizenship and Immigration Services

OMB No. 1615-0047; Expires 03/31/07

### Employment Eligibility Verification

Please read instructions carefully before completing this form. The instructions must be available during completion of this form. **ANTI-DISCRIMINATION NOTICE:** It is illegal to discriminate against work eligible individuals. Employers CANNOT specify which document(s) they will accept from an employee. The refusal to hire an individual because of a future expiration date may also constitute illegal discrimination.

**Section 1. Employee Information and Verification.** To be completed and signed by employee at the time employment begins.

Print Name: Last	First	Middle Initial	Maiden Name
Address (Street Name and Number)		Apt. #	Date of Birth (month/day/year)
City	State	Zip Code	Social Security #
I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.		I attest, under penalty of perjury, that I am (check one of the following):	
		<input type="checkbox"/> A citizen or national of the United States <input type="checkbox"/> A Lawful Permanent Resident (Alien #) A _____ <input type="checkbox"/> An alien authorized to work until _____ (Alien # or Admission #) _____	
Employee's Signature			Date (month/day/year)

**Preparer and/or Translator Certification.** (To be completed and signed if Section 1 is prepared by a person other than the employee.) I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.

Preparer's/Translator's Signature	Print Name
Address (Street Name and Number, City, State, Zip Code)	
Date (month/day/year)	

**Section 2. Employer Review and Verification.** To be completed and signed by employer. Examine one document from List A OR examine one document from List B and one from List C, as listed on the reverse of this form, and record the title, number and expiration date, if any, of the document(s).

List A	OR	List B	AND	List C
Document title: _____		_____		_____
Issuing authority: _____		_____		_____
Document #: _____		_____		_____
Expiration Date (if any): _____		_____		_____
Document #: _____		_____		_____
Expiration Date (if any): _____		_____		_____

**CERTIFICATION - I attest, under penalty of perjury, that I have examined the document(s) presented by the above-named employee, that the above-listed document(s) appear to be genuine and to relate to the employee named, that the employee began employment on (month/day/year) \_\_\_\_\_ and that to the best of my knowledge the employee is eligible to work in the United States. (State employment agencies may omit the date the employee began employment.)**

Signature of Employer or Authorized Representative	Print Name	Title
Business or Organization Name		Date (month/day/year)
Address (Street Name and Number, City, State, Zip Code)		

**Section 3. Updating and Reverification.** To be completed and signed by employer.

A. New Name (if applicable)	B. Date of Rehire (month/day/year) (if applicable)
C. If employee's previous grant of work authorization has expired, provide the information below for the document that establishes current employment eligibility. Document Title: _____ Document #: _____ Expiration Date (if any): _____	
I attest, under penalty of perjury, that to the best of my knowledge, this employee is eligible to work in the United States, and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual.	
Signature of Employer or Authorized Representative	Date (month/day/year)

NOTE: This is the 1991 edition of the Form I-9 that has been rebranded with a current printing date to reflect the recent transition from the INS to DHS and its components.

Form I-9 (Rev. 05/31/05)Y Page 2

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## Exhibit 4 – State NC-5

**NC-5** 11-15-05  
Web-Fill

### Withholding Return


North Carolina Department of Revenue

Form at bottom.

Review form for accuracy. If incorrect, press "back" and re-enter information.

Cut Here

---

<b>NC-5</b> 10-1-02 Web-Fill	<b>Withholding Return</b> North Carolina Department of Revenue	This return must be filed even if no tax has been withheld.	
Account ID 600553288	Period Ending 01 31 07	File By 02 15 07	Filing Frequency MONTHLY
FIRST BAPTIST CHURCH OF SHALLOTTE INC FIRST BAPTIST CHURCH OF SHALLOTE P O BOX 2468 SHALLOTTE NC 28459		1. Tax Withheld	0.00
		2. Penalty	0.00
		3. Interest	0.00
Signature: _____ Date: _____		4. Total Due	\$ 0.00
I certify that, to the best of my knowledge, this return is accurate and complete. Title: _____ Phone: ( ) _____		3040113009	
Mail to: NCDOR, PO Box 25000, Raleigh, NC 27640-0615			
01074 6005532882 0000000 06106			

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## Exhibit 5 – Federal 941

Form **941 for 2007: Employer's QUARTERLY Federal Tax Return** 790107  
 (Rev. January 2007) Department of the Treasury — Internal Revenue Service OMB No. 1545-0029

<p><b>(EIN)</b> Employer identification number <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/> - <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/></p> <p>Name (not your trade name) <input style="width: 90%;" type="text"/></p> <p>Trade name (if any) <input style="width: 90%;" type="text"/></p> <p>Address</p> <table style="width: 100%; border: none;"> <tr> <td style="border: none;">Number</td> <td style="border: none;">Street</td> <td style="border: none;">Suite or room number</td> </tr> <tr> <td style="border: 1px solid black; width: 30%;"></td> <td style="border: 1px solid black; width: 40%;"></td> <td style="border: 1px solid black; width: 30%;"></td> </tr> <tr> <td style="border: none;">City</td> <td style="border: none;">State</td> <td style="border: none;">ZIP code</td> </tr> <tr> <td style="border: 1px solid black; width: 30%;"></td> <td style="border: 1px solid black; width: 10%;"></td> <td style="border: 1px solid black; width: 60%;"></td> </tr> </table>	Number	Street	Suite or room number				City	State	ZIP code				<div style="border: 1px solid black; padding: 5px;"> <p><b>Report for this Quarter of 2007</b> (Check one.)</p> <p><input type="checkbox"/> 1: January, February, March</p> <p><input type="checkbox"/> 2: April, May, June</p> <p><input type="checkbox"/> 3: July, August, September</p> <p><input type="checkbox"/> 4: October, November, December</p> </div>
Number	Street	Suite or room number											
City	State	ZIP code											

Read the separate instructions before you fill out this form. Please type or print within the boxes.

**Part 1: Answer these questions for this quarter.**

<b>1</b> Number of employees who received wages, tips, or other compensation for the pay period including: Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), Dec. 12 (Quarter 4)	<b>1</b>	<input style="width: 90%;" type="text"/>
<b>2</b> Wages, tips, and other compensation	<b>2</b>	<input style="width: 90%;" type="text"/>
<b>3</b> Total income tax withheld from wages, tips, and other compensation	<b>3</b>	<input style="width: 90%;" type="text"/>
<b>4</b> If no wages, tips, and other compensation are subject to social security or Medicare tax	<input type="checkbox"/>	Check and go to line 6.
<b>5</b> Taxable social security and Medicare wages and tips:		
	<i>Column 1</i>	<i>Column 2</i>
<b>5a</b> Taxable social security wages	<input style="width: 80%;" type="text"/> × .124 =	<input style="width: 80%;" type="text"/>
<b>5b</b> Taxable social security tips	<input style="width: 80%;" type="text"/> × .124 =	<input style="width: 80%;" type="text"/>
<b>5c</b> Taxable Medicare wages & tips	<input style="width: 80%;" type="text"/> × .029 =	<input style="width: 80%;" type="text"/>
<b>5d</b> Total social security and Medicare taxes (Column 2, lines 5a + 5b + 5c = line 5d)		<input style="width: 90%;" type="text"/>
<b>6</b> Total taxes before adjustments (lines 3 + 5d = line 6)		<input style="width: 90%;" type="text"/>
<b>7</b> TAX ADJUSTMENTS (Read the instructions for line 7 before completing lines 7a through 7h.):		
<b>7a</b> Current quarter's fractions of cents		<input style="width: 90%;" type="text"/>
<b>7b</b> Current quarter's sick pay		<input style="width: 90%;" type="text"/>
<b>7c</b> Current quarter's adjustments for tips and group-term life insurance		<input style="width: 90%;" type="text"/>
<b>7d</b> Current year's income tax withholding (attach Form 941c)		<input style="width: 90%;" type="text"/>
<b>7e</b> Prior quarters' social security and Medicare taxes (attach Form 941c)		<input style="width: 90%;" type="text"/>
<b>7f</b> Special additions to federal income tax (attach Form 941c)		<input style="width: 90%;" type="text"/>
<b>7g</b> Special additions to social security and Medicare (attach Form 941c)		<input style="width: 90%;" type="text"/>
<b>7h</b> TOTAL ADJUSTMENTS (Combine all amounts: lines 7a through 7g.)		<input style="width: 90%;" type="text"/>
<b>8</b> Total taxes after adjustments (Combine lines 6 and 7h.)		<input style="width: 90%;" type="text"/>
<b>9</b> Advance earned income credit (EIC) payments made to employees		<input style="width: 90%;" type="text"/>
<b>10</b> Total taxes after adjustment for advance EIC (line 8 – line 9 = line 10)		<input style="width: 90%;" type="text"/>
<b>11</b> Total deposits for this quarter, including overpayment applied from a prior quarter		<input style="width: 90%;" type="text"/>
<b>12</b> Balance due (If line 10 is more than line 11, write the difference here.) Follow the instructions for Form 941-V, Payment Voucher.		<input style="width: 90%;" type="text"/>
<b>13</b> Overpayment (If line 11 is more than line 10, write the difference here.)		<input style="width: 90%;" type="text"/>

▶ You **MUST** fill out both pages of this form and **SIGN** it. Check one  Apply to next return.  
 Send a refund.

**Next** →

# FINANCIAL POLICIES AND PROCEDURES MANUAL

790207

Name (not your trade name)	Employer identification number (EIN)
----------------------------	--------------------------------------

## Part 2: Tell us about your deposit schedule and tax liability for this quarter.

If you are unsure about whether you are a monthly schedule depositor or a semiweekly schedule depositor, see *Pub. 15 (Circular E)*, section 11.

14   Write the state abbreviation for the state where you made your deposits OR write "MU" if you made your deposits in *multiple* states.

15 Check one:  Line 10 is less than \$2,500. Go to Part 3.  
 You were a monthly schedule depositor for the entire quarter. Fill out your tax liability for each month. Then go to Part 3.

Tax liability: Month 1	<input type="text"/>	•
Month 2	<input type="text"/>	•
Month 3	<input type="text"/>	•
Total liability for quarter	<input type="text"/>	•

Total must equal line 10.

You were a semiweekly schedule depositor for any part of this quarter. Fill out *Schedule B (Form 941): Report of Tax Liability for Semiweekly Schedule Depositors*, and attach it to this form.

## Part 3: Tell us about your business. If a question does NOT apply to your business, leave it blank.

16 If your business has closed or you stopped paying wages  Check here, and enter the final date you paid wages  /  / .

17 If you are a seasonal employer and you do not have to file a return for every quarter of the year  Check here.

## Part 4: May we speak with your third-party designee?

Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? (See the instructions for details.)

Yes. Designee's name

Select a 5-digit Personal Identification Number (PIN) to use when talking to IRS.

No.

## Part 5: Sign here. You MUST fill out both pages of this form and SIGN it.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

**X** Sign your name here

Print your name here

Print your title here

Date  /  /

Best daytime phone (  ) -

## Part 6: For paid preparers only (optional)

Paid Preparer's Signature

Firm's name

Address

EIN

ZIP code

Date  /  /  Phone (  ) -

SSN/PTIN

Check if you are self-employed.

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## Exhibit 6 – Federal 8282

Form <b>8282</b> (Rev. January 2007) Department of the Treasury Internal Revenue Service	<b>Donee Information Return</b> (Sale, Exchange, or Other Disposition of Donated Property)  ► See instructions.	OMB No. 1545-0908  Give a Copy to Donor
<b>What Parts to Complete:</b> <ul style="list-style-type: none"> <li>● If the organization is an <b>Original Donee</b>, complete <i>Identifying Information</i>, Part I (lines 1a–1d and, if applicable, lines 2a–2d), and Part III.</li> <li>● If the organization is a <b>Successor Donee</b>, complete <i>Identifying Information</i>, Part I, Part II, and Part III.</li> </ul>		
<b>Identifying Information</b>		
<b>Print or Type</b>	Name of charitable organization (donee)	Employer identification number
	Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)	:
	City or town, state, and ZIP code	:
<b>Part I Information on ORIGINAL DONOR and SUCCESSOR DONEE Receiving the Property</b>		
1a Name of original donor of the property	1b Identifying number(s)	
1c Address (number, street, and room or suite no.) (P.O. box no. if mail is not delivered to the street address)		
1d City or town, state, and ZIP code		
<b>Note.</b> Complete lines 2a–2d only if the organization gave this property to another charitable organization (successor donee).		
2a Name of charitable organization	2b Employer identification number	
2c Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)		
2d City or town, state, and ZIP code		
<b>Part II Information on PREVIOUS DONEES. Complete this part only if the organization was not the first donee to receive the property. See the instructions before completing lines 3a through 4d.</b>		
3a Name of original donee	3b Employer identification number	
3c Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)		
3d City or town, state, and ZIP code		
4a Name of preceding donee	4b Employer identification number	
4c Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)		
4d City or town, state, and ZIP code		
For Paperwork Reduction Act Notice, see page 4. <span style="float: right;">Cat. No. 62307Y <span style="margin-left: 100px;">Form <b>8282</b> (Rev. 1-2007)</span></span>		

# FINANCIAL POLICIES AND PROCEDURES MANUAL

**Part III Information on DONATED PROPERTY**

1. Description of the donated property sold, exchanged, or otherwise disposed of and how the organization used the property. (If you need more space, attach a separate statement.)	2. Did the disposition involve the organization's entire interest in the property?		3. Was the use related to the organization's exempt purpose or function?		4. Information on use of property. <ul style="list-style-type: none"> <li>● If you answered "Yes" to question 3 and the property was tangible personal property, describe how the organization's use of the property furthered its exempt purpose or function. Also complete Part IV below.</li> <li>● If you answered "No" to question 3 and the property was tangible personal property, describe the organization's intended use (if any) at the time of the contribution. Also complete Part IV below, if the intended use at the time of the contribution was related to the organization's exempt purpose or function and it became impossible or infeasible to implement.</li> </ul>
	Yes	No	Yes	No	
<b>A</b>					
<b>B</b>					
<b>C</b>					
<b>D</b>					

		Donated Property			
		A	B	C	D
<b>5</b>	Date the organization received the donated property (MM/DD/YY)	/ /	/ /	/ /	/ /
<b>6</b>	Date the original donee received the property (MM/DD/YY)	/ /	/ /	/ /	/ /
<b>7</b>	Date the property was sold, exchanged, or otherwise disposed of (MM/DD/YY)	/ /	/ /	/ /	/ /
<b>8</b>	Amount received upon disposition	\$	\$	\$	\$

**Part IV Certification**

You must sign the certification below if any property described in Part III above is tangible personal property and:

- You answered "Yes" to question 3 above, or
- You answered "No" to question 3 above and the intended use of the property became impossible or infeasible to implement.

Under penalties of perjury and the penalty under Internal Revenue Code section 6720B, I certify that the property that meets the above requirements and is described above in Part III either was used to further the donee organization's exempt purpose or function; or the donee organization intended to use the property for its exempt purpose or function but the intended use became impossible or infeasible to implement.

Signature of officer	Title	Date
----------------------	-------	------

<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.
	Signature of officer
	Title
	Date
	Type or print name

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## Exhibit 7 – Federal Form 8283

Form <b>8283</b> (Rev. December 2000) Department of the Treasury Internal Revenue Service	<b>Noncash Charitable Contributions</b> ▶ Attach to your tax return if you claimed a total deduction of over \$500 for all contributed property. ▶ See separate instructions.	OMB No. 1545-0008 Attachment Sequence No. 155 Identifying number				
Name(s) shown on your income tax return						
Note. Figure the amount of your contribution deduction before completing this form. See your tax return instructions.						
<b>Section A. Donated Property of \$5,000 or Less and Certain Publicly Traded Securities</b> —List in this section only items (or groups of similar items) for which you claimed a deduction of \$5,000 or less. Also, list certain publicly traded securities even if the deduction is more than \$5,000 (see instructions).						
<b>Part I Information on Donated Property</b> —if you need more space, attach a statement.						
1	(a) Name and address of the donee organization	(b) Description of donated property (For a donated vehicle, enter the year, make, model, condition, and mileage, and attach Form 1098-C if required.)				
A						
B						
C						
D						
E						
Note. If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (d), (e), and (f).						
	(c) Date of the contribution	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) Fair market value (see instructions)	(h) Method used to determine the fair market value
A						
B						
C						
D						
E						
<b>Part II Partial Interests and Restricted Use Property</b> —Complete lines 2a through 2e if you gave less than an entire interest in a property listed in Part I. Complete lines 3a through 3c if conditions were placed on a contribution listed in Part I; also attach the required statement (see instructions).						
2a Enter the letter from Part I that identifies the property for which you gave less than an entire interest ▶ _____ . If Part II applies to more than one property, attach a separate statement.						
b Total amount claimed as a deduction for the property listed in Part I: (1) For this tax year ▶ _____ . (2) For any prior tax years ▶ _____ .						
c Name and address of each organization to which any such contribution was made in a prior year (complete only if different from the donee organization above):						
Name of charitable organization (donee)						
Address (number, street, and room or suite no.)						
City or town, state, and ZIP code						
d For tangible property, enter the place where the property is located or kept ▶ _____						
e Name of any person, other than the donee organization, having actual possession of the property ▶ _____						
3a Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property? . . . . .						
3b Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to acquire? . . . . .						
3c Is there a restriction limiting the donated property for a particular use? . . . . .						
						Yes No
						<input type="checkbox"/> <input type="checkbox"/>
						<input type="checkbox"/> <input type="checkbox"/>
						<input type="checkbox"/> <input type="checkbox"/>

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## Exhibit 8 – Offering Counting Team Guidelines

First Baptist Church of Shallotte

### Offering Counting Guidelines for B&F Committee

#### Statement of Purpose

The purpose of the Offering Counting Guidelines is three-fold:

- A. To account for all the monies received by the church
- B. To properly document the contributions into the appropriate funds. i.e. General Fund and/or Designated Funds, etc. and
- C. To protect the church members who have the counting responsibilities for the funds.

#### Offering Counting

- D. Separate all envelopes from any loose checks, currency, and coins. Do not open envelopes at this time.
- E. Separate loose currency and coins from the loose checks. Count loose currency and coins and record the total amount on the Record of Money Received Form 2 Items Not in Offering Envelopes on the “Amount of Loose Currency & Coins” line.
- F. Separate loose checks into categories – General or Designated giving.
  - 1. Total the loose checks for all of the checks and record on the Record of Money Received Form 2 Items Not in Offering Envelopes on the “Amount of Loose Checks” line.
  - 2. Make a copy of or scan the loose checks using the copier.
- G. Write in the amounts designated for loose items on the Designated Amounts lines on Form 2 Items Not in Offering Envelopes.
- H. Open all envelopes.
  - 1. Verify the amount (check or cash) in the envelope with the amount written on the outside of the envelope.
  - 2. If no amount is recorded on the outside of the envelope, print the verified amount in the space provided on the front.
  - 3. Once all envelopes have been opened and verified, place a rubber band around the envelopes and set them aside.
  - 4. Count all cash and all checks from the envelopes. Record the total on the Record of Money Received Form 1 Envelopes on the “Amount in Envelopes” lines.
  - 5. Add the “Amount in Envelopes (Cash)” and the “Amount in Envelopes (Checks)” and record the sum on “Subtotal – Amount in Envelopes” line.
  - 6. Write in the amounts designated for envelopes on the Designated Amounts lines on Form 1 Envelopes.
- I. On the Record of Money Received Form 3, enter all amounts paid online and any designations from on line payments.
- I. On the Record of Money Received Form 1, add the three amounts previously recorded in the appropriate spots under Section 1 and record



# FINANCIAL POLICIES AND PROCEDURES MANUAL

the sum under Total. This the total offering amount for All Funds Received.

- J. Record all the Designated Amounts from Forms 2-3 on the applicable spaces on Form 1 and total.
- K. Counting Team Form 1:  
Members of the Counting Team Must sign their full name on the Team Members Preparing This Report line(s) on the form.

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## Exhibit 9 – Record of Money Received

### First Baptist Church of Shallotte Counting Team Deposit Report for

	<i>Envelopes</i>	<i>Not in Envelopes</i>	<i>Totals</i>
<b>Coins</b>	\$ .	\$ .	\$ .
<b>Currency</b>	\$ .	\$ .	\$ .
<b>Checks</b>	\$ .	\$ .	\$ .
<i>AMOUNT TO BE DEPOSITED</i> <b>TOTAL FUNDS COLLECTED:</b>			\$ .

### RECORD ALL Designated Funds:

	<i>Envelopes</i>	<i>Not in Envelopes</i>	<i>Totals</i>
<b>Capital Fund</b>	\$ .	\$ .	\$ .
<b>Youth Ministry</b>	\$ .	\$ .	\$ .
<b>Disaster Relief</b>	\$ .	\$ .	\$ .
Other (please specify)	\$ .	\$ .	\$ .
Other (please specify)	\$ .	\$ .	\$ .
Other (please specify)	\$ .	\$ .	\$ .
Other (please specify)	\$ .	\$ .	\$ .
Other (please specify)	\$ .	\$ .	\$ .
<b>TOTAL DESIGNATED FUNDS:</b>			\$ .
<b>GENERAL FUND TOTAL:</b>			\$ .

1. Prepare deposit slip - Leave BOTH copies together for bank to stamp.
2. Stamp "DEPOSIT ONLY" on the back of all checks.
3. Attach calculator tape of checks with the checks for bank use.
4. If not taking the deposit to the bank, please put money bag, reports and offering envelopes in the safe.

Team members preparing this report: \_\_\_\_\_ & \_\_\_\_\_

If Finance Manager is not in the office, please put ALL paperwork & offering envelopes in the SAFE!

#### Financial Manager Use Only

Online				
Capital Fund	Youth Ministry	Disaster Relief	Other: _____	General Fund
\$ .	\$ .	\$ .	\$ .	\$ .
Additional Funds From Previous Week				
Capital Fund	Youth Ministry	Disaster Relief	Other: _____	General Fund
\$ .	\$ .	\$ .	\$ .	\$ .
<b>GENERAL FUND GRAND TOTAL:</b>				\$ .
<b>YTD AVERAGE:</b>				\$ .

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## Worksheet - ENVELOPES

«Date» \_\_\_\_\_

As you open the envelopes:

- Verify FIRST and LAST name and AMOUNT are accurate and sufficient for recording.
- Please record any missing, incorrect, or illegible info on the envelope.
- Write CASH on any envelope containing cash.
- Review memo area of checks for information of designated funds. If designated information IS in the memo area, please be sure it is ALSO on the envelope.

**1. Record all loose coins:**

Pennies \_\_\_\_\_  
Nickels \_\_\_\_\_  
Dimes \_\_\_\_\_  
Quarters \_\_\_\_\_  
Others \_\_\_\_\_

TOTAL COINS \$ \_\_\_\_\_.

**2. Record all Currency:**

Ones (1s) \_\_\_\_\_  
Fives (5s) \_\_\_\_\_  
Tens (10s) \_\_\_\_\_  
Twenties (20s) \_\_\_\_\_  
Fifties (50s) \_\_\_\_\_  
Hundreds (100s) \_\_\_\_\_

TOTAL CURRENCY \$ \_\_\_\_\_.

**3. Enter # of Checks \_\_\_\_\_ and AMOUNT**

TOTAL CHECKS \$ \_\_\_\_\_.

**4. Enter TOTAL (1+2+3)**

TOTAL IN ENVELOPES.... \$ \_\_\_\_\_.

**5. Record designated information. Note: DO NOT include Upwards Sports in this section.**

Capital Fund..... \$ \_\_\_\_\_.  
Youth Ministry ..... \$ \_\_\_\_\_.  
Disaster Relief ..... \$ \_\_\_\_\_.  
Other (please specify) \_\_\_\_\_ \$ \_\_\_\_\_.  
Other (please specify) \_\_\_\_\_ \$ \_\_\_\_\_.  
Other (please specify) \_\_\_\_\_ \$ \_\_\_\_\_.  
Other (please specify) \_\_\_\_\_ \$ \_\_\_\_\_.  
Other (please specify) \_\_\_\_\_ \$ \_\_\_\_\_.  
TOTAL DESIGNATED FUNDS ..... \$ \_\_\_\_\_.

**6. Enter TOTAL (4-5)**

GENERAL FUND.... \$ \_\_\_\_\_.

*Don't Forget: CROSS CHECK other team member's worksheet & COMPLETE Counting Team's Deposit Report.*

Team Member preparing this report: \_\_\_\_\_

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## Worksheet - ITEMS NOT IN OFFERING ENVELOPES

«Date» \_\_\_\_\_

1. Record all loose coins:

Pennies \_\_\_\_\_  
Nickels \_\_\_\_\_  
Dimes \_\_\_\_\_  
Quarters \_\_\_\_\_  
Others \_\_\_\_\_

TOTAL COINS \$ \_\_\_\_\_.

2. Record all loose Currency:

Ones (1s) \_\_\_\_\_  
Fives (5s) \_\_\_\_\_  
Tens (10s) \_\_\_\_\_  
Twenties (20s) \_\_\_\_\_  
Fifties (50s) \_\_\_\_\_  
Hundreds (100s) \_\_\_\_\_

TOTAL CURRENCY \$ \_\_\_\_\_.

3. Make copies of ALL loose checks and enter information:

Enter # of Loose Checks \_\_\_\_\_ and AMOUNT \_\_\_\_\_ CHECKS \$ \_\_\_\_\_.

4. Enter TOTAL (1+2+3) TOTAL LOOSE ITEMS.... \$ \_\_\_\_\_.

5. Record designated information. Note: DO NOT include Upwards Sports in this section.

Capital Fund..... \$ \_\_\_\_\_.  
Youth Ministry ..... \$ \_\_\_\_\_.  
Disaster Relief ..... \$ \_\_\_\_\_.  
Other (please specify) \_\_\_\_\_ \$ \_\_\_\_\_.  
Other (please specify) \_\_\_\_\_ \$ \_\_\_\_\_.  
Other (please specify) \_\_\_\_\_ \$ \_\_\_\_\_.  
Other (please specify) \_\_\_\_\_ \$ \_\_\_\_\_.  
Other (please specify) \_\_\_\_\_ \$ \_\_\_\_\_.  
Other (please specify) \_\_\_\_\_ \$ \_\_\_\_\_.

TOTAL DESIGNATED FUNDS ..... \$ \_\_\_\_\_.

6. Enter TOTAL (4-5) GENERAL FUND \$ \_\_\_\_\_.

*Don't Forget: CROSS CHECK other team member's worksheet & COMPLETE Counting Team's Deposit Report.*

Team Member preparing this report: \_\_\_\_\_

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## Exhibit 10 – Community Benevolence Fund Policy Guidelines

### FIRST BAPTIST CHURCH OF SHALLOTTE

#### *Benevolence Fund Policy Guidelines*

#### I. STATEMENT OF PURPOSE

The statement of purpose represents the consensus of the Budget & Finance Committee, Treasurer, and Deacons. The purpose of the Benevolence Fund Policy Guidelines (Guidelines) is three-fold:

- A. To define and describe the threshold parameters of the Internal Revenue Service code that the church and its members must meet for classifying designated (restricted funds) monies received as **deductible charitable contributions**,
- B. To establish *Guidelines* for receiving and accounting for and disbursing of designated funds contributed to support the benevolent ministries and causes within the church family and the community, and
- C. To allow the Benevolence and Budget and Finance Committees, and Treasure of First Baptist Church of Shallotte to effectively administer and monitor. in a consistent and fair manner. the use of designated funds contributed to the Benevolence Fund Account.

#### II. GENERAL GUIDELINES

The Church-in-Conference approved *Guidelines*, contained herein, represent the policy of the Budget and Finance Committee concerning the philosophy, expectations, goals and objectives for administering and monitoring the designated Benevolence Fund of the church.

##### A. Defining and Describing Deductible Charitable Contributions

1. For a contribution to meet the test of a "Deductible Charitable Contribution", it must be made to a *qualified* organization. **First Baptist Church of Shallotte** is a *not-for-profit*, Internal Revenue Service code 501(c)(3), *qualified* organization.
2. The contribution must be to a designated fund approved by the Church in-Conference as a church-wide ministry or project. Such ministry or project must be consistent with the tax-exempt mission of the church.
3. The church must have full **administrative** control of the designated funds without any further restriction by the contributor beyond the purpose of the approved church-wide ministry or project.
4. The contribution must be made to the church and designated for the "Benevolence Fund", a general fund of the church. **Monies received earmarked to an individual are not deductible charitable contributions** and will not be deposited into the church, checking account. If such monies are received, the Financial Secretary will return them to the person(s) from whom they were received.

##### B. Receiving and Accounting for Designated Funds Contributed to Support Benevolent Ministries of the Church

# FINANCIAL POLICIES AND PROCEDURES MANUAL

1. Designated monies to support benevolent ministries of the church may be received during the times of corporate worship or other congregational gatherings such as Wednesday evening services. The monies will be counted and deposited in the church general checking account in the same manner as regular offerings. A separate account will be

## FIRST BAPTIST CHURCH OF SHALLOTTE

### *Benevolence Fund Policy Guidelines*

established in the General Ledger Chart of Accounts for recording the receipts and disbursements.

2. Designated monies to support benevolent ministries of the church may be received through the mail and/or by personally bringing them to the church office during regular operating times. The monies will be counted and deposited in the church general checking account in the same manner as regular offerings. The same account noted in paragraph B. I. above will be used to record the receipts described in this paragraph.
3. In order to facilitate the proper accounting, designated monies to support benevolent ministries of the church made by **check** must be made payable to "**First Baptist Church of Shallotte**". Also, the check must include the words For "Benevolence Fund". A person contributing in such a manner will receive credit for a deductible charitable contribution on her/his contribution statement for the year.
4. In order to facilitate the proper accounting, designated monies to support benevolent ministries of the church by **cash** must be placed in an envelope (offering or other) and clearly marked as to the name of the contributor and must include the words For "Benevolence Fund". A person contributing in such a manner will receive credit for a deductible charitable contribution on her/his contribution statement for the year.
5. Designated monies to support benevolent ministries of the church received as **loose cash or change** will be received; however, a person contributing in such a manner will **not** receive credit for a deductible charitable contribution on her/his contribution statement for the year.

### **C. Disbursing of Designated Funds Contributed to Support the Benevolent Ministries of the Church**

1. Regardless of the nature of the need, all first-time requests for benevolent ministry support will be reviewed and approved or denied in writing by the Benevolence Team (Committee) of the church.
2. The decision of the Benevolence Committee will be based on Church-in-Conference approved parameters that include the kinds of benevolent needs and the level of financial assistance for each that are authorized to be funded from the general fund budget or designated funds.
3. The approved requests, including any instructions that may be helpful to or needed by the recipient person or organization, will be furnished to the Treasurer as support for the disbursement of funds.

# FINANCIAL POLICIES AND PROCEDURES MANUAL

## **D. Establishing Consistent and Fair Parameters for Administering and Monitoring the Use of Designated Benevolence Funds**

1. The philosophy, expectations, and objectives of the Benevolence Committee are to minister to and meet as many of the justifiable need: within the church family and the community as possible based on availability of financial resources. To accomplish its responsibility, the committee shall faithfully and consistently implement the *Benevolence Fund Policy Guidelines*.
- 2.

### **FIRST BAPTIST CHURCH OF SHALLOTTE**

#### ***Benevolence Fund Policy Guidelines***

3. The parameters outlined below are intended to provide guidelines for assisting the Benevolence and Finance Committees in assuring consistency and fairness in their administering and monitoring the use of general fund budget or designated funds contributed for the benevolent ministries of the church.
  - a. Each first time applicant must supply the information needed to complete a "Request for Benevolence Funds" that fully describes and justifies the nature of the need for funds. The "nature of need" information should include, but not limited to other sources and level of financial assistance currently being received.
  - b. Examples of assistance may include but are not limited to the following: (Nature of needs and level of financial assistance for each need will be the basis for consistently and fairly administering the benevolent ministries to be supported by the general fund budget or designated funds to the church),
    - 1) Medical expenses, excluding prescription drugs, not reimbursed by insurance company - maximum financial assistance= \$300.00.
    - 2) Heating fuel oil for home- maximum financial assistance = \$300.00 per heating season.
    - 3) Payment of rent or mortgage on home – maximum financial assistance = \$500.00.
    - 4) Prescription drugs - maximum financial assistance = \$400.00 per year.
    - 5) Utilities bill for home - maximum financial assistance = \$300.00 per year.
    - 6) Clothing and/or shoes - maximum financial assistance = \$200.00.
    - 7) Groceries - maximum financial assistance= \$100.00.
    - 8) Miscellaneous personal or household maintenance expenses not covered above - maximum financial assistance= \$50.00.

# FINANCIAL POLICIES AND PROCEDURES MANUAL

- c. **Neither** giving cash **nor** writing a check made payable to the person or family having a justifiable need and approved to receive financial assistance is authorized within the *Guidelines*.
- d. All approved "Requests for Benevolence Funds" will be satisfied by the Treasurer preparing a check payable to either a doctor, medical facility, utilities company/city, landlord, lending institution, or retail merchant/store. In all situations, substantiating documents such as receipts, invoices, or bills must be provided to the Financial Secretary before any check will be prepared.

The *Benevolence Funds Policy Guidelines*, contained herein, cancel, and replace any and all previously approved written benevolence funds receipt and disbursement policy or verbal practice.



# FINANCIAL POLICIES AND PROCEDURES MANUAL

## **Exhibit 11 – Sample Travel/Reimbursement Form**



# FINANCIAL POLICIES AND PROCEDURES MANUAL

## **Sunday School Offering Envelope**

Please enclose all Sunday School Offering received after counting the total number of individual offering envelopes and total amount of loose cash not in offering envelopes (if applicable), seal this envelope and drop in the church safe.

Today's Date: \_\_\_\_\_

Sunday School Class Name: \_\_\_\_\_

Number of Individual Offering Envelopes Enclosed: \_\_\_\_\_

Total Amount of Loose Cash Enclosed: \$\_\_\_\_\_

Your Printed Name: \_\_\_\_\_

Your Signature: \_\_\_\_\_

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# FINANCIAL POLICIES AND PROCEDURES MANUAL

**END OF DOCUMENT**