

FLAT SPRINGS BAPTIST CHURCH

Sanford, North Carolina

Policies Manual

Title Finance Committee	Policy Number 005	Page: 1 Of: 6
Yearly Elected Committee Members	Date of Review/ Revision: 12/10/2017	Level of Revision: 5

I. Purpose – to oversee the financial well being of Flat Springs Baptist Church.

II. Definitions

Finance Committee – members of Flat Springs Baptist Church selected by Nominating Committee and approved by church members.

Financial Year – The time period from **January 1** through **December 31** each year.

Finance Report - Report issued each month on the financial status of the church.

Budget – Financial plan for the church year approved by the church members each year.

Expenditures – Funds spent on line items as covered by the Church Budget.

Gifts – Items of value given to the Church for its ministry.

Designated funds – Money given as an offering and designated to a specified budgeted item, group or member of the church clergy.

Special offerings – Offering or solicitation of funds so approved by the church.

Balances – Value of budgeted items after expenditures.

Reimbursement - Repayment of out-of-pocket expenses for church activities covered by the budget.

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III. Procedure

A. Committee members to serve from September 1 through August 31 of each church year.

B. Budget

1. Department chairperson submits their request in writing by the first Sunday in **October**.
2. During **October** and **November** the Finance committee has three working sessions to formulate a proposed budget for the new Church year.
3. The proposed budget is presented for study one week prior to vote, which is 2nd Sunday in **December**.
4. Budgeted line items may not be transferred to another line item.
5. Balances do not carry over to the next year. Exception, designated money is disbursed first; any remaining designated money at end of church year is carried over.
6. The Finance Committee will make a recommendation to the Church on how to use unspent budgeted money at year's end.

C. Expenditures

1. No church approval is needed for expenditures from a budgeted line item.
 - a. Amounts over \$500 should be reported at Business Meetings in order to keep the members informed.

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2. To be reimbursed for out of pocket expense, please submit paid bill.

- a. Indicate which department and have paid bill signed by department chairperson.
- b. Payroll checks are issued on the **25th** of each month.

D. Gifts

1. Finance committee shall make a recommendation to the Church to allow or disallow the following from an estate or any benefactor:

- a. Gifts of money
- b. Stocks
- c. Mutual funds
- d. Any gifts of monetary value endowed to the church

2. Gifts of real estate that are to be received and immediately sold to fund an endowment or trust will be reviewed by the Finance Committee and presented to the Church for approval before acceptance.

3. Gifts of real estate, that are to be held by the Church, will be reviewed by the Finance Committee prior to presentation to the Church for action on accepting the property.

- a. By IRS regulations, the donor is responsible for obtaining and paying for an appraisal of the fair market value. The benefactor is also responsible for an environmental audit of the property.
- b. The appraisal value of the property will constitute the gift's value.
- c. Prior to accepting the gift of real estate, the property must be visually inspected.
- d. Property that is encumbered by a mortgage will generally not be accepted.

4. Gifts that are not accepted will be returned with a letter of explanation stating the reason why the gift was refused.

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5. Names of recipients of gifts authorized by local missions committee will not be printed in the monthly Finance report. Information may be obtained from local mission's chairperson.

E. Designated Funds

1. Money designated to a fund such as the Sunday School class fund, choir fund, or an individual person or member of the clergy, or cause that is not a budget line item cannot be used as a tax deduction.
2. Established funds approved by the Church can be used as a tax deduction such as the building fund, cemetery fund and so forth. (IRS Publication 526 "Charitable Contributions").

F. Special Offerings

1. Special offerings, fundraisers or solicitation for funds or merchandise may be made only after a recommendation by the Deacons or Finance Committee and approved by the Church. We are encouraged to give through our unified budget. (Refer to Article XII Church Constitution, Page 12).
2. Three special offerings are received during the year. They are
 - a. Annie Armstrong (Home Missions)
 - b. Lottie Moon (Foreign Missions)
 - c. State Missions

G. Offerings

1. Should be in a Church Offering envelope with name and amount.
 - a. If designated, indicate to which budgeted line item the offering is intended.
 - b. Envelopes not clearly marked will become regular offering.

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- c. Returned checks are automatically re-deposited the first time returned. The second time the same check is returned, the writer of the check will be contacted. The check writer will be responsible for any bank charges incurred as a result of a returned check.
- d. For tax purposes, individual contribution statements are available in January and distributed by the financial secretary.

H. Miscellaneous

1. Flat Springs Baptist Church is a corporation; therefore, bank accounts, are not allowed to be set up by any organization using Flat Springs Baptist Church name or tax identification number.
2. Money received by any group should be turned into the Church office within 24 hours.
3. Church credit card is to be used for travel, bus functions and Church approved expenses. Prior approval credit card form must be completed and submitted in advance of credit card use; approved by entire committee making the request; and signed by both committee chair and either Treasurer or Assistant Treasurer.

IV. Responsibilities

V. Related Documents

VI. Supersedes Document

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Review/Revisions

<u>Revision Level</u>	<u>Review/Revision</u>	<u>Review/Revision Made By</u>
0	Original 5-12-02	
1	6/9/02	Policy Committee
2	6/9/2013	Finance Committee
3	12/13/2015	FC – Reviewed & Revised
4	2/12/2017	FC – Reviewed & Revised
5	12/10/2017	FC – Reviewed & Revised