

**Great Bridge Presbyterian Church**  
**Policy (#1)**  
**Capital Expenditures**

Effective Date: 7-14-09

Definition: A long-term asset purchased for the church building and greater than \$1,000.

Policy: Any anticipated capital expenditures must be included as part of the annual budget process. An exception would be the emergency replacement of an existing capital item which would be handled by Session on a case-by-case basis.

If the capital expenditure will be less than \$5,000 and approved as part of the annual budget process, no further approval shall be required by Session. In terms of the budget, the money can be earmarked as part of the normal annual operating budget or from existing restricted funds available by the committee requesting the expenditure.

For all proposed capital expenditures greater than or equal to \$5,000, the project and money will have to be approved by both the committee requesting the funds and at least one other committee (ie. S&F, Admin, Buildings & Grounds). If approved as part of the budget process, the actual acquisition must be made in accordance with a three bid system. If a three bid process is not available or practical, evidence of due diligence to establish competitive market costs would satisfy the requirement. Any overages at the time of actual acquisition would have to be approved by Session prior to signing any contract or committing the church financially.

**Great Bridge Presbyterian Church**  
**Policy (#2)**  
**Contribution Statements**

Effective Date: 7-14-09

The church financial secretary maintains all offerings in a separate database from the general ledger. To provide added assurance that offerings are being recorded correctly and to increase awareness among the congregation regarding pledge status, it is recommended that the church mail out a mid-year contribution statement to all members / contributors who have given at least \$250 total year-to-date. These statements can be either mailed or e-mailed to members. Another statement should be sent at the end of November to allow those who have pledged a final opportunity to review their status prior to year end. A final statement should be issued by the end of January of the following year for members contributions for use in filing income taxes.

**Great Bridge Presbyterian Church**  
**Policy (#3)**

**Accounts Payable, Including any Reimbursements to Staff or Church Members**

Effective Date: 7-14-09

All expenses paid by the church treasurer need to be properly documented and filed with the cash disbursement. All vendor invoices must be approved by either the staff person responsible or committee member. The church treasurer shall not make any disbursements without proper approval. Approved invoices should be marked paid and filed.

The church treasurer should utilize an accounts payable stamp that would include a line for approval initials, account coding, and date received / paid.

**Great Bridge Presbyterian Church**  
**Policy (#4)**  
**Cash Handling**

Effective Date: 7-14-09

Any offerings collected at Great Bridge Presbyterian Church shall consist of a minimum of two approved individuals. Upon collection of any offering at least two individuals (ushers or counters) shall take the offering and place it in a bag which can be permanently sealed. Both individuals should initial or sign and date the bag before dropping into the church safe.

Two individual counters should open the safe and confirm the bag has not been tampered with and proceed to the counting room to tally all collections. The counters should maintain a tape or similar method to ensure the accuracy of the deposit taken to the bank. All counters present should sign-off on the final bank deposit form prior to taking the money to the bank.

The final confirmed bank deposit should be permanently matched with the deposit sheet prepared by the counters and filed.

**Great Bridge Presbyterian Church**  
**Policy (# 5)**  
**Cash Disbursements**

Effective Date: 7-14-09

Proper internal controls would dictate that any individual who has access to disburse cash should not also have access to the general ledger. However, from a cost benefit standpoint, this is not always practical. Currently, the church treasurer maintains the church books, and she is an authorized check signer and has the ability to initiate on-line transactions.

In an effort to mitigate this internal control weakness, it shall be the policy of Great Bridge Presbyterian Church that on a quarterly basis, the S&F Committee or Administration Committee will review all bank reconciliations, checks issued greater than \$500, and on-line transfers greater than \$500 to ensure compliance with proper disbursement policies.

**Great Bridge Presbyterian Church**  
**Policy (# 6)**  
**Revolving Accounts**

Effective Date: 7-14-09

Definition: GBPC has three types of revolving accounts. One type is when a ministry decides to take on an endeavor that is not part of the normal budgeting process and where members are expected to cover the cost of the endeavor, the church provides for a revolving account to track the activity (both receipts and disbursements). An example is the Beth Moore registration. A second type represents accounts set-up for annual events such as Vacation Bible School and the Men's Golf Tournament. Finally we have accounts that are ongoing in nature such as the bookstore and seasonal flowers accounts.

The first and second types generally have a life span of one calendar year or less.

Policy: It will be the policy of Great Bridge Presbyterian Church that these accounts be zeroed out once the specific endeavor is complete.

Any revolving account with a negative balance at the end of a budget year that is not expected to be cleared out within the next annual budget cycle will have to be brought to a zero balance by one of the following methods.

- An entry from the ministry "generic" discretionary fund for that specific ministry,
- A line item in the current or subsequent year budget for that ministry to zero out the balance, or
- A transfer of General Operating Funds, if available. If this option is requested, the S&F committee can approve or deny such request up to \$1,000. Any request greater than \$1,000 will be approved by Session.
- Any revolving account with a positive balance will be transferred to the General Operating Fund.
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The third type of revolving account should be reviewed on an annual basis and Stewardship & Finance along with Session will determine if they should be established as a budget item and if the balances in these account become a "profit" center how the money should be disbursed (ie. to a specific ministry or the general fund).

**Great Bridge Presbyterian Church**  
**Policy (# 7)**  
**Restricted Funds**

Effective Date: 7-14-09

**Definition:** The restricted funds of Great Bridge Presbyterian Church are amounts that members donate for a specific ministry purpose and are accounted for separately from general operating funds. It is Session's responsibility to ensure that these funds are utilized for their intended purpose. The practice at GBPC is to record the receipt of these funds in a general ledger cash account and in a specific line item as a future liability on the balance sheet.

**Policy:** In an effort to efficiently maintain our accounting records, GBPC will abide by a materiality guideline. Any specific restricted account, that is greater than 5 years old and has a balance less than \$250 must be used by that ministry in the following budget year so the balance sheet account can be closed out.

Any restricted fund with a negative balance at the end of a budget year that is not expected to be cleared out within the next annual budget cycle will have to be brought to a zero balance by one of the following methods:

- A line item in the current or subsequent year budget for that ministry to zero out the balance,
- A transfer of General Operating Funds, if available. If the second option is requested, the S&F committee can approve or deny such request up to \$1,000. Any request greater than \$1,000 will be approved by Session, or
- A special offering approved by Session to zero out the account.

When the Treasurer receives a restricted fund donation in excess of \$500, a detailed form is required to be completed by the donor. This form should be completed in its' entirety and maintained by the Treasurer until the funds have been completely disbursed. See Form attached.

Over the course of time, GBPC has allowed the creation of generic, miscellaneous or other restricted funds that per the books of record and by their very description are **not** for a specific purpose. Going forward, only specifically identified and approved items will be recorded as a restricted account. All current balances shall be grandfathered but no new monies will be accepted or credited to these accounts. Any ministry with such an account or balance should use these funds for their specific ministry. In addition, the church Treasurer shall not create any new restricted account without the prior approval of Session. As a general rule, the church should not establish a restricted account for an annual budgeted expense (ie Union Mission).

Great Bridge Presbyterian Church  
Restricted Fund (required for any single restricted fund donation > \$500)

Donor Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone #: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Date of Donation: \_\_\_\_\_

Specific Purpose / Ministry of Donated Money: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Disclosure: We are entrusted to be good stewards of God's gifts. As such, we want to be sure that your gift is used to further his kingdom. In the event that your designated purpose is not realized by GBPC within 5 years of the date of donation, please indicate where you would like to direct your donation unless Session extends the date based on its annual review.

\_\_\_\_\_

\_\_\_\_\_  
Signature of Donor

\_\_\_\_\_  
Signature of Financial Secretary or Treasurer

For accounting use only: General Ledger account # \_\_\_\_\_