

Unitarian Universalist Church of Davis
FINANCE POLICY
Adopted by the Board of Trustees on August 8, 2016

Purpose

This policy governs the exercise of financial authority by the Board under the Church's Bylaws.

A. Delegation of Financial Authority

The Board delegates the exercise of routine financial authority and supervision to the Financial Officer, the Operations Co-Chairs, the Congregational Administrator, and the Bookkeeper. The Finance Team Vice Chair may act in the place of the Financial Officer if the Financial Officer is absent.

1. Expenditures of Operational Funds

Expenditures of operational funds shall be made in accordance with the annual operating budget approved at the annual membership meeting prior to the beginning of the Church's fiscal year on July 1. The Congregational Administrator, under the direction of the Financial Officer, is authorized to make expenditures and sign contracts up to \$1,000 in accordance with the Church's annual operating budget. Contracts for budgeted expenditures of less than \$1,000 may also be signed by Church staff members for their areas of responsibility.

For a budgeted expenditure of over \$1,000, or if aggregate expenditures exceed the annual budget for a particular line item by \$1,000 or less, approval of the Financial Officer is required. Aggregate expenditures exceeding the annual budget for a particular line item by over \$1,000 must be approved by the Board. Expenditures for items outside of the annual budget process must also be approved by the Board.

2. Expenditures of Capital Reserve Funds

Expenditure of capital reserve funds must be approved by the Board, upon recommendation of the Financial Officer. Capital reserve funds are intended to be spent for capital assets, including land, structures, real-property improvements, maintenance and major repairs, equipment, and intellectual property (including software) that have an estimated useful life greater than 3 years and have a cost of \$1,000 or more.

3. Expenditures of Protected Reserve Funds

The Protected Reserve Fund is intended to serve as a financial reserve for the congregation. Money from this fund shall be spent only to cover costs incurred to address an unexpected occurrence or emergency situation, for example: building damage or an unplanned financial shortfall. Such funds shall not be used to fund ongoing church expenditures as set forth in the annual budget or to fund a budgeted financial shortfall. Expenditures of these funds must be approved by the Board, upon recommendation of the Financial Officer.

4. Expenditures by Leadership Groups or Committees

Chairs of leadership groups or committees shall authorize payments to vendors or reimbursements for expenditures of funds allocated to their groups or committees in the Church's annual operating budget. Chairs must seek advance approval as prescribed in Section A.1. for any expenditures in excess of their budget allocation.

5. Emergency Contracts

In the event of an emergency involving risk to individuals or property, and in the absence of the Board Chair or Vice Chair, authority to sign contracts for corrective action is delegated to the following individuals in the order listed: Financial Officer, Operations Co-Chair, Congregational Administrator.

6. Contracts for Fundraising Activities

Budgets for fundraising activities must be reviewed by the Financial Officer well in advance of the date of such activities to allow time for resolution of any budgetary concerns and for any required Board approvals. Once the Financial Officer's review and any required Board approvals are completed, the Board authorizes the Financial Officer, Finance Team Vice Chair, or Congregational Administrator to sign contracts for fundraising activities, in accordance with Board policies.

7. Other Contracts

The Board authorizes the Financial Officer, Finance Team Vice Chair, or Congregational Administrator to sign contracts for facilities rentals and vehicle donations, in accordance with Board policies.

8. Credit Cards

The Board authorizes the following persons to use Church credit cards for Church expenses: Senior Minister, Congregational Administrator, Director of Lifespan Learning, Facilities Manager, and Buildings Committee Chair. Users of Church credit cards are required to submit original receipts, and a monthly accounting of purchases made, to the Congregational Administrator or the Bookkeeper.

9. Cash Counting

Cash counting requires two adults who are not related to each other. For Sunday worship services and Christmas Eve services, cash counting will be handled by Board members according to Board security procedures. For group fundraisers or other activities for which cash is collected, cash counting must be handled by members of the sponsoring group. Cash counting instructions and forms for group events must be requested from the Congregational Administrator in advance of any event or activity where cash will be collected. Forms may be requested by emailing office@uudavis.org

B. Reimbursement of Authorized Expenses Incurred by Employees

Regulations of the U.S. Internal Revenue Service (IRS) will be followed to ensure that employee expense reimbursements are excluded from income calculations for income tax purposes. Approval of this policy by the Church's Board of Trustees shall constitute the formal resolution required by the IRS for reimbursement of employee business expenses.

In addition to paying salaries, the Church will reimburse employees for auto, travel, and professional expenses considered ordinary and necessary for carrying out their employment duties. Ministers or other Church employees may receive expense reimbursements or advances, in accordance with the annual budget, as long as the following conditions are met:

- a. Expenses incurred by ministers or other employees must be for a purpose related to the ministry or operations of the Church.
- b. Documentation for all expenses must be provided within 60 days of incurring the expense and within 15 days of the fiscal year closing.
- c. Expense advances must be made within 30 days of the anticipated expense. Amounts advanced in excess of expenses must be returned to the Church within 120 days after the expenses were incurred.
- d. Reimbursements for auto mileage must be supported by written documentation.

C. Reimbursement of Expenses Incurred by Volunteers

If an expense is incurred by a volunteer, documentation must be provided within 60 days of incurring the expense and within 15 days of the fiscal year closing. Receipts not submitted for reimbursement within this timeframe may not be eligible for reimbursement.

D. Designated Funds

Per the Gift Acceptance Policy, decisions on the restrictive nature of a gift and its acceptance or rejection shall be made by the Operations Co-Chairs, with the concurrence of the Board. A restricted donation will not be accepted until the Operations Co-Chairs and the Board have approved it. If the Board accepts the donation, it shall be spent only for the purpose designated by the donor.

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