

**Unitarian Universalist Congregation of Fairfax
Operational Policy**

Subject: Financial Controls

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Policy

It is the policy of the Unitarian Universalist Congregation of Fairfax (UUCF) to establish financial control procedures that ensure appropriate checks and balances are in place for the safekeeping of congregational funds. In addition, UUCF financial control procedures will be efficient and allow for timely services (deposits, payments and reporting) to staff, congregants and congregational leadership. This policy and procedure applies to all bank accounts and other asset accounts established by UUCF.

Procedures

Bank Account Management

1. The Director of Administration and the Comptroller propose opening and closing of bank and other asset accounts to the Coordinating Team (CT). The CT approves and documents the decision in the approved CT meeting minutes.
2. A minimum of three authorized agents shall be established for each account, which normally includes the Director of Administration, the Comptroller and the Board Treasurer. Other Board officers may be added or substituted as authorized signers on any account.
3. The Director of Administration establishes on-line access to accounts with the approval of the CT to facilitate efficient management of funds, including on-line fund transfers, bill paying and statement/activity access. A second authorized agent, normally the Comptroller, must also have on-line access to any accounts set up as such.
4. The Bookkeeper reviews and reconciles bank and other account statements to the accounting record on a monthly basis and reports any discrepancies or problems to the Director of Administration and the Comptroller.
5. On a regular basis and at least quarterly, the Comptroller reviews bank reconciliations prepared by the Bookkeeper and performs limited audit procedures.
6. The Bookkeeper or the Director of Administration orders check and deposit stock, which is stored in the safe.
7. Generally, UUCF maintains the following bank and asset accounts:
 - a. Operating checking
 - b. Operating and capital reserve savings
 - c. Custodial fund checking
 - d. Capital Campaign checking
 - e. Brokerage account for stock transfers

8. It is the policy of UUCF to maximize earning potential without putting funds at risk and the Director of Administration is responsible to monitor the marketplace and to make recommendations to the Comptroller and the CT regarding the most advantageous account structure. These recommendations will be reviewed by the Board Financial Oversight Committee (FOC).
9. Fund transfers from one bank account to another are executed by the Director of Administration and monitored by the Comptroller.
10. Capital Reserve funds may not be expended without approval of the Coordinating Team.
11. Capital Campaign fund expenditures must be approved by the Board of Directors.

Deposits and Income Processing

1. Two ushers collect and count the cash and number of checks received in each worship service and complete and sign a Collection Record documenting the results. They place the Collection Record, cash and checks in a bag and deposit it in the Sanctuary lock box or they give it to the administrative staff person on duty, who places the bag in the office safe.
2. The Administrative Coordinator retrieves the collections bags on Sunday or Monday, copies the Collection Record, and records each check received on the Check Log. The Collection Record copy goes to the Director of Administration. The Membership Coordinator logs checks in the absence of the Administrative Coordinator.
3. No later than Wednesday of the following week, the Bookkeeper prepares the deposit, compares the deposit with the Collection Record and reports any discrepancies to the Director of Administration. The Bookkeeper also enters records of individual donations in the ~~ACS database~~ UUCF member/donor database and reconciles the database records with the deposit.
4. Additional checks received during the week are recorded in the Check Log by the Administrative Coordinator and then ~~processed~~ entered into the financial software and the member/donor database by the Bookkeeper and added to the weekly deposit.
5. Sunday collections and pledge checks received during the week are accounted for in the following categories:
 - a. Pledge payments
 - b. Other designated contributions
 - c. Collection plate cash and checks
6. On a weekly basis, the Director of Administration compares the Collection Record and the deposit entry in the accounting record with the deposit receipt issued by the bank.
7. Other deposits (custodial account, rental income, etc.) are also prepared on a weekly basis as necessary by the Bookkeeper or the Director of Administration.

Requesting, preparing and signing checks and paying bills

1. Individuals requesting a check prepare a voucher form with appropriate documentation and give it to the Director of Administration.

2. The Director of Administration reviews and approves the voucher for payment. The Comptroller approves vouchers for payment in the absence of the Director of Administration.
3. On at least a weekly basis, and more often as necessary, the Director of Administration or Bookkeeper prepares the checks for signing. If a check is needed and neither the Director of Administration nor Bookkeeper is available, the Comptroller may prepare the check.
4. One of the authorized agents, (Board Treasurer, Director of Administration, Comptroller) usually the Comptroller, signs checks under \$2500. The Director of Administration may not be the sole signer of checks under \$2500 except if a check is needed immediately and another authorized agent is unavailable. In such cases, the Director of Administration will include the documentation for the check written with the next check batch to be signed by the Comptroller to ensure adequate review. Any check made payable to the Director of Administration or Comptroller must be approved and signed by a separate authorized agent.
5. Any check over \$2500 requires a second authorized agent signature. The Director of Administration may be a second signer for a check over \$2500.
6. Checks are prepared and printed from the accounting software.
7. Regular monthly, quarterly or annual bills such as utilities, phone, equipment leases or loan payments may be paid on-line by the Director of Administration with the approval of the Comptroller. Bills paid on-line must be promptly entered in the accounting record as an on-line payment.
8. The Director of Administration is responsible to ensure that adequate cash is available to cover checks written and that bills are paid on time.

Custodial Fund Procedures

1. A separate Custodial Fund account is maintained to manage designated funds for projects and activities not included in the operating budget.
2. The above procedures apply to the management of this fund.
3. Each project or event with expenses not funded in the operating budget is expected to generate enough income to cover the expenses. If there is a deficit at the end of a project or event, the Director of Administration will recommend to the relevant lay leader(s) and the CT how the deficit will be covered. If there is a positive balance at the end of a project or event after all expenses are paid and disbursements made, the balance will be transferred to the operating account.
4. When projects or activities receive income during the event, the organizing committee is responsible to utilize the following procedure for cash control:
 - a. Two people must work together to receive cash and checks and each should independently verify in writing the amount of cash and number of checks received.
 - b. The cash and checks should be placed in a sealed envelope and either placed in the Sanctuary lock box or given to the designated staff contact person with the written record signed by both cashiers.
 - c. The deposit is then processed according to normal deposit procedures outlined in this policy.

5. Proceeds from fundraising activities for external organizations will be disbursed according to the instructions of the responsible lay leader and in compliance with the normal check writing procedures.

Preparation and Review of Financial Reports and the Budget

1. The Bookkeeper completes the bank reconciliations and prepares financial reports in the standard agreed upon formats by the end of the second week of each month. The Director of Administration reviews the reports and forwards them to the Comptroller and the FOC.
2. The Director of Administration prepares the standard agreed upon Board data report before the last Board meeting of each month (normally the 3rd Tuesday). A copy is also given to the Comptroller and Coordinating Team members.
3. The Director of Administration, in collaboration with the Comptroller and Coordinating Team, prepares the annual budget in February/March of each year. He/she coordinates the process of receiving feedback from Lay Ministers, Board leadership and staff prior to preparing the budget. A draft budget may be distributed to the Board and Lay Ministers at their request. After review by the Comptroller and approval by the Coordinating Team, the budget is presented to the FOC for review and presentation to the Board with sufficient time for approval to present to the June Annual Meeting of the congregation.
4. The Comptroller reviews monthly, quarterly and annual report detail and presents any concerns or discrepancies to the Coordinating Team or the FOC.
5. In September, the Director of Administration, with assistance from the Comptroller and Bookkeeper, prepares an end of fiscal year financial report for review by the Coordinating Team, the FOC, and the Board prior to distribution to the congregation. The Director of Administration will post the year end financial report on the UUCF website and will announce its availability in the congregational newsletter.

Access to the Accounting Software

1. Only the Bookkeeper, Comptroller and Director of Administration have access to the accounting software. They each have the capacity to make entries and run reports.
2. Each of the three has personal log-in and password access and the Director of Administration is the administrator. Each person will use his/her personal log-in when entering transactions. The administrative log-in will only be used for administrative tasks.
3. An access log will be kept within QuickBooks to track who enters each transaction.

Access to the Safe

1. Cash and checks received are kept in the locked safe until deposited in the bank.
2. The Director of Administration, Membership Coordinator and Administrative Coordinator are the only people with access to the safe.

Petty Cash

1. A petty cash account/box (\$300) is kept in the safe for Office use. The Administrative Coordinator, Membership Coordinator or Director of Administration, as staff with access to the safe, may access petty cash or assist other staff with petty cash needs.
2. When using cash from petty cash, the amount, purpose and name of the person removing the funds are recorded on a petty cash receipt.
3. When an authorized person accesses petty cash and the balance remaining is under \$100, that person is responsible to notify the Bookkeeper so the account can be replenished.
4. The Bookkeeper makes the appropriate entries in the accounting software to account for use of petty cash when she/he replenishes the account.

Back-up Coverage

1. The Director of Administration, Bookkeeper and Comptroller will coordinate vacation schedules so that two of the three are always available. The Director of Administration and Bookkeeper will cover the other's duties to the extent necessary to maintain business operations when one is away. If the Comptroller is away, one of the other authorized signers will be the primary check signer.