

FINANCE COMMITTEE POLICY AND PROCEDURE SYNOPSIS

Adopted 2021

FINANCIAL POLICY AUTHORITY AND MAINTENANCE

The purpose of this policy is to provide parameters within which the FBC staff and membership will handle financial responsibilities.

While financial procedures are established to protect church assets and personnel, our objective is to also include as much flexibility as possible. We recognize the integrity of the church staff and membership in making financial decisions. Our overall goal is to be good stewards in the handling of financial resources as we seek to bring glory to the Lord.

GENERAL ACCOUNTING SYSTEM

Basis of Accounting. FBC has elected to record its financial transactions under the cash basis of accounting. The cash is recorded in the financial statements when it is physically received and when the checks are written.

Fiscal Year. The fiscal year will begin on January 1st and end on the following December 31st.

Unrestricted and Restricted Funds. Funding of the ministries support services and capital improvements of FBC will be derived from donations and these donations can generally be broken down into two categories, Unrestricted and Restricted as described in the following paragraphs.

General Operating Fund (Unrestricted). FBC will maintain a General Operating Fund to meet its ministry objectives and goals as adopted annually by the Church. Gifts to this fund are considered unrestricted in nature. All tithes and offerings will be applied to the General Operating fund to fund the ministries of FBC unless otherwise specified.

Restricted Fund (Designated). The principal sources of restricted gifts are contributions from donors where the donor has stipulated the specific purposes for which the resources are to be used. Periodic revenues from Coca-Cola from the use of vending machines are placed in the children's designated ministry. The designation must be specific at the time the gift is made.

New Designated Funds: A new designated fund will not be created until the following protocol has been accomplished (Approved by Deacons on 7/26/20):

Name and description of purpose of desired designated fund,
Which committee and/or staff personnel is responsible for handling the fund,
Presented to Deacons and approved by Deacons.

Designated Funds Reporting: All approved restricted offerings will be accounted for as separately Designated Funds. All approved restricted offering account balances must be reported on a monthly basis as part of the normal Finance Committee review procedures.

Carry Over of Restricted Balances: Restricted account balances will be carried over to each new church year until the balances have been expended for their intended use or until the Deacon body approves a re-designation of those funds.

Temporary Nature of Restricted Funds: The church will accept no permanent restricted contributions. In regards to scholarship gifts, these are also considered to be temporary, and may be re-designated by the Deacons after a passage of time.

Bank Accounts. No bank account will be created using the name of First Baptist Church by any outside group (i.e. SS classes, committees or other church organizations). Such accounts must fall under the general accounting system of the church.

Benevolence Fund. FBC has established a Benevolence Designated fund to assist persons in financial need. The church welcomes contributions to the fund. Members are free to suggest beneficiaries of the fund but cannot designate or restrict the identity to a specific needy individual or family (see **Love Offerings**, below). The administration of the fund including all disbursements is subject to the exclusive control and discretion of the Student Pastor appointed to the oversight of benevolence.

The Student Pastor will review all benevolence requests to determine their appropriateness. However, disposition of benevolence funds must be made based upon the availability of such funds.

Love Offerings. Love offerings may be submitted for a specific needy individual or family and will be processed through the Miscellaneous Designated account. Generally, this account requires no prior review or approval. However, if either the donor or the recipient is NOT a member of FBC, the requested love offering must be presented to the Finance Committee for approval. If not approved, the donor's check will be returned. The foregoing notwithstanding, contributions to ministry groups (i.e. Gideons International, revival staff, missionaries, performing groups, etc) will not require prior review or approval.

General Ledger Chart of Accounts. The General Ledger Chart of Accounts contains a listing of all descriptive account titles and numbers being used in recording financial transactions of FBC. The Chart of Accounts is maintained on two Intuit Quickbooks software programs. Accounts are numbered using a numerical digit sequence. The Deacons are the only entity that is authorized to establish, revise or delete accounts.

See Appendix D for a complete listing of accounts and responsible staff and committees.

PURCHASING

Purchase Approval. A purchase order (PO) system is not intended for most purchases. Credit card purchases or other purchases by the staff under \$5,000 do not require purchase order approval. Routine noncredit card purchases made for an established committee's functions can be handled by normal reimbursement process. Purchase orders are required for all other purchases.

A purchase order may be issued by 1) Office Manager or designee, 2) Pastoral Staff, 3) Church Administrator, 4) Financial Secretary.

The purchase order is filled out by one of the above as needed. If the recipient is a church member, he takes the purchase order to the business and purchases the items necessary and returns the receipt(s) to the church along with the purchase order. Whoever issues the purchase order is responsible for matching the PO to the receipt(s) if available. A copy of the purchase order and the receipts needs to be turned in to the Financial Secretary as soon as possible.

Each person in charge of a budgetary fund should be accountable for that fund (i.e., make a written budget request) and be the sole person to authorize disbursement of such fund. (Approved by the Deacon body on 7/26/20).

Purchases made outside of an individual's area of responsibility must have approval from the person or committee responsible for that account (see Appendix D).

Expenditures from designated funds or programs will be approved only to the extent that cash has been accumulated for the specific purpose being requested.

Tax Requirements. A W9 tax form is required of all vendors whose annual receipts from FBC are expected to be \$600.00 or more. No payment in excess of that amount will be made until the appropriate form has been received. At the end of the calendar year, FBC will provide a 1099-Misc form to each such vendor.

Capital Purchases. Capital purchases exceeding \$5,000 must be approved by the Deacons.

Reimbursement Process. Purchases made that require reimbursement need to be submitted to the Financial Secretary. The check requisition form (Appendix F) and receipt(s) should be completed and submitted to the Financial Secretary.

BUDGET PREPARATION

A unified Budget will be prepared for the purpose of making resource allocations of funds for all significant ministry program services and support services of FBC incorporating all anticipated receipts and expenditures. An estimate of all anticipated receipts and expenditures for the succeeding fiscal year will be prepared in the form of a composite statement to be known as the "Annual Church Budget."

The Finance Committee working in conjunction with the staff and representatives of church organizations shall be responsible for the preparation of the proposed budget.

The Financial Secretary will distribute the budget request form consistent with the chart of accounts. The person responsible for each account should complete the budget request form for each item they wish to increase/decrease. Budget request forms must be returned to the Financial Secretary by the date indicated on the form. Budget items that are not requested for budget increase/decrease will be assumed to remain as in the current budget.

The Financial Secretary will compile budget requests for each account and show prior year's budget. After compiling total expenditures, the Financial Secretary will add expenses for Louisiana Baptist Convention, Washington Baptist Association, and Acts 1:8, based on the established percentages of budget receipts.

The budget proposal will contain a single line item for all staff compensation. It is the responsibility of the Personnel Committee to recommend salary levels, adjustments, and

benefits, including matching portions for FICA. A breakdown of all salaries must be provided to the Financial Secretary to assure proper financial payments. In NO case shall the Financial Secretary disclose individual staff salaries. Any church member can request a list of staff salaries from the Personnel Committee.

The Finance Committee will not arbitrarily reduce any budget amounts. In the event the budget needs to be reduced, the staff will be asked to make recommendations.

The Finance Committee shall consider the proposed budget request and upon approval shall submit a proposed budget to the Deacons for review and approval. Upon approval from the Deacons, the Deacon Chairman will notify the Financial Secretary. The Financial Secretary will authorize the staff to make copies of the budget to be submitted to the church for final approval.

CONTRIBUTIONS

Confidentiality of Giving Records. Records will be secured and/or inaccessible when not being used during the normal course of church operations. Only authorized Church Office Personnel dealing with finances will have access to these records.

CHART OF ACCOUNTS / RESPONSIBILITY ASSIGNMENTS

(Note: In the event of illness, extended absence, or vacancy of a "Responsibility Of" individual, the Pastor, Deacon Chairman or Finance Committee Chairman may authorize expenditures from any account.)

Account	Responsibility Of
600 General Fund	Financial Secretary, Church Administrator, Office Manager
780 Mission Support	
780-80 LBC Cooperative Program	Financial Secretary
780-81 Washington Baptist Assoc.	Financial Secretary
780-83 Bogue Chitto Heights Church	Deacon Chair, Pastor
780-85 Acts 1:8	Financial Secretary
800-0 Ministries and Outreach	
823 Family Ministries and Outreach	Student Pastor
833 Music Ministry	Worship Pastor
834 Adult 55+ Ministries	Associate Pastor
835 Preschool Ministries	Preschool Director, Children's Minister
836 Children's Ministries	Preschool Dir., Children's Min., Student Pastor
837 WMU	WMU Director
838 Transportation	Transportation Chair, Pastor, Student Pastor
839 VBS	Preschool Director, Children's Minister
840 Discipleship Training	Pastor
841 Homebound	Homebound Ministry Director
843 Youth Ministries	Student Pastor
847 Women's Ministries	Team Leader
848 Media Library	Team Leader
849 Children's Camp	Children's Minister
800-00 Programs and Operations	
805 Accounting	Financial Secretary
809 Sound and Equipment	Worship Pastor
815 Vehicle Maintenance & Repairs	Transportation Committee Chair
821 Coffee/Tea	Office Manager
822 Hospitality	Team Leader
825 Handbells	Worship Pastor
826 Senior Singers	Worship Pastor
832 Benevolence	Student Pastor
845 Staff Development	Office Manager
850 Insurance	Team Leader
851 FBC Literature	Sunday School Director
852 Worship Guests & Activities	Church Administrator
853 Newsletter/Bulletin	Office Manager
865 Office Supplies	Office Manager
866 Postage	Office Manager
867 Copier Expense	Office Manager
870 Grounds Maintenance	Building & Grounds Chair, Janitor
871 Facility Maintenance & Repairs	Building & Grounds Chair, Janitor
872 Janitorial Supplies	Office Manager, Janitor

CHART OF ACCOUNTS / RESPONSIBILITY ASSIGNMENTS

Account	Responsibility Of
873 Kitchen Supplies	Office Manager
880 Telephone/Internet	Office Manager
890 Utilities	Financial Secretary
895 Miscellaneous Expense	Church Administrator
896 Broadcasting	Office Manager
897 Technology	Office Manager
898 Security	Security Chair
899 Fellowship	Church Administrator
900 Online Giving Surcharge	Financial Secretary
Salaries	
317 State Income Tax	Financial Secretary
800 Salaries	Financial Secretary, Deacon Chair, Personnel Chair
802-2 Pastor Expense Account	Financial Secretary, Deacon Chair
802-3 Assoc. Pastor Expense Account	Financial Secretary, Personnel Chair
941 Federal Tax Payment	Financial Secretary
150 Designated	
150-08 Men's Breakfast	Men's Breakfast Director or designee
150-09 Wednesday Night Supper	Wed. Night Supper Director or designee
150-13 Deacons Fund	Deacon Chair
150-16 Senior Singers	Worship Pastor
150-17 Handbells	Worship Pastor
150-18 Fountain Fund	Building & Grounds Chair
150-20 Building Fund	Building & Grounds Chair
150-23 Preschool/Children's Ministries	Children's Minister
150-25 Operation Christmas Child	Mission's Committee Chair
150-33 Georgia Barnette	Financial Secretary
150-34 Senior Adult Ministries	Associate Pastor
150-35 Lottie Moon	Financial Secretary
150-36 Annie Armstrong	Financial Secretary
150-37 PlaySchool	PlaySchool Director
150-40 Youth Ministries	Student Pastor
150-42 Facility Use*	Church Administrator
150-44 Centri Kid	Children's Minister
150-49 Misc. Designated	Financial Secretary
150-50 Benevolence	Pastor, Student Pastor
150-56 Music	Worship Pastor
150-57 Women's Ministries	Women's Ministry Leader

* Expenditures for this account are restricted to payment for services (janitorial, sound, etc.) and for improvement to the facilities.

CHART OF ACCOUNTS / RESPONSIBILITY ASSIGNMENTS

Account	Responsibility Of
150-59 Acts 1:8	Student Pastor, Committee Chair, Pastor
150-62 Discipleship Training	Pastor
150-64 Honduras	Mission's Committee Chair
150-66 Open Door SS Class	Class Secretary or designee
150-67 Circle of Joy SS Class	Class Secretary or designee
150-75 Phase 1 New Sanctuary Fund	Deacon Chair
150-76 Surpluses	Deacon Chair
150-77 Sisters SS Class	Class Secretary or designee
150-78 A.W. Robbins SS Class	Class Secretary or designee
150-79 Armor of Light SS Class	Class Secretary or designee
150-80 Covenant/Mercy House	Mission's Committee Chair
100-100 Whitney/Hancock Bank Operating Fund	Financial Secretary
100-101 Resource Bank Payroll Account	Financial Secretary
Money Market Accounts and CD's	Deacon Chair
102 CSB – Money Market 2147	Deacon Chair
112 WNB – Fountain Fund CD	Deacon Chair
114 Savings First Bank McComb 2874	Deacon Chair
115 First Bank McComb CD	Deacon Chair
119 CSB Money Market 1828	Deacon Chair
124 CSB CD 2770	Deacon Chair
125 CSB CD 2762	Deacon Chair
126 CSB Savings 4196	Deacon Chair
127 CSB CD 2754	Deacon Chair
127 CSB CD 4156	Deacon Chair

CHECK REQUISITION FORM

**FIRST BAPTIST CHURCH OF FRANKLINTON
950 SELF STREET
FRANKLINTON, LA 70438**

Requested By: _____	Date: _____
_____ Name (Please Print)	Account Name: _____
_____ Signature	Account Number: _____
	These funds are: (check one) <input type="checkbox"/> Budget Funds <input type="checkbox"/> Designated Funds

CHECK MADE PAYABLE TO: _____
Address: _____

- Please attach all available documentation (i.e.: receipts, invoices).
- Must include address if check is for reimbursement.
- Must include IRS Form W-9 if check is for payment of services to an individual.

AMOUNT: _____

Purpose/additional information: _____ _____ _____ _____ _____
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METHOD OF PAYMENT

Mailed: ☐

Hold for Pick Up: ☐