

First Parish Brewster Unitarian Universalist Policy

Policy Title: Financial Controls Policy

Revisions: updated April 2023, February 2026

Policy Number: 3.1

Board Review Date: 11/21/2019, 3/15/2022, 4/18/2023, 1/20/2026

Purpose: To define financial practices and procedures to be used by FPBUU to ensure finances are managed with accuracy, efficiency, and transparency.

Congregations' Review Period: 1/10/2020 to 2/10/2020

Effective Date: 4/18/2023, 2/1/2026

POLICY STATEMENT

FPBUU is committed to ensuring that: the administration of the financial resources of the organization conform to generally accepted accounting principles; assets are safeguarded; guidelines of grantors and donors are complied with; and finances are managed with accuracy, efficiency, and transparency.

PROCEDURES

Receiving money:

- The Treasurer or Administration and Finance Director (AFD) is authorized to receive any securities transferred in payment of pledges, oversee their sale, and transfer the funds to the operating account. A brokerage account at a local bank will be used for this purpose.
- All donations to FPBUU of cash or marketable securities will be accounted to a FPBUU fund, if stipulated by the donor. If the donor has not stipulated how the gift is to be processed, the AFD will contact the donor to determine their wishes. If the donor cannot be contacted (is deceased or otherwise unavailable) or has no preference, the gift will go to the Endowment Fund, if it is specified as a testamentary bequest, and, if not, to the Sustainability Fund. The AFD is authorized to liquidate non-monetary donations and add the proceeds to the designated fund. The Endowment Board is authorized to liquidate non-monetary donations and add the proceeds to the Endowment Fund.
- Funds collected as part of FPBUU events, including Sunday service collections, collections at special events, and rental fees, shall be handled as follows:
 - Ushers at Sunday services are responsible for sorting, counting and recording the cash collection, counting and recording the number of checks, and depositing the funds in cash and checks in the safe. The same procedure is to be followed by organizers of special events.
 - There will be two cash counters, unrelated to each other, at every service or special event, with each verifying the other's count and initialing the form. Money counters will be rotated.
 - Counting and recording will be done behind a closed door.

- o Rental fees should be deposited in the safe or placed with the Administration and Finance Director.
- Cash collected at the Thrift Store is counted every day and put in a safe within the Thrift Store. Cash from the Thrift Store is transferred to the office safe every Saturday. Prior to leaving the Thrift Store it is counted by two Thrift Store staff and prior to being deposited to the bank it is counted and checked by office staff.
- Cash is kept in a safe until it is deposited. Any substantial amount of cash should be deposited as soon as possible, including use of a night depository as appropriate.
- The person responsible for reconciling the books cannot be the person responsible for depositing money to the bank.
- If an event is organized to provide financial aid to an individual FPBUU member who has a special financial need, it must be approved by the Administration and Finance Director (in consultation with the Board of Trustees) and all money given directly to the individual and not included in FPBUU accounting. Checks received in a fundraiser for an individual FPBUU member must be made out to the beneficiary, not to FPBUU.

Managing money:

- FPBUU will maintain at least \$20,000 in its Sustainability Fund. The yearly budget process will include a review of the current value of the Sustainability Fund and a budget line-item included whenever the fund drops below \$20,000. The fund can also be increased through other means such as special appeals and directed donations.
- FPBUU shall maintain the Capital Expense Fund to be used exclusively for property building projects. Money is added to this fund when it is allocated as part of an operating budget or through directed donations. The Building Oversight Committee shall manage distributions from the Fund.
- The following reports shall be produced each month by the AFD, evaluated at the monthly Finance committee meeting, and distributed to the Board of Trustees:
 - o Profit/loss, actual vs budget
 - o Profit/loss, previous year comparison
- The following reports shall be produced quarterly by the AFD, evaluated at the monthly Finance committee meeting, and distributed to the Board of Trustees:
 - o Statement of Financial Position, previous year comparison
- The Finance Committee is responsible for reviewing the monthly and quarterly reports, monitoring the budget and providing early warning of budget issues like overspending or budget shortfalls to the Board of Trustees.
- A member of the Finance Committee, who does not have signing privileges, shall be assigned to examine and approve the monthly bank reconciliations. This review shall be done as promptly as possible but at least within 2 months of the statement closing date.

Spending money:

- Ministers, staff, Board President, and committee chairs have sole authority to spend operating funds and are responsible for staying within their budgets. All others must obtain prior approval from the appropriate responsible person.
- As stated in our By-Laws, the Board of Trustees may vote to make adjustments to the annual budget as long as those changes are not in excess of five percent of the annual budget.
- All expenditures are reviewed through procedures designated by the AFD and include:

- o The Financial Administrator documents the expenditure in QuickBooks, specifying details about the payee, purpose of payment and source of funding.
 - o The AFD reviews all expenditures ensuring each is an appropriate expense as documented in QuickBooks and in line with the intentions of the congregation and decisions of the Board of Trustees.
 - o The Treasurer approves the expenditure by reviewing the material and signing off on the expenditure.
- Only the Treasurer, Board President and Board Clerk are authorized to sign checks against the operating fund and special fund. Only the Endowment Board Chair, Financial Secretary and Recording Secretary are authorized to sign checks against the Endowment Fund.
- Only the Financial Administrator and Administration and Finance Director have access to blank checks. This ensures that every check written has been reviewed by two people, the staff person who made out the check and the board member who signed it. Ministers have no access to checks, nor do they have signing authority. No staff member has the authority to sign checks.
- All disbursements via check are made by pre-numbered checks.
- Every check has written documentation attached to the check stub (check request/receipt/invoice) except for payroll checks. Payroll records should be maintained separately to be able to trace payments back to the records, without the records being readily available to members without the need to know.
- Blank checks are never to be signed in advance.
- Electronic payments are made either a) via automatic payments for regular billed accounts or b) via the Cape Cod 5 (CC5) bill payment capability. For automatic payments, bills are regularly reviewed by the Treasurer. CC5 bill payments shall be approved by the Treasurer prior to execution.
- All electronic transfers, i.e. transfers among FPBUU accounts at CC5, are documented with detailed explanations of the purpose of the transfer. Electronic transfers shall be approved by the Treasurer prior to execution.
- Use of signature stamps is prohibited.
- Credit cards shall be issued to the following staff members: Administration and Finance Director, Financial Administrator, Minister, Music Director and CYM Director. Cash Withdrawals are disallowed, and no payment of a loan can be made with a credit card (such as, in case of need, a car or other loan paid from the HEED fund). Credit cards may not be used for personal expenses. Treasurer shall review all credit card charges including receipts provided and shall approve payment of the credit card. Credit card charges shall be supported with a receipt conforming to the Receipt clause below.
- A single Debit card shall be issued on the Special Funds account to be used ONLY for payment of HEED requests. The Debit card shall be in the name of the AFD or Financial Administrator and used in coordination with the Minister to pay HEED requests involving the payment of credit accounts.
- **Receipts:** All credit card purchases and reimbursement requests from staff or congregants shall be accompanied by a receipt. The receipt must specify: a) date of purchase, b) products or services purchased, and c) total cost. Under unusual circumstances, when a receipt cannot be provided, a Lost Receipt Form shall be filed as a replacement for a receipt.
- All disbursements must be approved by the appropriate Fund Manager (see Definitions). The AFD shall maintain a list of Fund Managers, for accounts within both the operating account and special funds account. Endowment has a formal process for disbursements from Endowment funds.
- The signer of a check must not be the person authorizing the expense.

- Any expenditure outside of or exceeding the operating budget must receive prior approval from the Board of Trustees. The Urgent Decision Making Policy shall be used if emergency expenditures are needed.
- A fixed amount of 5% of the annual budget should be committed to maintenance of the Meeting House and other campus buildings.
- Background checks are conducted on all employees prior to hiring. Background checks are conducted for all check signers prior to them starting a check signing role. Background checks are also conducted on Thrift Store Volunteers prior to beginning that role. Once conducted, background checks are not repeated for things like changing roles or remaining in a job for an extended time-period, unless a special circumstance warrants it.

GUIDELINES

No guidelines are recommended at this time.

STANDARDS

No standards are recommended at this time.

DEFINITIONS

Fund Manager – each discretionary expense line-item in the budget or other type of fund shall be managed by a person or small group of people. For example, the Board of Trustees line-item in the budget is managed by the Board of Trustees as represented by the Board President. The Fund Manager is responsible for a) approving all expenditures charged to that fund b) ensuring spending remains within the limits of the fund. For budget line-items, spending should remain at or below budget. For other types of Funds, spending shall be limited by the current value of the Fund. For non-discretionary spending, for example utilities such as gas and electricity, there is no Fund Manager, but the Finance Committee shall review the spending and identify concerns to be investigated.

Background Check – FPBUU uses Criminal Offender Record Information (CORI) checks as its background check. CORI checks are performed by the AFD and are free for non-profits.

Fiscal Year – The fiscal year for FPBUU is July 1 to June 30.

Donation – all contributions of cash, cash equivalent or personal property given to FPBUU. Common types of donations (defined next): Pledge, Offertory, Special Appeals, Fundraising, Thrift Store Donations, and Miscellaneous.

Pledge – a promise to fund a particular fiscal year budget. Pledge payments include all amounts given as a pledge. Pledge payments are not always equal to the initial pledge but are always considered part of pledge income.

Offertory – money given as part of a service.

Special Appeals – money given in response to a special appeal, typically to fund a particular FPBUU initiative like budget shortfalls, large capital projects, or special community needs.

Fundraising – an event or program whose purpose is to raise funds either for FPBUU or another charitable organization that shares FPBUU values. Activities that raise funds for individuals are considered separate from typical fundraising.

Thrift Shop Donations – personal property received specifically for resale within the Thrift Store.

Miscellaneous – donations that are not identified as Pledge, Offertory, Special Appeals, Fundraising, or Thrift Shop Donations.