

PRESBYTERY FISCAL & BUDGETARY POLICY

The Winnebago Presbytery

September 23, 2003

I. Income, Expenditures, and Controls

- A. The Presbytery shall have a unified Budget herein called The Winnebago Presbytery Operations Budget (WPOB). The Budget shall describe its expenses by using descriptive classifications. The Associate for Administration under the direction of the Finance Committee will establish accounts in accordance with the WPOB and is authorized to establish such more detailed accounts as the Associate for Administration and the Finance Committee shall determine is necessary for proper management of the Presbytery activities.
- B. The Presbytery Budget is funded from the following sources:
1. A per capita Apportionment established annually by the Presbytery to support the essential ecclesiastical function of the Presbytery.
 2. Income from restricted and unrestricted invested funds.
 3. Honoraria received by Presbytery Staff persons when on Presbytery assignment.
 4. Mission pledges made by sessions of local congregations.
 5. Income from designated gifts.
 6. Grants from and/or contracts with General Assembly, Synod and other Presbyterian agencies, as negotiated. (e.g. Synod salary support)
 7. Income from the invested reserve funds which are restricted as to investment and/or use.
 8. Special offerings.
 9. Miscellaneous receipts.
- C. Unexpended balances from the WPOB at the end of the fiscal year shall be carried forward in the Presbytery Reserves Fund balance, except where an agreement with a Synod Agency or other grantor requires return of balances from any grant at the end of the year.
1. The Presbytery, upon recommendation of the Finance Committee, shall establish the minimum level of the Reserves Fund balance that is necessary for the orderly conduct of Presbytery business.
 2. The Finance Committee shall review the established minimum level of the Reserves Fund balance at least every two years, and shall recommend any necessary revisions to the Presbytery.
- D. All donor restricted funds and trusts received and administered by the Presbytery will be in accordance with the provisions and restrictions of the funds and trusts.

- E. All funds designated by General Assembly and Synod agencies for programs within the Winnebago Presbytery shall be transmitted to the Winnebago Presbytery and in turn disbursed to the designated mission program of the Presbytery within 30 days of receipt.
- F. The Presbytery Budget shall be expended in accordance with the Budget adopted by the Presbytery. The Finance Committee shall have authority to adjust the Budget as necessary during the year, in consultation with committees and/or persons involved in any of the proposed adjustments. Budget adjustments would include interim use of unrestricted reserve funds.
- G. The Associate for Administration, under the direction of the Executive Presbyter and the chair of the Finance Committee shall have authority to establish control accounts for non-budgeted funds received, with expenditures to be authorized according to written agreements up to the limit of income received.
- H. All funds for Presbytery programs shall be received and expended by the Associate for Administration and/or the Treasurer of the Presbytery. No committee or persons shall hold funds for Presbytery programs or establish bank accounts for such funds without written approval from the Treasurer and the chair of the Finance Committee.
- I. Where the Presbytery participates in the financial support of any agency, all agencies receiving in excess of \$5,000 in annual funding shall provide the Presbytery with year end financial reports signed by the agency Director or other responsible party - unless specifically exempted in writing by the Finance Committee.
- J. The Treasurer, the Associate for Administration and any other persons handling funds or assets of the Presbytery shall be bonded at the expense of the Presbytery in amounts to be determined by the Presbytery upon recommendation of the Finance Committee.
- K. All funds received from special offerings shall be expended in accordance with the intent of the donor and subject to guidelines established for the expenditure of such funds.

II. Budget Making

- A. Each unit, committee, or task group participating in the budget shall be responsible for submitting a request to the Presbytery, through the Presbytery staff and/or the Finance Committee.
- B. The Finance Committee shall make budget recommendations to the Presbytery with priorities that reflect those recommended and approved by the Presbytery. Upon approval of the annual Budget by the Presbytery, the responsibility for recommending modifications and revisions to said Budget shall rest with the Finance Committee. Between Presbytery meetings, the Finance Committee shall have authority to make changes in the current year budget.

- C. The responsibility for establishing criteria for setting priorities in the Mission Program of the Presbytery shall rest with the Presbytery, under the leadership of the Moderator, Stated Clerk, Executive Presbyter, and any committee delegated to bring recommendations to the Presbytery concerning a criteria for Mission Programming.
- D. The Presbytery may designate a portion of the Presbytery Budget for contingency purposes to cover emerging needs and issues. The Finance Committee shall recommend dollar allocations to specific needs and issues as may be indicated and overall funding allows.
- E. The Presbytery shall be responsible for the delegation of oversight for Mission Programs prioritized by the Presbytery.
- F. The Presbytery shall be responsible for establishing guidelines for the receipt and expenditure of special Presbytery offerings.
- G. The Presbytery, upon recommendation of the Finance Committee, may choose to balance the Budget by using some or all of the Reserves Fund balance in excess of the minimum Reserves Fund balance established pursuant to Section I, subsection C (1) of this policy.

III Budget Administration

A. Check Writing

1. All Presbytery checks shall normally be written in the principal office of the Presbytery except as explicitly authorized by the Treasurer.
2. The Presbytery shall determine who shall be authorized to sign checks following a recommendation from the Finance Committee.

B. Budget Changes and Adjustments

1. The Finance Committee shall have responsibility to hear and act on requests for budget increases or additional budget items.
2. No committee, no administrative unit, and no Presbytery controlled mission unit shall expend more money than is provided for it in the approved budget, except by approval of the Finance Committee.
3. Request for expenditures beyond a budgeted amount, submitted to the Finance Committee, must be accompanied by a statement of proposed funding for the additional expenditures.
4. Between Presbytery meetings, the Finance Committee shall have authority to make changes in the current year budget.

5. A quarterly financial report shall be presented to Presbytery.

C. Budget Surpluses

In the event of a surplus in the operations budget at the end of a fiscal year, such funds will be allocated in the following priority:

1. maintain the Operations Fund Balance at \$30,000.;
2. maintain the Reserves Fund Balance at a level equal to six (6) months of the current fiscal year's Operations Budget;
3. disburse any remaining funds to GA, Synod and Presbytery according to the current fiscal year's recommended mission percentages; and
4. equally disburse the presbytery portion to the Special Ministry Projects funded during that fiscal year.

IV. General Business Practice

A. Purchases

1. Capital expenditures in excess of \$1000 and not included in the current year budget must have prior approval by the Finance Committee.
2. Capital expenditures in excess of \$10,000 and not included in the current year budget must have prior approval of the Presbytery upon recommendation of the Finance Committee.
3. Contracts for services in excess of \$2,000 must have prior approval of the Finance Committee and are reported to Presbytery.

B. Financial Statements

1. The Associate for Administration and the Treasurer shall prepare and submit to the Presbytery and the Presbytery Staff a statement of expenses, with comparisons to the budget for the period defined, at each meeting of the Presbytery and at other times as requested by the Executive Presbyter, Stated Clerk, and/or Moderator.
2. The Presbytery uses a modified cash basis to prepare its financial statements. That is, revenue and related assets are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, financial statements as audited are not intended to present financial position and results of operations in conformity with generally accepted accounting principles (GAAP). Auditors continue to accept the Presbytery financial statements as fairly representing the financial position of the Presbytery in all material aspects and the

Finance Committee has approved the current accounting system on that basis. The Executive Presbyter, the Associate for Administration, and the Chair of the Finance Committee are authorized and empowered to make such changes to the accounting books and records of the Presbytery as are necessary to conform to audit requirements.

3. A certified audit report shall be submitted to the Presbytery each year at a Presbytery meeting, showing the operations of the prior year, and the status of all the accounts as of the end of the fiscal year. The Finance Committee will assume the responsibilities of the Audit.

C. Service Agreement

1. Presbytery acts as a receiving site for local congregations' benevolence and per capita giving to Presbytery, Synod and General Assembly.
2. Each month all funds received are disbursed to the appropriate unit per the individual congregations' designations.
3. The Executive Presbyter is authorized to negotiate a contract with a member Church/Synod unit or agency, regarding shared office and/or personnel, as to the proportionate share of expenses for services and/or supplies. Terms and procedure of payment will be a part of the contract. Presbytery will authorize any two officers of the Presbytery, in consultation with the chair of the Finance Committee, to contract with any of the member churches of the Winnebago Presbytery or Synod agencies whereby the Presbytery will provide services for the benefit of one or more Churches with or without fee. Such services may be emergency or disaster relief which may include accounting, bookkeeping, communication, payroll, and office services. Services may also include the above or other resource use for special events and mission activities among member churches. Any such contracts, including a fee approved by the Finance Committee, shall be reported to the Presbytery at its next meeting.

D. Disposal of Assets

The Executive Presbyter, is authorized to dispose of unneeded assets having both a net book value and an estimated market value not exceeding \$500. With approval from the Finance Committee, this authorization shall apply to unneeded assets having both a net book value and an estimated market value not exceeding \$1,500.

V. Investment Policies

- A. Presbytery shall establish an Investment Policy. The Finance Committee will, at least every two years, review and make recommendations, when appropriate, regarding the Investment Policy.

- B. The Finance Committee shall periodically review all other assets of the Presbytery, including gifts and bequests received, to determine if they are suitably held and to recommend to the Synod any appropriate disposition.
- C. The Presbytery shall make every effort to follow the policies of the General Assembly regarding social responsibility when considering investment opportunities.