



FIRST BAPTIST CHURCH
TAYLOR

Financial Policies

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FINANCIAL POLICIES
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SECTION 1 - GENERAL

1.1. SCOPE AND INTENT

This set of policies and procedures is intended to be broad in scope and is meant to address all policies and procedures for the receipts and disbursements of cash and property by church members, staff, and personnel related to the Church and its general operating accounts, First Baptist Church designated funds, the First Academy program, and any other ministry areas whose funds are handled by the Church's financial office.

In general, the practice of the Church in handling all donated monies and properties will be consistent with the best practices of all IRS 501(c)(3) organizations.

The practice of the Church will also be consistent with the biblical principles set forth in 2 Corinthians 8:19 (" . . . which we administer in order to honor the Lord himself and to show our eagerness to help" NIV), as well as in Matthew 25:29 (administration) and 1 Corinthians 9:11 (payments to Christian workers).

1.2. Authority, Conflicts and Approvals

The First Baptist Church Finance Team (the "Finance Team") is generally responsible for developing, implementing, and monitoring these financial policies and procedures, along with the other specific duties and responsibilities set forth in FBC Teams manual and any other authority given in this policy statement.

- A. From time to time during its history and prior to the creation of this full set of policies and procedures, First Baptist Church has approved certain financial policies by church action and/or by specific Team action.
- B. This document is intended to be initially approved by Church motion and to address all financial policies and procedures, including those previously approved, and in the case of any conflict this document will supersede any previously approved policies.
- C. In any case where there may be conflict between these policies and the Church's bylaws, the Church's bylaws will supersede.
- D. Current descriptions of the Finance Team and the Counting Team are found in FBC Teams manual, along with their Principal Function, Responsibilities and other key information.



1.3.
Amendments / Revisions

These policies are to be reviewed every 4 years by the Finance Team.

Any future amendments to these policies shall be made by the Finance Team in properly called meetings and approved by the Church to the extent required in its bylaws.

This document will be updated as necessary to reflect any such amendments, along with the Effective Date.

1.4.
DISCLOSURE

This Financial Policies document shall be kept on file in the Church office and made available to any Church member during normal business hours.

1.5.
AUDIT REVIEW REQUIREMENTS

Each month the Finance Team will review the bank reconciliation report for all bank accounts for First Baptist and First Academy.

Each pay period the Pastor will review the Payroll Journal for First Baptist and First Academy.

Monthly, the Finance Team will conduct a review of financial records and procedures.

1.6.
PREPARATION AND RELEASE OF FINANCIAL INFORMATION

The Church's financial books and records shall be maintained, to the maximum extent practicable, in accordance with Generally Accepted Accounting Principles (GAAP) as applied to tax-exempt and church-related organizations.

- A. Monthly Financial Statements shall be prepared and presented to the Church at each regularly scheduled business meeting.
 - A.A. The Finance Manager shall be ultimately responsible for the level of account disclosure and accuracy of the financial statements, and the Monthly Financial Statements shall be prepared in sufficient detail to at least show comparative information to the budget approved by the Church at the beginning of such fiscal year.
 - A.B. The Church shall also prepare a year-end statement at the end of each Fiscal Year in the same comparative format.



- A.C. All monthly financial statements, along with the current fiscal year budget and the prior year actual financial statements, shall be kept on file and made available electronically or in hard copy form to any person upon request.
- B. Annual Contribution Statements shall be prepared and made available to all individuals and other legal organizations making contributions of cash to the church. All annual contribution statements will be made available by January 31st following each calendar year end.

Requests for Additional Financial Information - Any special requests for additional detailed financial information surrounding the Financial Statements shall be submitted in writing to the Finance Team, who will act to approve or deny such request within 10 business days.

1.7. FISCAL YEAR

For all financial reporting purposes, First Baptist Church shall have a fiscal year beginning on January 1 and ending on December 31.

1.8. RECORD RETENTION

The Church shall maintain all historical financial records for at least 7 years.

The Church shall maintain all contribution records and make such records available at least on a monthly basis upon a donor's electronic request. The Church shall be under no obligation to maintain such records longer than 3 years from the year of contribution.

SECTION 2 - CONTRIBUTIONS AND RECEIPTS

2.1.

GENERAL INTERNAL CONTROL

The First Baptist Church Counting Group is established to collect contributions from offering boxes and mail, count contributions received and prepare the Counting Summary of All Contributions report for such contributions. This report along with the contributions will be given to the Finance Manager to be deposited at the bank and recorded in the financial system.

- A. The Finance Manager with Finance Team approval is authorized to establish guidelines for collecting and depositing all cash and checks given to the Church each Sunday and coordinating the reporting of such receipts.
- B. As a part of its periodic audit procedures, the Audit Team will review the counting procedures and report any suggested changes to the Finance Team.

2.2.

SOLICITATION OF CONTRIBUTIONS (FUNDRAISING)

Any church-wide solicitation of funds must be approved by the Finance Team.

2.3.

TAX-DEDUCTIBLE CHARITABLE CONTRIBUTIONS

Neither the Church nor the Finance Team shall be responsible for determining whether contributions meet the IRS guidelines for tax deductibility.

Neither the Church nor its staff will be responsible for estimating a fair market value of items donated to the Church.

2.4.

ACCEPTANCE OF GENERAL FUNDS

Unless noted as for a designated purpose (see "Section 2.05 Acceptance of Designated Gifts"), all monies collected during sponsored Church activities shall be counted and deposited to the General Fund per Counting Group procedures.

Other gifts of cash or checks collected during other times by any Church staff or personnel will be identified as a Designated Gift or not and forwarded as soon as practicable to the Finance Manager for proper accounting and deposit.

2.5.

ACCEPTANCE OF DESIGNATED GIFTS



General Operating Budget or Approved Designated Gift items:

Contributions received which are designated for specific purposes in accordance with the General Operating Budget or for previously approved Designated Gift accounts (e.g., Benevolence Fund) shall be recorded as a receipt for such budget item or designated item and expended as per Church policy below.

Non-Operating Budget items:

Contributions received that are designated for a purpose that is not included in the General Operating Budget, is not in conjunction with a specified Church-sponsored event, or for which no prior Designated Gift account has been established, must be approved by the Finance Team before acceptance.

2.6.

ACCEPTANCE OF NON-CASH GIFTS

All proposed gifts of non-cash assets (public and private securities, automobiles, etc.) shall be presented to the Finance Team for approval, who will approve the acceptance of such gifts and establish the proper guidelines for administering or liquidating such gifts. Gifts of real property will be voted on by the church. All decisions to maintain or administer, or to enter into 3rd-party maintenance or administration of such assets, will be approved by the Finance Team.

Any contributions of non-cash property accepted by First Baptist Church shall be acknowledged in a written letter by the Finance Manager. Individuals donating non-cash property must fill out the "Non-Cash Donation" form and show the value of the property donated. First Baptist Church will not assess valuation.

Non-cash gifts bequeathed to First Baptist Church will be handled according to the church bylaws.

2.7.

BANK DEPOSIT AND INVESTMENT ACCOUNTS

The Church shall maintain all deposits with federally or state-chartered banks with branches located in Williamson County, Texas.

The Finance Team shall be responsible for the opening of such accounts and the related signature authorities (see "Check Signing Authority" below).

The Finance Team must approve the creation of any time deposits or other investment accounts, and will authorize the Finance Manager to execute such instruments as are necessary with the deposit or investment institution.

Any investments of Church funds, other than bank demand or time deposits, must be in low-risk investment accounts.



SECTION 3 - DISBURSEMENTS

3.1.

CHECK REQUESTS/AUTHORIZATION OF PAYMENT

Paying obligations of the Church in a timely manner not only produces confidence in the Church's fiscal responsibility and procedures but also serves as a testimony to the business community.

Proper internal controls will be followed to ensure that only valid and authorized payables and services are recorded and paid.

The current year General Operating Budget will serve as the guide to determine the availability of funds when a financial commitment or cash disbursement request is made.

- A. Any financial commitment or cash disbursement request exceeding the current fiscal years' Annual Department-Level Expenditures Budget in the General Operating Budget must be approved in writing by the responsible staff member.
- B. Any commitment or disbursement request which would cause the overall Ministry Budget to be exceeded shall be approved in advance by the Finance Team.

Every check that is written must be accompanied by a source document (i.e. receipt, invoice, check request, etc.).

- A. In the case of regularly scheduled payments such as payroll, taxes, and debt retirement, the General Operating Budget may serve as the source document.
- B. Every effort must be made to ensure that payments are in line with prior agreements or contracts, and that funds used are deducted from the appropriate fund (e.g., a designated gift) within the church budget.

3.2.

FINANCE TEAM GENERAL AUTHORITY

In consultation with the ministerial staff, the Finance Team shall be authorized to withhold any discretionary ministry expenditures at any time based on the Team's view of the Church's current cash balances, liquidity needs and anticipated giving.

3.3.

DESIGNATED ACCOUNTS

The Finance Team creates and controls gifts given for a designated purpose.



3.4. CHECK SIGNING AUTHORITY

Check signers approved by the Finance Team will have check signing authority on all checks. The Finance Manager shall be one of the check signers.

A minimum of three check signers shall be approved at all times. The Finance Team shall review and update bank account signatures annually, adding any new check signers and removing any who are no longer signing checks.

3.5. ENDORSEMENTS

Authorized check signers shall never:

- A. Sign checks made payable to themselves or to family members, with the exception of regular payroll checks.
- B. Pre-sign blank checks for future use.
- C. Sign checks payable to "bearer" or "cash."
- D. Alter checks in any way.

3.6. DUAL SIGNATURE REQUIREMENT

All checks shall require two authorized signatures. The Finance Manager can sign as one of the two signers on checks in the amount of \$1,000 or less.

Check signers shall never be related to each other or the finance manager by blood or marriage.

3.7. PAYROLL DOCUMENTATION/PAY PERIODS

Exempt employees, including ministers and some staff members, are paid biweekly at a salary rate determined by the Personnel Team each Fiscal year budget period.

Non-exempt employees such as childcare employees, custodial staff, secretaries, and musicians, are paid biweekly at a salary rate determined by the Personnel Team each Fiscal year budget period. Hourly employees are required to turn in a time sheet for the prior two weeks' work hours.

All employees will be given W-2 information in form, substance and timing consistent with IRS regulations.

Contract persons will be given IRS Form 1099 information per IRS regulations.



3.8.

ACCOUNTABLE EXPENSE REIMBURSEMENTS AND ADVANCES

Federal income tax regulations currently provide that an employee "need not report on his tax return" expenses paid or incurred by him solely for the benefit of his employer for which he is required to account and does account to his employer and which are charged directly or indirectly to the employer. These regulations further provide, "adequate accounting means the submission to the employer of an account book, diary, statement of expense, or similar record maintained by the employee in which the information, as to each element of expenditure (amount, time and place, business purpose, and business relationship), is recorded at or near the time of the expenditure, together with supporting documentary evidence, in a manner which conforms to all the 'adequate records' requirements" set forth in the regulation.

To establish an "accountable" expense reimbursement policy pursuant to current IRS regulations, the following terms and conditions will be followed by all First Baptist Church employees:

Any employee of the Church shall be reimbursed for any ordinary and necessary ministry and professional expenses incurred on behalf of the Church, if the following conditions are satisfied:

- D.A. The expenses are reasonable in amount;
- D.B. The employee documents the time, place, ministry purpose, ministry relationship, and amount of each such expense with the same kinds of documentary evidence as would be required to support a deduction of the expense on the employee's federal income tax return;
- D.C. Each expenditure must be supported by a receipt. If a receipt is not practical to obtain (i.e. cash tip to baggage handler at airport), substantiation of the expense must be thoroughly documented on the expense report; and
- D.D. The employee documents such expenses by providing the Church financial office with an accounting of such expenses within 60 days of the expense. This condition will be fulfilled by the completion of a First Baptist Church Check Request form.
 - D.D.A. Each request must contain a clear and concise statement indicating the expenditure's ministry purpose (e.g. counseling meeting).
 - D.D.B. If the expense is entertainment or meals, there must be a disclosure of the ministry relationship (i.e. name of individual(s) entertained).

All requests for reimbursement by individuals who are not employees should be made using the Check Request form and should be first approved by the individual responsible for the specific account area (i.e. staff member, team chairperson, etc.).

The above conditions are necessary for every reimbursement in order for the Church to maintain its accountable reimbursement plan.



3.9. PETTY CASH

The Petty Cash Fund is established to assist in making change for activities involving cash payments for various events (i.e. Wednesday night meal).

The Finance Manager is responsible for the oversight of this fund.

- A. Transactions into and out of the Petty Cash Fund shall be handled by the Finance Manager designee only.
- B. The Finance Manager's responsibilities for this fund shall only be delegated to the Service Team Leader, First Academy Director or Assistant Director, or other Team Leader church members as requested by a Church Staff Member.

Under no circumstances shall these funds be used for:

- A. Personal purchases.
- B. To make advances of a personal nature.
- C. To cash personal checks.
- D. To make personal IOU's.



SECTION 4 - HANDLING OF BANK STATEMENTS

The Finance Manager shall have access to bank account information including access to monthly Bank Statements. Monthly statements from the bank should be reconciled on a regular basis.



SECTION 5 - BENEVOLENCE DISBURSEMENTS

5.1.

OUR RESPONSIBILITIES TO THOSE IN NEED

It has always been the function of the Body of Christ to give assistance to the needy. "If anyone has material possessions and sees his brother in need but has no pity on him, how can the love of God be in him? Dear children, let us not love with words or tongue but with actions and in truth." (1 John 3:17-18).

These Benevolence Guidelines are intended to provide a framework for meeting the needs of people physically, emotionally, and spiritually.

5.2.

BENEVOLENCE FUNDING

All gifts designated for Benevolence will be shared equally with the Taylor Ministerial Alliance (funding the Food Pantry), Meals on Wheels of Williamson and Burnet Counties, and First Baptist Church.

These designated gifts will be disbursed to the entities in 5.02.a in a regular time frame decided upon by the Finance Manager.

5.3.

NON-MEMBER REQUESTS

Non church members may receive assistance from church staff via the voucher system used in conjunction with the Taylor Ministerial Alliance. This assistance is a voucher issued to the requestor, signed by the church staff member and co-signed by the Taylor Police Department. Cash is never to be given, and requests for larger needs such as rent and utilities should normally be referred to local helping agencies shown on the Benevolence Resource List (Appendix A). These organizations are best equipped to assess need and focus assistance where most needed.

5.4.

CHURCH MEMBER REQUESTS

Church members may be given assistance as designated by the Deacon Ministry Team. This Team will determine how to fund such requests.

5.5.

OTHER AREAS OF ASSISTANCE

First Baptist Church will assist with special relief offerings for disasters and periodic mass distribution of needed items to those in need, such as, blankets, coat, shoes, and food drives.



Church wide participation in such projects will be determined by the pastor and staff.

5.6.

DEALING WITH POTENTIAL FRAUD AND ABUSE OF THE SYSTEM

Benevolence needs shall be met by direct payment to confirmed vendors or providers only; no cash will be given to any party for benevolence.

Families and individuals shall be helped once within a twelve-month period unless extenuating circumstances exist and can be verified.

Non-church members must present proper identification (i.e. driver's license or social security card).



SECTION 6 - CREDIT CARD POLICY

Church credit cards will be issued to any staff member to be used for necessary church expenses. Receipts must be turned in to the financial office in a timely manner.

The church will maintain a general credit card which is to be held by the Finance Manager.

- A. This card will be issued to church members as appropriate for spending for various events (i.e. Men's Breakfast). A record will be maintained as to whom the card was issued, the date of issuance, and the date the card is returned.
- B. The card must be returned to the Finance Manager immediately after use along with receipts supporting the charges made on the credit card.



SECTION 7 - MINISTERS' DISCRETIONARY FUNDS

If discretionary funds are established in such a manner that an individual (i.e. Senior Minister) has sole discretion and control as to how the funds will be spent, such funds must be reported as taxable income to this individual once possession of the funds is taken, unless the following procedures have been established and are properly functioning:

- A. The funds must be approved by the Finance Team and properly documented.
- B. These discretionary funds must have been set aside for the convenience of the employee in furthering the church's ministry purposes as set forth in its bylaws.

The Finance Team will maintain control over the disbursement and replenishment of these funds.

- A. Requests for the use of these funds must comply with the normal cash disbursement policies and procedures of the church. A Check Request Form must be used to request expenditure of such funds and documentation of expenditures must always be obtained.
- B. Under those isolated instances where the disbursement is of a confidential nature, (i.e. counseling session) the request and documentation can be submitted directly to the Finance Team Chairman or church administrator.

The individual who has discretion over these funds is prohibited from requesting the disbursement of these funds for their personal benefit or any member of their family.

IRS regulations prohibit the inurement of any church funds to a private individual, including church employees. To protect the church's tax exemption status, these procedures must be strictly followed by all those involved. For additional information regarding inurement, refer to the IRS website.



SECTION 8 - OPEN CREDIT ACCOUNTS

Credit accounts should only be set up with companies who are used regularly by the church.

- A. All such accounts must have prior approval and signature by the Finance Manager and the Finance Team.
- B. Distribution of information related to credit accounts shall be limited and controlled by the Finance Manager.
- C. Receipts should be turned in to the Finance Manager supporting all charges made on the credit accounts.



SECTION 9 - SCHOLARSHIPS FOR CHURCH ACTIVITIES

The church often offers assistance to members and attendees in the form of scholarships to events such as camps, retreats or conferences.

To serve as a single point of contact and to prevent staff from being in the difficult position of granting or rejecting applicants, the team in charge of the event will maintain a scholarship sub team of three church members to make all decisions regarding whether to grant a scholarship.



APPENDIX A - BENEVOLENCE RESOURCE LIST

GENERAL HEALTH CARE

Williamson County and Cities Health District

Public Health Department in Taylor, Texas

Address: 115 W 6th St, Taylor, TX 76574

Phone: (512) 238-2121

Lone Star Circle of Care at Taylor

Medical clinic in Taylor, Texas

Address: 601a Mallard Ln, Taylor, TX 76574

Phone: (877) 800-5722

MENTAL HEALTH CARE

Starry Counseling

Address: 4000 Sunrise Rd Building 1, Suite 1100, Round Rock, TX 78665

Phone: (512) 388-8290 Round Rock office for appointments

Family and student counseling is also available on Taylor I.S.D. campuses; call Family Support Services for more information (512) 352-3910

UTILITIES

WBCO, Georgetown, TX

Carrie Green (qualification criteria)

Phone: (512) 819-9507

Opportunities for Williamson & Burnet Counties

Energy Assistance/Mortgage Assistance (qualification criteria)

(512) 255-2202

FOOD

Shepherd's Heart Food Pantry

Hours: Tues & Thurs. 1-3 pm, Saturday 9-10:30

Address: 121 E 2nd St, Taylor, TX 76574

Phone: (512) 352-5553

CLOTHING

Shepherd's Heart Thrift Shop

Hours: 9 – 2 Monday-Friday

Address: 121 E 2nd St, Taylor, TX 76574

Phone: (512) 352-5553

Call Taylor ISD Family Support Services prior to shopping. We can arrange a free trip.

