

Chapel of the Cross Financial Procedures

(As Approved by the Vestry on July 17, 2013; Amended by the Vestry on February 19, 2014; November 19, 2014; and November 19, 2024)

Background

As The Chapel of the Cross continues to experience growth in its membership and financial matters, it is necessary to have, in place, a set of operating procedures for staff and members that standardize the handling and management of financial and accounting matters. These financial procedures are subject to revision from time to time, all such revisions being subject to approval by the Vestry.

Finance Committee

The Chapel of the Cross Finance Committee is hereby established and constituted to aid and assist the Vestry and Rector in overseeing the financial matters of the Parish. The Finance Committee shall include nine (9) members, including the Treasurer and Co-Treasurer. Finance Committee members must be pledging members of the Chapel with knowledge and experience in financial matters. The Treasurer shall serve as Chairperson of the Finance Committee and the Co-Treasurer shall serve as the Co-Chairperson of the Finance Committee. The Chairperson of the Committee shall be experienced in financial matters or either be currently serving on the Finance Committee or shall have served on the Finance Committee in the past.

The Rector is an Ex-Officio member of the Committee. The composition of the Finance Committee is as follows:

- Treasurer, who will serve a one (1) year term,
- Co-Treasurer, who serve a one (1) year term,
- Senior Warden,
- Junior Warden,
- One (1) member of the Vestry appointed by the Senior Warden, who will serve a term of two (2) years, and
- Four (4) parish members appointed by the Senior Warden, each of whom will serve a term of two (2) years, such that the terms are staggered.

The Vestry will accept or reject by vote the members appointed by the Senior Warden. No member of the Finance Committee shall serve longer than a five (5) year consecutive term regardless of term of initial or subsequent appointment.

The Committee shall make recommendations and reports to the Vestry regarding financial matters, is directly answerable to the Vestry and shall perform such other duties as charged by the Vestry. The Finance Committee shall be specifically responsible to the Vestry for performance of the following duties:

1. The Finance Committee shall develop a draft operating budget to recommend to the Vestry prior to the annual parish meeting.

2. The Finance Committee shall provide ongoing monthly oversight of the operating budget throughout the year and make recommendations to the Vestry for modifications.
3. The Finance Committee shall monitor the use of other designated reserve funds and make recommendations to the Vestry as warranted.
4. The Finance Committee shall select and recommend to the Vestry for engagement an external auditor and shall review and approve the audited financial statements upon completion before distribution.
5. The Finance Committee shall review, at least annually, the Chapel's Financial Procedures and make recommendations to the Vestry for changes, as warranted.

Section A. Financial Files

Files that will be maintained by the Church Office include: vendor invoices, bank deposit copies, payroll files, employee timesheets, check copies, bank statements, payroll tax returns, insurance policies, retirement plans, investment records, personnel files, pledge records, and audit reports. These files will include the original documents or electronic records.

The only persons who have direct access to all Financial/Accounting files are the Treasurer, Co-Treasurer, Parish Administrator, and such other persons as shall be designated by the Vestry.

The Parish Administrator will keep a key to the locked filing cabinet where the Parish financial records are stored.

Section B. Financial Reports

The Parish Administrator will provide various reports to the Finance Committee each month after the bank statements are reconciled and entries are posted for the prior month. The reports will include, but not be limited to the following: Balance Sheet, Statement of Income and Expenses Compared to Budget, Designated/Restricted Funds Summary Report. Reports will be generated in time for review before the Finance Committee meeting each month.

Financial reports, to include the latest financial audit reports, are available for review by any member in good standing of the Chapel during normal business hours at the Parish Office. Parishioner requests for access to financial information that is not contained in the aforementioned may be directed to the Vestry.

Section C. Procedures for External Audit Firm

The Finance Committee will evaluate the performance of its certified public accounting firm every three (3) years, and at its discretion may request proposals from other certified public accounting firms. The audit proposals should provide a three (3) year fee commitment.

Section D. Procedures for Invoice Approval / Check Preparation

To ensure that all expenses are accounted for in a timely manner, all expenses and invoices must be turned in to the Parish Administrator within the timeframes enumerated below or in no case later than thirty (30) days after the expense is incurred. The procedures for invoice and

expense approval and check preparation are as follows (steps are designed to be followed in order written):

1. As mail is received at the Chapel, The Parish Administrator, uploads bills to bill.com (or other approved bill paying provider), sends the bills to the appropriate person for approval, then sends to the Treasurer or Co-Treasurer for payment. The attached Schedule A lists all approvers for each budget line item and ODR ("Other Designated and Restricted Funds") account.
2. All Third-party invoices and Reimbursement Request Forms must be approved by the appropriate designated person. Each individual invoice will be approved and dated along with indication of the budget line item or ODR account to be charged. Approvals should be indicated on bill.com (or other approved bill paying provider).
3. Receipts on the Chapel's existing charge accounts as designated by the Vestry will be turned in within thirty (30) days of purchase/transaction date to the Parish Administrator with the appropriate budget line item indicated and approval if necessary. Any and all new Chapel charge account arrangements, to include the names of individuals who are authorized to use such accounts, must be approved by the Vestry and Finance Committee before opening such account.
4. Employee and parishioner reimbursements for expenditures will be submitted on the Expense Report form attached as Schedule B within thirty (30) days. The designated person on Schedule A must approved the Form for payment. All original receipts and other appropriate documentation must accompany the Form. The approval will be made on bill.com (or other approved bill-paying provider).
5. Only original rendered invoices, signed check requests, and emailed invoices (such as for musicians) that have been verified will be processed. No copies or facsimiles will be accepted for documentation for disbursements. Electronic invoices from a vendor are acceptable for processing as long as the email transmitting the invoice from the vendor or party requesting reimbursement is printed off and attached to the printed electronic invoice. In the event that an original invoice is lost, the vendor will be contacted by the Parish Administrator with a request for a new invoice for payment. In the case of an individual seeking reimbursement with a lost invoice or receipts, and if the invoice and \or receipts cannot be reproduced, then the requesting party must submit a written, signed original letter or memorandum detailing the circumstances of the loss of documentation and submitting same to the approving party designated on Schedule A.
6. All invoices and check requests must have complete, appropriate, original back-up documentation (or documentation provided by email) in order to be approved and processed.
7. Payments to first time vendors will not be processed until a Form W-9 is received or the appropriate information (address, type of entity and taxpayer identification number) is supplied to the Parish Administrator.

8. Approved invoices and reimbursements should be given to the Parish Administrator for processing and should be submitted to the Parish Administrator in a prompt and timely manner.
9. Checks generated by the Parish Administrator will be signed by an authorized signer on the applicable bank account. Authorized check signers are Senior Warden, Junior Warden and Treasurer. Original source documents will be stapled to the check stubs and left with the checks for review. Any check over \$5000 requires the signature of two (2) authorized signers.
10. The Parish Administrator will prepare any checks for mailing and deliver them to the mailbox. In the absence of the Parish Administrator, the Parish Communicator will mail the checks.
11. The invoices will be filed by the Parish Administrator after the checks are signed.
12. Voided checks will not be destroyed but marked "VOID" and filed.
13. By limited exception and in emergencies only, manual checks may be written with the following procedure:
 - The person requesting the check will contact the Parish Administrator.
 - After the appropriate approval from the person designated on the attached Schedule A, the approved request will be given to the Parish Administrator who will prepare the manual check and obtain the proper signature(s) on the check.
 - The Parish Administrator will then make a copy of the check and attach all documentation to this copy which will then be put in the Parish Administrator's box for processing.

All committees, the Chapel staff and Junior Warden have assigned budgeted line items for their activities in support of ministry at the Chapel of the Cross that are contained in the annual operating budget for the Chapel. In some cases, unexpected or additional matters, items or cost overruns for projects may present themselves that, if paid, will cause the assigned budgeted line item to exceed the dollar amount approved in the annual budget by the Vestry. In such cases, the Vestry must approve the expenditure, that causes the annual line item budgeted to be exceeded, prior to incurring or paying the same. Such approval shall be evidenced by a vote of the Vestry and recorded in the minutes of the applicable Vestry meeting. Expenses incurred without such approval will be the sole responsibility of the individual that caused the expense to be incurred and that individual will be liable for payment of the same. Unbudgeted emergency expenditures may be approved by any two of the following: Rector, Senior Warden, Junior Warden or Treasurer.

Section E. Procedures for Procurement

The following procedures are applicable to procurement and purchasing:

Unless approved by the Vestry (who may or may not require quotes), if a single item expenditure has been authorized in the annual operating budget and is expected to cost more than \$5,000 (or two or more of the same item has an aggregate cost of \$7,500), the person requesting the

item(s) must obtain a minimum of 2 (preferably 3) quotes and present them in written/printed form to the party listed on Schedule A, to be approved by the Vestry. Unless approved by the Vestry (who may or may not require quotes), if a single item expenditure is not authorized in the annual operating budget and is expected to cost more than \$2,500 (or two or more of the same item has an aggregate cost of \$4,000), the person requesting the item(s) must obtain 3 quotes and present them in written/printed form to the party listed on Schedule A, to be approved by the Vestry. No purchase may occur until this procedure has been followed. The written approval from the Vestry must be submitted to the Parish Administrator in order for the payment to be processed. All quotes required and obtained under the provisions of this Section E will be maintained in the Chapel financial files in the Parish office for a period of one year or longer in the event of work or services that extend beyond a one year time period. Day In the Country ("DITC") purchasing is exempted from the provisions of this Section E and is under direction of the Chairs and Co-Chairs of DITC.

Services provided by Independent Contractors should be evaluated before continuing contracts are signed. No contract will be for a period of more than three (3) years. Approved vendors operating under continuing contracts are excepted from the three (3) quote process for work performed. The Senior Warden, Junior Warden or Treasurer can sign contracts after Vestry approval. All executed contracts as well as all unsuccessful quotes for services will be maintained in the Chapel financial files in the Parish office for a period of one year after expiration or termination.

Members of Chapel of the Cross shall not be eligible to enter into contracts with the Chapel for design, construction and renovation services, or any other services that are expected to cost more than \$2500. The Vestry may waive this prohibition if it is in the best interest of the Chapel to do so.

Section F. Procedures for Receipts and Bank Deposits

The following procedures are applicable to receipts of money or checks and bank deposits:

1. The Parish Administrator, or in his\her absence the Parish Communicator, retrieves the mail every day from the mailbox on site and immediately opens the mail and the Parish Administrator opens and deals with checks.
2. Cash collected each week in the offering plates will be counted after each service by at least 2 Ushers.
3. The Cash along with the checks from the service will be placed in a sealed envelope.
4. The amount of the cash, number of checks, date, time and initials of the parties conducting the count must be noted on the outside of the envelope.
5. The sealed envelope will then be placed through the slot in the safe that is located in the sacristy closet.
6. The Monday after Sunday services (or if Church offices are closed the next following business day), the Parish Administrator will retrieve the sealed envelope from the safe in the sacristy closet.

7. The Parish Administrator (or other staff member), along with another staff member, will open the envelope together, count and verify the cash and both initial the envelope. Any variances will be noted on the envelope, and initialed by both parties. The envelope shall be retained in the records maintained by the Parish Administrator.
8. Checks are entered into the accounting system software and are taken to the bank for deposit.
9. For Contributions: the Parish Administrator will enter donations into the accounting system software and print out the report for that deposit.
10. For non-Contribution deposits: the Parish Administrator will prepare an excel spreadsheet to show the various sources of income.
11. The bank deposit slip will be stapled to the report prepared by the Parish Administrator.
12. For Contribution deposits: the total of the deposit slip and scanner report will equal the accounting system report.
13. For Non-Contribution deposits: the total of the deposit slip will equal the excel spreadsheet.
14. The initialed envelope(s) should be retained and placed in the deposit folder at the end of the year. The accounting system report, scanner report, excel spreadsheet and any other documentation will be stapled together and put in the monthly "Bank Deposits" folder.
15. Upon return from the bank, deposit receipt(s) will be stapled to the appropriate copies in the "Bank Deposit" folder.
16. The "Bank Deposits" folder will be used by the Parish Administrator to enter and reconcile bank deposit amounts.
17. The Parish Administrator will verify that the envelope amounts for cash equal what was deposited.
18. The Parish Administrator will reconcile the deposit amounts with the accounting system categories at the end of every month.
19. For any remote deposit, the original checks from donors will be kept in the locked filing cabinet for 90 days and then shredded.

Section G. Donations and Statements

The following procedures are applicable to donations and statements:

1. Donations are accepted at the Chapel in a variety of forms, according to the gift acceptance policy, if any, which may be adopted by the vestry. In the case of non-cash contributions such as property, stock etc., the Parish Administrator must be immediately notified so that a proper accounting and acceptance of the non-cash contribution can be

made and an appropriate valuation determined. The Parish Administrator will enter contributions into the accounting system software on an ongoing, current basis.

2. Every month, the Parish Administrator will reconcile the accounting system entries with the financial entries to ensure all individual donation entries are correct and complete.
3. Statements to pledgers will be sent out quarterly.
4. Annual statements will be mailed no later than January 31 every year to all donors. Statements will state: "*Chapel of the Cross provided no goods or services in exchange for your gift to us.*"

Section H. Chapel Owned Property

The following procedures are applicable to Chapel owned property:

1. The certified public accountant for the Chapel shall determine which items should be capitalized.
2. At the Rector's discretion, Chapel property may be lent for any non-church functions pursuant to a written procedure including signing out for what is taken and execution of a Release/Waiver if warranted based on the type of property being lent.

Section I. Time Cards

The following procedures are applicable to employee time cards:

1. Each hourly paid employee must complete a time card every payday/month, by clocking in and out.
2. The punched time card must be turned in by the employee to the appropriate supervisor by the deadline each pay period.
3. Time cards will be filed along with payroll checks, etc. in the financial payroll files, with the exception of preschool employees, which time cards shall be maintained by the preschool in the appropriate file.

Section J. Bank Statement Reconciliation

1. The Chapel bank statements are maintained online. The Parish Administrator prints and reconciles the bank statements with Quick Books (or other accounting software) and places them in the financial folders.
2. The Parish Administrator retrieves the bank statements and performs a reconciliation of same. The Parish Administrator reports any discrepancies found to the Treasurer.

Schedule A

Chapel of the Cross 2024 List of Approved Persons for Operating Line Items /ODR Accounts

Operating/ODR Line Item	Position to Approve	Person to Approve
Accounting and Audit	Treasurer	Lynne Green
Communications	Parish Communicator	Samantha Benge
Annual Council	Rector	Will Compton
Kitchen Supplies	Parish Administrator	Dana Tiffin
Building Maintenance and Repairs	Junior Warden	Dick Dickinson
Memorial Garden	Chairperson(s)	Bill Buhner, Cheryl Welch
Grounds Maintenance	Junior Warden	Dick Dickinson
Special Session	Rector	Will Compton
Christmas in the Country	Chairperson(s)	Martha Frye
Parish Weekend	Chairperson(s)	Pam Manor
Chapel Grille	Chairperson(s)	Les Arnold
Young Adults and Families	Chairperson(s)	Angela Applewhite
Altar Guild	Chairperson(s)	Laurie Williams, Mary Margaret Buchanan
Catechesis Training	Head Catechist	Pam Manor
Family Events and Programs	Director of Youth and Children's Ministries	Doug Goodin
Vacation Bible School	Director of Youth and Children's Ministries	Doug Goodin
Children's Formation	Director of Youth and Children's Ministries	Doug Goodin
Hospitality	Chairperson(s)	Ellen O'Neal
Music and Choir	Organist and Choirmaster	Ed Dacus
Nursery	Parish Administrator	Dana Tiffin
Seasoned Saints	Chairperson(s)	Pam Allen
Servant Ministry	Chairperson(s)	Ross Ewing
20 Somethings	Chairperson(s)	Allie Wilcox, Coleman Frye
Stewardship	Parish Communicator	Samantha Benge
Vestry Retreat	Rector	Will Compton
Wednesday Night Supper	Parish Administrator	Dana Tiffin
Chapel of the Cross Pre-School	Director of the Chapel of the Cross Pre-School	Haylee Nix
Flower Guild	Chairperson(s)	Laney Crampton
Ministry of Smoke	Chairperson(s)	Keith Obert
Prison Story Book	Chairperson(s)	Ross Ewing
Cemetery	Chairperson(s)	Bill Buhner, Guy Bowering

Historic Preservation	Junior Warden	Dick Dickinson
Capital Reserves	Junior Warden	Dick Dickinson
Concerts in the Country	Organist and Choirmaster	Ed Dacus
Gravediggers' Guild	Chairperson(s)	Jon Woodward
Golf Tournament	Chairperson(s)	Trey Denton
Daughters' of the King	President of the DOK	Annell Holland
Adult Formation	Clergy	Will Compton, Tom Fanning
Youth Formation	Director of Youth and Children's Ministries	Doug Goodin
Day in the Country	Chairpersons	Eric Eaton, Sarabeth Clark
Security	Parish Administrator	Dana Tiffin
Janitorial Services/Supplies	Parish Administrator	Dana Tiffin

Schedule B

Expense Report Form

**Chapel of The Cross
Expense Report**

Staff/Parishioner: _____

Address: _____

Check One:

Reimbursement Check

Church Credit Card Charge _____ (name of card used)

Charge	Program	Amount
Total:		

Requested By

Date: _____

Approved By
(Rector, Assoc. Rector, Parish Admin, Sr/Jr Warden)

Date: _____

All receipts must be attached