

MAULDIN UNITED METHODIST CHURCH

Separation of Responsibilities Policy

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Per United Methodist Church guidance: “There are three tasks not specifically assigned to the treasurer, financial secretary, or the chairperson of the committee on finance by the Discipline. Keeping these responsibilities separate is essential in maintaining segregation of duties. These tasks are: (1) approving payments for expenditures; (2) signing checks; (3) reconciling bank accounts. While the treasurer, financial secretary, or finance chairperson may be authorized to do any one of these tasks, no person should be authorized to do more than one. No persons related to one another should perform any two or more of these three tasks.”¹

Definition of Roles

- **Check Signers** – any person authorized to sign checks for the Church. This person must be a member of the Church, but not necessarily a member of the Finance Committee. Check Signers are appointed by the Finance Committee.
- **Bookkeeper** – the person whose primary responsibility is to reconcile and maintain financial records within the church as well as perform monthly financial reporting. Bookkeeper may be on signature card for bank accounts but is not authorized to sign checks.
- **Budget Owner** – any leader of a committee or other group who has responsibility for creating and maintaining a specific budget line from the church’s annual budget. The Budget Owner may or may not be a member of the Mauldin UMC staff.

Approving Payments for Expenditure

Only the Budget Owner may authorize payments against a specific budget line in the approved Church Budget. Payments may not be made to any individual without receiving approval from the Budget Owner via e-mail, written correspondence, or other approved documented means. The Budget Owner may

¹ Accessed from <https://www.umcdiscipleship.org/resources/finance-committee2> on 9/11/22 at 9:06 pm.

delegate this authority to a staff member or other member of the committee, such as the committee treasurer. The Budget Owner or his or her delegate must validate with the Bookkeeper that there are sufficient funds available to cover expenses. The Finance Committee must approve all budget overspends.

Recurring payments such as utilities, staff paychecks, or apportionments do not require approval once the budget has been approved for the year.

The Budget Owner must validate there are sufficient funds available in the account with the Bookkeeper prior to authorizing payments.

Signing Checks

There may be multiple check signers on any bank accounts used by the church. However, only one check signer is required to sign a check. The check signer for a particular check shall be neither the Bookkeeper nor the person approving the payment.

Reconciling Bank Accounts

The Bookkeeper is responsible for reconciling all bank accounts. The Bookkeeper may not approve payments or sign checks. Only after a payment has been approved and the check is signed will the Bookkeeper reconcile accounts.

The Bookkeeper is also responsible for maintaining a record of payments for a time period specified in the Records Retention Policy.

Persons Living in the same Household

For purposes of this policy, persons living in the same household must be excluded from holding multiple roles. For example, one person living in the same household could not sign a check for someone else in the household who had approved that specific payment.

Approved by the Finance Committee on XXXXXX.

This policy will go into effect on January 1st, 2023.