

UNITED CHURCH OF CHRIST
KANSAS-OKLAHOMA CONFERENCE
FISCAL POLICY AND PROCEDURE
MANUAL

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(Revised 2001)

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I. INTRODUCTION

The following policies and procedures were adopted by the Kansas-Oklahoma Conference Council as the operating manual for the conduct of the fiscal affairs of the Kansas-Oklahoma Conference of the United Church of Christ. This manual provides official guidelines and procedures for those Conference officials who by reason of election, appointment or employment are involved in Conference fiscal affairs. This manual should provide for an orderly transition of fiscal affairs as responsible officials change from year to year and aid new officials in the assumption of their fiscal duties.

Additions, changes to this manual may be made only by vote of the Conference Council.

II. CONSTITUTION AND BYLAWS

- A.** ARTICLE III - OFFICERS
- B.** ARTICLE IV - CONFERENCE COUNCIL
- C.** ARTICLE XI - FISCAL YEAR

A copy of the latest revised Constitution and Bylaws of the Kansas-Oklahoma Conference of the United Church of Christ is included in this manual.

III. FISCAL MANAGEMENT

To assure the efficient day-to-day fiscal operations of the Kansas-Oklahoma Conference, the Conference Minister, in consultation with the Conference President and Conference Treasurer shall:

- A.** Closely monitor the day-to-day fiscal operations of the Conference and issue such fiscal directives as may be deemed necessary in order to keep expenditures within realistic revenue estimates;
- B.** Set temporary budget limits on any or all parts of the adopted budget in order to maintain the fiscal integrity of the Conference;
- C.** Closely monitor budget expenditures to insure conformance with budget constraints and/or requirements;
- D.** Refuse or suspend any projected expenditure of Conference funds that is in excess of authorized budget amounts; and

- E.** Perform such other fiscal duties as may be delegated by the Conference Council.
- F.** Report to the Conference Council any actions taken under A. through E. above.

IV. POLICIES

A. BUDGET

The preparation and presentation of an Annual Budget for the Kansas-Oklahoma Conference is the responsibility of the Conference Council, (BYLAWS, ARTICLE IV, Section 10 {d}). The Council may choose to appoint a Budget Committee (ARTICLE IV, Section 3).

B. ACCOUNTING PRACTICES AND STANDARDS

1. Financial statements are prepared on a basis of cash receipts and disbursements except that the statements include as "accounts receivable" and "accounts payable", transactions restricted for the current year, but consummated shortly after the end of the current year. This is a comprehensive basis of accounting other than generally accepted accounting principles.
2. The Conference Council shall ensure an Annual Audit in accord with the Bylaws, Article IV, Section 5.

C. GIFTS

1. The Kansas-Oklahoma Conference is free to accept or reject any gift.

All gifts received are first reviewed by the Investment Committee of the Foundation Board, which reports to the Conference Council the category of the gift, as well as the recommended purposes to be served by its investment. If that recommendation is to restrict an unrestricted gift, or endow an unendowed gift, the Conference Council shall take such action, or if required by law, submit same as a recommendation for action by the Annual Meeting of the Conference.

2. Investment objectives of each category of gift are determined primarily by the short-term and long-term financial needs of the Conference, rather than by the particular category of the gift. The Conference Council is responsible for determining the balance between maximum return on investments for current operations and building the corpus of endowed funds.

3. The Council assigns all endowed and restricted funds to the Kansas-Oklahoma Foundation for investment. The Foundation accepts its responsibility to invest those funds according to the investment policies established by the Conference Council. The Foundation must bring to the Conference Council for approval any recommendations to add new investment depositories from those already approved.

a. Un-restricted Gifts
Un-restricted gifts will be transferred by the Conference Council to the Investment Committee of the Foundation Board for their management until they are needed for expenditure by the Conference.

b. Restricted Gifts
Gifts received for a restricted purpose will be expended only for that purpose. In the event that the gift is not adequate to meet the restricted need, the funds will be invested until such time as adequate funds are available. Should restricted gifts be converted to un-restricted funds by official action of the Conference Council and/or the donor, said un-restricted funds will then come under the policies for un-restricted Gifts.

The expenditure of gifts that have been donor-restricted for a portion of the operating budget shall not be considered as an expenditure of operating budget funds and shall not reduce the appropriated amount contained in the operating budget.

c. Endowment Gifts
The principal of Endowment Gifts will be kept intact and the income may be expended for the benefit of the conference and its restricted religious, charitable and educational purposes and beneficiaries when such expenditure is consistent with the intent of the donor.

d. Pass Through Gifts
Monies given for a specific purpose which are to be passed through to a named ecumenical, local, conference, national or world board or fund shall be forwarded to the appropriate named entity in their entirety in a timely manner.

e. Grants
All grant monies received by the Conference shall be administered in accordance with the terms of the grant.

D. INVESTMENTS

The Conference Council has delegated the authority to make detailed investment transactions to the Kansas-Oklahoma Conference Foundation Board, subject to the Investment Policy of the Kansas-Oklahoma Conference Foundation Board approved by the Conference Council on June 2, 1989. (Exhibit)

E. LOANS/BORROWING

1. The Conference may borrow money for capital improvements upon authorization by a majority of the delegates voting at an annual meeting.
2. In exceptional situations, the Conference may borrow funds to meet cash flow or operating fund deficiencies upon authorization by a majority vote of the members of the Conference Council. Such necessary funds may be borrowed from commercial lenders or from funds held or owned by the Kansas-Oklahoma Conference. The Conference Treasurer, Foundation President and Conference Minister will jointly recommend, to the Conference Council, the source and amount of funds to be borrowed.

Money borrowed from Conference funds will constitute a loan transaction and require a formal loan document and approval by the Conference Council.

- a) "All Church Offering" and Grant funds will not be available for loan.
 - b) OCWM allocation for the National ministry and mission of the UCC may be loaned without interest with full repayment no later than December 31 of the year in which the loan was made.
 - c) Loans of restricted, un-restricted and endowed funds will be at an interest rate determined by the Conference Council. Interest will be allocated to the account(s) from which the money was loaned.
3. The Conference Treasurer will present a Loan Status Report at each meeting of the Conference Council and at the Kansas-Oklahoma Conference Annual Meeting.

F. TRAVEL ALLOWANCE AND EXPENSE

The Conference Minister is authorized to reimburse Conference employees and restricted Conference representatives for official travel in behalf of the Conference. Receipts will be required for expenses greater than \$25.

V. PROCEDURES

A. BUDGET

Activities for preparation, review, approval and monitoring the Annual Budget of the Kansas-Oklahoma Conference occur in the following annual sequence.

January/April - Conference Commissions and their Task Forces, the Personnel Committee, and the Conference Council through its Commissions develop program/budget requests for the following year's budget. The Stewardship Commission projects anticipated income from Our Church's Wider Mission support and other sources. The results of this work are given to the Budget Committee.

April/May - The Budget Committee, appointed by the Conference Council and consisting of six to ten members, receives the above prepared requests and information. With due consideration for program/budget requests and anticipated income for the coming fiscal year, the Budget Committee prepares a Proposed Budget for the following year.

June/July - The Budget Committee presents the Proposed Budget to the Conference Council. If the Conference Council agrees with the Proposed Budget, it is sent to the churches through the next scheduled periodic mailing. If the Conference Council does not concur, the Proposed Budget is returned to the Budget Committee for further work.

August/September - If needed, the Budget Committee presents a revised Proposed Budget to the Conference Council. Upon agreement, the Proposed Budget is sent to the delegates for their consideration at the Annual Meeting.

Should agreement not be reached, or the Proposed Budget approved in June/July be determined unsatisfactory by the Conference Council, a special committee will be appointed by the Conference Council to present a Proposed Budget or Revised

Proposed Budget to the Annual Meeting. A notice of this action will be sent to delegates in lieu of the Proposed Budget.

October - The Annual Meeting, by simple majority of the delegates voting, will adopt a Conference Budget for the following year. Budget discussions or hearings may be used to inform the delegates regarding content and/or rationale for the Proposed or Revised Proposed Budget.

January/December - The Conference Council shall oversee the administration of the Annual Budget, monitoring both receipts and disbursements. (See Policies, Fiscal Management Section)

B. ACCOUNTING PRACTICES AND STANDARDS

In accordance with Article IV, Section 5 of the by-laws, an annual audit is conducted by an independent certified public accountant (CPA) in accordance with generally accepted auditing standards. These standards include a requirement that the CPA review the accounting procedures and internal controls and report to the Conference Council and the Conference Minister any weaknesses in the accounting practices, accounting procedures or internal controls noted during the course of the audit. Any such reported weakness should be addressed by the Conference Council .

C. GIFTS

1. Un-restricted Gifts -
 - a. Document receipt of gifts through dual control.
 - b. Deposit funds into general operating account.
 - c. Notify Conference Treasurer and Investment Committee Chair of receipt of funds.
 - d. Upon instruction from Investment Committee Chair, transfer funds to short/long-term investment.
2. Restricted Gifts -
 - a. Document receipt of gift through dual control.
 - b. Deposit funds into general operating account, with ledger annotation shown in financials for specific restriction.
 - c. Notify Conference Treasurer and Investment Committee Chair of receipt of funds.
 - d. Upon instruction from Investment Committee Chair, transfer funds for investment until used for restricted purpose.

3. Endowment Gifts -
 - a. Document receipt of gift through dual control.
 - b. Deposit funds into general operating account with ledger annotation for endowment.
 - d. Transfer to the appropriate investment vehicle upon specific instruction from the Kansas-Oklahoma Conference Foundation Board.
4. Pass Through Gifts -
 - a. Document receipt of gift through dual control.
 - b. Deposit funds into general operating account with ledger annotation shown in financials of specific designation.
 - c. Forward to recipient in a timely manner. In all cases, by the close of the fiscal year.

D. RECEIPTS, RECORDS, DEPOSITS, DISBURSEMENTS, REPORTS

1. Receipts, Records, Deposits -
 - a. All checks received by the Kansas-Oklahoma Conference shall be entered in a receipt book recording the donor, dates and purpose.
 - b. Conference Funds shall normally be deposited in checking accounts held in a federal or state chartered bank in an area convenient to and providing services to the Conference. A positive balance shall be maintained in said checking account.
 - c. Grant monies received by the Kansas-Oklahoma Conference for a specific purpose shall be booked as an asset and liability and not reported as general income.
2. Disbursements -

Requests for disbursement of funds shall be made to the Conference Office. All disbursements shall be made through the Conference checking account. At least three persons shall be designated by the Conference Council as signatories for the Conference checking account, including the Conference Minister, Conference Treasurer and another member of the staff. Two signatures will be required on checks greater than \$5,000.

Requests for disbursement shall require proper invoices, attached to a Voucher for Payment which has been approved/signed by the Conference Minister, Conference

Treasurer or designated member of Conference Council residing in Wichita.

The person approving/signing the Voucher for Payment will verify that requested disbursements from Restricted, Pass Through, Endowment Income and Grant Fund meet Fund restrictions which may have been established by the Donor, Conference Council or Grantor. (Exhibit)

3. Reports -

The Conference Minister and Conference Treasurer are jointly accountable for the preparation, distribution, completeness and accuracy of all Financial Reports.

a. Monthly Financial Report

- 1) The complete and detailed Monthly Financial Report shall include all cash activity for the month indicating net profit or loss as well as the balance of invested funds and the balance of extraordinary items such as "Grants" and etc. (Exhibit)
- 2) The report shall be distributed monthly to the following officers of the Kansas-Oklahoma Conference: Conference President, Conference Minister, Conference Treasurer, Chair of the Foundation Board and members of the Finance Committee.
- 3) The most current Report will be available to all members of the Conference Council at their regularly scheduled meetings.
- 4) The most current Report will be available to Delegates and Kansas-Oklahoma Conference Visitors at the Conference Annual Meeting in October of each calendar year.

b. Quarterly Financial Report

- 1) The Report shall include OCWM receipts, All Church Giving Offerings, Special Appeals, White Memorial Camp and other gifts for each church by Association. (Exhibit)

- 2) The report shall be mailed to all United Church of Christ churches of the Kansas-Oklahoma Conference.
 - c. Financial reports of individual committees, task forces, etc. and of Conference events shall be provided upon request when the request is authorized by the Conference Council and/or the Conference Minister.
4. External Reporting Requirements -
 - a. The Annual Meeting, through the adoption of the annual budget, shall designate a percentage or fixed dollar amount of OCWM receipts to be given to the work of the National Church.
 - b. Report forms provided by the United Church of Christ Director of Finance and Treasurer will be used when remitting funds to the National Church.
 - c. Reports of All Church Offerings listing the donor, the recipient of the gift and the amount will sent to the UCC Treasurer.
 - d. Forwarding of Pass Through Gifts will be at the direction of the Conference Council or the Conference Minister.

E. ACCOUNTS

1. All funds received by the Conference shall be deposited in checking accounts held in federal or state chartered banks, as determined from time to time by formal action of the Conference Council. The banks shall be in an area or areas convenient to the Conference. Such deposits shall be made as soon as administratively feasible. A positive balance shall be maintained in said checking accounts.
2. One of the checking accounts shall be designated by the Conference Council to be the account from which all Conference disbursements are made. Transfers from other accounts to said account shall be made as necessary to cover the disbursements.

3. By the authority of the Conference Council, delegated to the Conference Treasurer, cash may be transferred to a savings account, certificate of deposit, or to the Investment Committee of the Foundation Board when a surplus of cash has been accrued beyond the reasonable operating needs of the Conference. This can be for either short or long term excesses of cash. Such transfers shall be invested in such a manner as to not impose a liquidity problem on the Conference.

F. INVESTMENTS

All investments of the Conference, other than savings accounts or certificates of deposit referred to in item V. E. 3 above, shall be made in accordance with the Investment Policy of the Kansas-Oklahoma Conference Foundation Board as approved by the Conference Council on June 2, 1989. The Investment Policy may be changed from time to time by action of the Conference Council in consultation with the Foundation board.

G. LOANS

Prior to seeking authorization to borrow monies in accordance with Article IV, Section E. 1. of this Fiscal Policy and Procedures Manual, the Conference Council shall appoint one or more persons to secure all necessary information of regarding the proposed borrowing, including, but not limited to, the name of financial institution or other source, interest rate, repayment terms, and a proposal on how such funds shall be repaid (e.g. out of the annual budget, special fund drive, etc.) 1. All such information shall be presented to the Conference Council for review prior to the Council placing the proposed borrowing on the agenda of the Annual Meeting. All such information shall also be presented to the delegates to the Annual Meeting.

Prior to seeking authorization to borrow monies in accordance with Article IV, Section E. 2. of this Fiscal Policy and Procedure Manual, the Conference Treasurer, Foundation Treasurer, and/or Conference Minister, shall secure all necessary information regarding the proposed borrowing, including but not limited to the names of financial institution or other source, interest rate, repayment terms, and a proposal on how such funds shall be repaid (e.g. out of the annual budget, special fund drive, etc.). All such information shall be presented to the Conference Council for consideration and action.

H. TRAVEL ALLOWANCE AND EXPENSES

1. Travel by private auto will be reimbursed at a rate(s) established by the Conference Council.
2. Actual and reasonable expenses for travel, food and lodging will be reimbursed when such expense is a necessity in order to complete an assignment.
3. Incidental expenses such as tolls, parking, taxi and cost of official communications will be reimbursed on a cost basis.
4. Members of Conference Council, committees, commissions, task forces, etc. may request reimbursement for expenses incurred on behalf of the conference by submitting a completed Conference Expense Voucher Form (Exhibit ?) to the Conference office.
5. Employees of the Conference shall be reimbursed for authorized expenses incurred on behalf of the Conference.

I. MONITOR FISCAL HEALTH OF THE CONFERENCE

Under Article IV, Section 10(f) of the By-Laws, the Conference Council is responsible for the fiscal health of the Conference. In accordance with Article III of this Fiscal Policy and Procedures Manual, the Conference Minister, in consultation with the Conference President and the Conference Treasurer, is given the responsibility to monitor the day-to-day fiscal operations of the Conference and to make decisions regarding the fiscal operations.

The monitoring of the fiscal health of the Conference is largely accomplished through the procedures outlined in Article III. In addition to those procedures, the monitoring of the fiscal health involves projections of the revenues and expenditures of the Conference. These projections can be both short-term (with the current fiscal year) and long-term. The Conference Minister, in consultation with the Conference President and Conference Treasurer may engage others to help in any projections which are deemed necessary. However, only the Conference Council may authorize the expenditure of Conference Funds to engage outside consultants, including the reimbursement of expenses for volunteer consultants.