

There are two general sources of funds to support the ministries, programs, and missions of Little River UCC – the annual operating budget or one of the various designated funds not a part of the operating budget.

The church organization responsible for each line of the operating budget has the responsibility to manage that portion of the church's operations within the constraints of the budget but also considerable flexibility regarding specifically how to accomplish that. On the other hand, each of the designated funds has very specific constraints in how those funds may be used.

Little River UCC funds can be committed by actions of: official Boards and Committees; other church organizations under the general oversight of a Board or Committee; the Council; the staff; or Officers of the church. Commitment can occur by engaging a supplier or contractor to provide goods or services (perhaps by using the church credit card), by someone spending personal money for church business and then being reimbursed, or by a Board or Committee deciding to spend church benevolence funds.

The following procedures apply to the processing of expenses.

### **PAYMENT BY CHECK**

Except when the church credit card is used for a purchase, funds are disbursed by check. LRUCC expenses will be processed for payment weekly. Generally speaking, completed paperwork must be submitted by Sunday to be included in the week's payments. Vouchers are required for most but not all transactions.

### **Vouchers**

- The purpose of the voucher is for a responsible person to affirm:
  - That the goods or services are satisfactory and as intended (for bills & invoices) or that the payment is for an approved action (for other requests for a check to be prepared),
  - That the cost is correct, and
  - Which Operating Budget line item or which non-budget designated fund to use for the payment.
- Appropriate documentation must be attached to (or referenced for future services) on the voucher
  - Receipts are required for reimbursement
  - Bills or invoices are required for goods or services provided
  - The approval action of the responsible organization should be noted in the "Comments" section of the voucher to disburse funds or pay for future services.
- Regarding the source of funds:
  - It is important to distinguish between expenses from the Operating Budget and those from a designated (non-budgeted) fund.
  - The funding sources listed on the voucher include most, but not all, sources of funds. There are boxes for "Other (specify in Comments)" if the source of funds is not listed.
- Unless otherwise instructed in the Comments portion of the voucher, the check will be mailed as soon as the check has been signed.
- The voucher must be approved, generally by the chair of the Board or Committee, or other person specifically designated by the responsible Board or Committee to approve expenditures.
- The completed, approved voucher should be put in the **Comptroller's mailbox** in the office.

**Specific notes for the various types of expenses:****Bills and Invoices**

- Bills and invoices generally require a voucher, although some recurring bills are paid without needing a voucher.
- Action by a Board or Committee - If a Board, Committee, or other LRUCC organization is responsible to prepare and approve the voucher, the bill or invoice is put in the mailbox of the responsible organization and the Chair is notified that the invoice needs to have a voucher prepared and approved.
- Action by LRUCC staff – Some vouchers may be approved by staff. If the staff approves a voucher, an electronic copy of the voucher and invoice is sent to the chair of the responsible Board or Committee for information.

**Reimbursement for Expenses Incurred**

- A voucher is required for all reimbursements.
- Receipt(s) must be attached to support the reimbursement.
- The voucher must be approved by the chair of the responsible Board or Committee or an alternate specifically designated member of the Board or Committee.
- With a few specific exceptions approved by the Trustees, the voucher must be approved by a person other than the payee or a close relative of the payee.

**Payment in Advance for Future Goods or Services**

- A voucher is required.
- Since there is no invoice yet, the voucher should include the minutes of the meeting that authorized the expense. If this is not possible, the “Comments” section of the voucher must cite the action by the appropriate Board, Committee, or other organization that authorized the expense.

**Payment to Disburse Benevolence or Grant Funds**

- Although a voucher may be prepared, no voucher is required to disburse money for the four UCC-wide special offerings, or the quarterly payments of OCWM or Potomac Association benevolences.
- A voucher is required to disburse money for all other benevolences or grants.
- The voucher should indicate whether the check should be mailed or should be held for an accompanying letter.

**Transfer of Funds between LRUCC Accounts**

Checks may also be used to transfer funds between LRUCC accounts. Such transfers must be authorized by either:

- The chair of the Board of Trustees, or
- Any member of the Board of Trustees, provided that minutes of the Trustees meeting authorizing the transfer is also provided., or
- The Comptroller, as necessary to eliminate negative balances of a specific fund in a particular account.

Anything not included above – For any cases not covered by the above, the situation should be discussed with the Treasurer or the Comptroller to determine how to proceed.

**USE OF THE LRUCC CREDIT CARD**

LRUCC has a credit card account that can be used for purchases by the staff and for significant purchases by members, with the approval of the Comptroller or the Office Administrator. The card, which is kept in the office, must be checked out of the office in advance and promptly returned to the office after use.

Note: Often, use of the LRUCC credit card enables us to be exempt from VA sales tax. The procedures for that vary from supplier to supplier. Ask the Office Administrator, the Treasurer, or the Comptroller for specific guidance.

- A voucher is not required (since the credit card company is the payee, rather than the supplier).
  - However, individual Boards or Committees may impose more stringent controls for approval of credit card use in their area of responsibility. The voucher may be used to document this.
- When the credit card is used, an e-mail must be sent, addressed to [accountant@lrucc.org](mailto:accountant@lrucc.org), with the following information:
  - Date
  - Vendor/Supplier
  - Purpose of transaction
  - Budget line item or designated fund from which to take the funds
  - Cost
  - A reference to the action that authorized the expense
- A print copy of the e-mail and the receipt from the supplier should be put in the Comptroller's mailbox in the church office.
- If the material is to be shipped, an e-mail should be sent to [accountant@lrucc.org](mailto:accountant@lrucc.org) confirming satisfactory receipt of the product, and a copy of the packing list, if available, should be put in the Comptroller's mailbox.

## Board & Committee Responsibilities – Operating Budget

Operating Budget Line Item	Primary Responsibility	Also Involved?
Benevolences & Mission		
Board Designated Benevolences (subtotal)	Outreach & Social Justice	
Other Outreach & Social Justice Expenses	Outreach & Social Justice	
Our Church's Wider Mission (OCWM)	Outreach & Social Justice	Comptroller
Potomac Association	Outreach & Social Justice	Comptroller
Pastoral Expenses		
<u>Senior Pastor</u>		
Salary plus Housing	Personnel	Deacons
Benefits	Personnel	Comptroller
<u>Transitional Pastor for Faith Formation</u>		
Salary plus Housing	Personnel	Deacons
Benefits	Personnel	Comptroller
Car Allowance	Deacons	
Expenses & Education	Deacons	
Program Expenses		
Christian Education Programs	Christian Education	
Christian Education Administrator	Personnel	Christian Education
Child Care Providers	Personnel	Christian Education
Music Programs	Music	
Director of Music	Personnel	Music
Youth Choirs Director	Personnel	Music
Substitute Organist	Music	
Board of Deacons	Deacons	
Stewardship Committee	Stewardship	
Safe Space Committee	Safe Space	
Communications Advisory Team	Communications	
Welcome Center	Deacons	
Endowment Committee	Endowment	
Historian & Archivist	Council	
Delegates Expenses	Council	
Office, Building, & Grounds Operations		
Office Administrator	Personnel	Trustees
Communications Coordinator	Personnel	Trustees
Sexton	Personnel	Trustees
Other Staff Costs	Personnel	Comptroller
All Staff FICA	Comptroller	
Payroll Service Costs	Trustees	Comptroller
Staff Training	Trustees	
Office Operations	Trustees	
IT Operations	Trustees	
Insurance, Interest, Bank Fees	Trustees	
Contracted Office Staff	Trustees	

## Board & Committee Responsibilities – Operating Budget

Outside Accountant	Trustees	
Legal Counsel	Trustees	
Custodial Contract & Supplies	Trustees	
Building Maintenance	Trustees	
Grounds Maintenance	Trustees	
Utilities	Trustees	
Reserve Fund Transfers		
Transfer to Organ Repair Reserve	Comptroller	Music

## Board & Committee Responsibilities – Designated Funds

Designated Fund	Primary Responsibility	Also Involved?
<b>Off-Budget Benevolence Funds</b>		
One Great Hour of Sharing	Outreach & Social Justice	Comptroller
Neighbors in Need	Outreach & Social Justice	Comptroller
Strengthen the Church	Outreach & Social Justice	Comptroller
Christmas Offering	Outreach & Social Justice	Comptroller
Easter Offering	Outreach & Social Justice	
Thanksgiving Offering	Comptroller	
<b>Endowed &amp; Designated Funds</b>		
Endowment Fund	Endowment Fund	
Thelma Morris Fund	Outreach & Social Justice	
Music Trust Fund	Music	
Ralph Wands Fund	Christian Education	
Beckwith Scholarship Fund	Outreach & Social Justice	
Polly Spaar Memorial Fund	Christian Education	
Memorial Garden Fund	Deacons	
Special Music Fund	Music	
<b>Building Fund</b>	Trustees	
<b>Reserve Funds</b>		
Major Repair Reserve	Trustees	
Organ Repair Reserve	Music	
Capital Expense Reserve	Trustees	
Parsonage Reserve	Congregation	
Choir Robe Reserve	Music	
Website Reserve	Communications	
<b>Transition Funds</b>		
Transition Contingency Fund	Council	
<b>Pass-through Transaction Funds</b>		
Flowers	Deacons	
First Friday	Council	
Fair Trade	Outreach & Social Justice	

## Board & Committee Responsibilities – Designated Funds

Exercise Class	Deacons	
Welcome Center	Deacons	
Youth Misson Trips	Christian Education	
FISH	Outreach & Social Justice	
Shaw Community Ministry	Outreach & Social Justice	
Heifer Project	Outreach & Social Justice	
Adult Retreats	Christian Education	
Footsteps	Council	
Other Misc Pass-through Items	Comptroller	