

FISCAL
RESPONSIBILITY
and
MANAGEMENT
POLICIES
IN LOCAL CHURCHES

The United Methodist Church
Florida Annual Conference

The Cabinet of the Florida Annual Conference after consulting with The United Methodist Book of Discipline, the Financial Services Office of the Florida Conference, the Conference Chancellor, and Florida Law establish the following fiscal and management policies to insure the protection of the Church as well as those persons involved in the handling of church funds.

- 1) All local church bank accounts, brokerage and investment accounts, and any other financial accounts shall require two signatures for all transactions. *The local church pastor or his or her family member, relative, or business associate shall not be one of those signatories for any local church accounts.*
- 2) The local church shall have in place a process (paper trail) by which all local church expenses are approved by the local church pastor and/or other responsible person(s) who are not themselves signatories for local church accounts. It is preferable that the pastor not be one of the persons authorizing payment.
- 3) The church treasurer, or someone so designated, will produce clear and timely financial reports on a monthly basis and provide copies to the pastor and the Chair of the Finance Committee and Chair of the Church Council.
- 4) The person(s) responsible for reconciling bank, brokerage and similar accounts shall not be the person(s) who also has signatory authority for that account and also shall not be the local church pastor or a family member or business associate of the local church pastor. Bank and other investment statements shall not be mailed to a person with signatory authority.
- 5) The use of ATMs or other means to withdraw cash directly from local church accounts shall not be permitted. Cash expenses, for example through a petty cash fund, shall be kept to a minimum (\$100.), reconciled regularly (at least quarterly), and accounted for in the same way as other expenses.
- 6) United Methodist churches sometimes commonly have a fund called the Pastor's Discretionary Fund. Written policies in accordance with the General Council on Finance and Administration guidelines are required. (See "A Matter of Good Stewardship: Tips For Responsible Handling of a Pastor's Discretionary Fund." GCFA Legal Department, September 20, 2001). If a Pastor's Discretionary Fund exists, the pastor shall be required to maintain a log and receipts as documentation for the money spent out of such a fund.

No checks will be made out to cash. This fund is not to be used as a reimbursement account for business expenses. Every effort should be made to write the check directly to the merchant or agency. On rare occasion a check may be written to the pastor for expenses that fit the guidelines but only when a receipt is presented.

- 7) All financial records will be maintained on the church campus. If physical circumstances necessitate, a written exception by the district superintendent, with directives as provided by the district superintendent, may be obtained.
- 8) If a credit card is made available to the pastor or staff for the purpose of church-related expenses, the pastor or staff person is responsible for the submission of receipts and explanation of the purpose for all transactions. Church credit cards shall not be used for personal expenses. Clear guidelines as to the nature of "church-related expenses" should be established in advance of provision of the card.
- 9) A travel allowance will no longer be documented separately from the cash salary of a pastor. Travel may be reimbursed through a Reimbursable Account that requires the documentation of travel through mileage logs and receipts.
- 10) The church shall make provisions for an annual audit according to The Book of Discipline ¶258.4c. Guidelines for this audit are provided by The General Council on Finance and Administration "Local Church Audit Guide" which is available from the Conference Treasurer's office and the GCFA website www.gcfa.org.

_____ United Methodist Church of _____ is in
(city / town)
compliance with the Fiscal Responsibility and Management Policies in Local Churches.

_____ Pastor

_____ Finance Chairperson

_____ Treasurer

_____ Church Council Chairperson

Date

Form revised April 2005