

36 Questions from Center for Faith and Giving

A recent study suggested that the number one reason American Christians don't give away more money is due to a lack of trust in the in church. To respond to that, here are thirty-six questions your church should be able to answer about money. Good policy builds trust and creates an environment for generosity to flourish.

Cherry Log Christian Church Response to these Questions (June, 2013)

1. Who is authorized to count money and record amounts?

Deacons count money each Sunday, record totals on a form, and turn it over to the Church Administrator, who then records the individual amounts into the church accounting system.

2. How are those persons chosen?

The deacons are nominated by the Nominating/Leadership committee and voted on by the congregation.

3. Who has access to information about donors?

The church treasurer and church administrator. Various reports are run that may help with giving patterns, but no names or individual amounts are reported.

4. How are giving pattern changes reported and to whom?

Member are given their personal patterns through ACS and quarterly and annual reports.
NOTE: Currently there are customized reports that are done upon request.

5. Who (and how often) reports financial activity and who reviews/receives those reports?

The church administrator reports financial activity once a month and these reports are posted on the church website after being reviewed by the church treasurer and finance committee.

NOTE: Financial Reports are also created upon request for each ministry council and reviewed by these councils monthly.

6. Are the reports transparent? (Available to all constituents and easy to read)

Yes, the reports are posted on the Members area of the church website.

7. Who builds the budget?

The ministry councils prepare a budget for the entire council and submit these budgets to the Finance committee for developing an annual budget for the church. The proposed budget is then submitted to the church board for approval.

8. How are those people chosen?

The ministry council chairs are voted on by the congregation as well as the chair of the finance committee. The finance committee includes the chair, vice chair, treasurer, and 4 at-large members.

9. Are they stake-holders in the outcome?

Yes, the members of these councils and finance committee are members of the church.

10. Can any staff member vote on the personnel portion of the budget?

No. Staff members cannot vote on personnel portion of the budget.

11. How is the final budget adopted and by whom?

The congregation holds a business meeting each November to approve the budget for the following fiscal year beginning January 1. A quorum of 1/3 participating members are to be present at the business meeting and voting is a simple majority of those members present.

12. Is the budget a target/estimate or is it “fixed in stone”?

The budget is a target/estimate of the annual expenditures.

13. Is there a process for appeal or amendment to the budget and who can propose such action?

Ministry Council chairs can appeal for amendment to the budget to the board for over-budgeted requests greater than \$1,000. For requests \$1,000 or less, the Resource Council and Finance Committee approves/disapproves.

14. Who responds to the request with final authority?

The board for requests greater than \$1,000. The Resource Council and Finance Committee for requests \$1,000 or less.

15. What written policies are in place regarding salaries and benefits?

There is a personnel manual. A policy was created this year regarding which type of personnel receive benefits. Also, the personnel committee makes recommendations to the finance committee regarding salary and payroll changes each year.

16. How are they determined and how is staff evaluated? (Does job performance play a role in determining salary, and or benefit increases/decreases?)

Salaries are currently determined by the personnel committee and submitted to the finance committee. In personnel manual there are examples of the evaluation forms but these are not currently being used to determine salary or benefit increases/decreases.

17. Is a COLA a part of the financial package and to what index is it tied?

Not at this time – Cost of Living Adjustment is not used as part of the financial package.

18. Are ALL accounts audited?

Yes, the church by-laws state that a 3 member audit team is created by the finance committee. This audit can be either external or internal in nature.

19. How often and by whom?

An audit according to the by-laws should be done annually by the audit team.

20. Who receives the audit report and what do they do with it?

The Board, finance committee, and resource council for review. It is then made available to the congregation via the website.

21. What policy is in place to receive bequests or other large undesignated gifts?

A gift policy is in place and available online on the church website.

22. Who decides how such a gift will be utilized in the church's life and mission?

A gift policy is in place and available online on the church website

23. Are people encouraged to make such gifts?

Yes

24. What policy governs the investment of monies in savings or reserves?

Finance Committee authorizes and directs disbursement of Church funds in accordance with the approved budget, as well as any specific expenditures not appearing in the regular budget but authorized by appropriate action by the Board. There are no policies governing the investment of monies in savings or reserves. Currently a maintenance reserve is in an interest bearing account. That is the only reserve that the church has available. However, there is a document attached at the end of this document related to reserves.

25. Is there a limit to what can be held in reserve before other action is required?

NO – see attachment about the establishment of reserve accounts.

26. What policy governs the receipt of real property gifts and or securities?

Trustees: The Congregation shall have three Trustees, who, as legal representatives of the Congregation, will hold, buy or sell real or intangible properties and other capital assets of the Congregation except those entrusted to a Legacy (or Permanent Funds) Committee. The Trustees are directly accountable to and are directed by the Congregation, through the Church Board. The Trustees, as legal representatives of the Congregation, will hold, buy, or sell real or intangible properties and other capital assets of the Congregation (except those which may be entrusted to a special Permanent Funds Committee by the Congregation).

27. What policy gives the church ultimate discretion as whether or not a gift will be accepted?

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NOTE: Also see response to question 21

28. With regard to gifts of a non-financial nature, is there a policy to govern the “retirement” of these gifts once they become no longer useable, worn out, or need replacement?

No Need policy

29. How often are constituents made aware of their record of giving?

Quarterly by email and regular mail for members that do not have an email address. Statements are sent out in April, July, October, and January.

30. If the organization is unable to meet all of its fiduciary responsibilities at any given time, who determines what bills get paid on time and what obligations do not get met?

Handled on an ad hoc basis by Treasurer and FC if a major decision required.

31. Does the church or organization reflect the principle of the tithe relative to mission beyond the local operating needs?

Yes, the church tithes 10% of its general budget (excludes building budget)

32. If the church should become no longer financially viable, how are its assets to be distributed?

To disassociate the Congregation from the Christian Church (Disciples of Christ) in the United States and Canada will require a quorum of nine-tenths of the participating membership to be present and voting.

NOTE: No policy other than disassociation from DOC.

33. Does the church/organization have adequate insurance, especially against theft via fraud, fiduciary malfeasance, or embezzlement?

Yes – This is a responsibility of the finance committee to ensure that the church has adequate insurance. Insurance policies are kept in the church office.

NOTE: Concern: Our underwriters will not raise the limits of coverage until some things are done, i.e. certified audits and doing such things as more than one signature on checks.

34. What plan is in place for developing future leaders this area?

A vice chair is in place on the finance committee to take over after 2 years. The vice treasurer is also designed to take over after the treasurer retires from the position.

35. Are those lead in the area of stewardship and finance leaders in giving?

Those who are currently leading in stewardship and chair of the finance committee are leaders in giving.

36. Is every member of the governing body contributing at some level financially?

Report requested from church office.

**Request for Board Action or consideration from the Finance and Stewardship Committee,
March 28, 2012**

Item One: Reserve Fund Proposal:

The Finance and Stewardship Committee recommends that the Board approve the establishment of the following reserve funds and policies:

1. Building Maintenance and Expansion Fund:

- a. The purpose of this fund is to provide for future major maintenance expenses. Our building is currently relatively new. It can be easily anticipated that as the building ages we will incur major maintenance needs for system repairs or replacement. Because we do not accrue annual expense to cover depreciation or wear and tear, this reserve fund will be available to help meet this type major expense.
- b. This reserve fund will be initially funded from the balance in the Church Extension (CE) investment account as of the end of February, 2012, \$51,339.27. The source of money in this account is a portion of the original Church on the Hill loan from CE. The initial goal is to increase this reserve to \$75,000, the minimum indicated need based on an industry average maintenance study. This target will increase by 5% per year to account for both inflation and aging of the building. The Finance/Stewardship Committee is charged with looking for ways to add funds to reach the targeted level.
- c. Requests to draw from the reserve fund can be made by the Property Committee. Amounts less than \$5000 may be approved by the Finance Committee, amounts of \$5000 and more will require approval by the Board or its successor organization.
- d. Requests to draw from this reserve fund in order to meet mortgage obligations when other mortgage funding sources are inadequate may be made by the Finance and Stewardship Committee and amounts over \$5000 will require approval by the Board or its successor organization.

2. Mortgage Payment Reserve Fund:

- a. The purpose of this fund is to provide a reserve to enable the church to meet its mortgage obligations if other normal mortgage funding sources are not adequate to do so.
- b. This reserve will initially be funded from Building Fund (BF) contributions in excess of those needed to meet monthly mortgage payments. It is normal to have more BF contributions in the first months and year of a capital campaign than in the later years and months. Early surplus will be used to maintain a

reserve to help cover potential shortfall in later months. The initial reserve amount, deposited in the CE mortgage investment account as of March 15, 2012 is \$33,403.06. Building Fund receipts and designated gifts will continue to build this fund.

- c. The Finance and Stewardship Committee is authorized to draw from this fund as needed to allow regular payment of the monthly mortgage. Also, if funds increase beyond what the Finance and Stewardship Committee believes is necessary to provide mortgage payment assurance, such excess amount may be applied to reduce the principle amount of the mortgage.

3. Ministry Reserve Fund:

- a. The purpose of this fund is to provide a reserve that can be used to facilitate implementation of major ministry initiatives that will accomplish the Mission, Vision and Strategic Plan of the church.
- b. This fund will initially be funded from rental income from Church on the Hill rent to Cornerstone Church. As of March 31 that amount is \$7500. An initial target for this fund of \$30,000-\$40,000 is recommended. The Finance and Stewardship Committee is charged with developing means to build this fund toward that goal. Rental income, designated gifts, Legacy Gift Fund distributions, monthly cash surpluses, and other funding techniques should be considered.
- c. This reserve fund should be viewed as a source for “investment” type expenditures that can form the basis for major initiatives that will meet the Mission, Vision and Plans of CLCC. Projects funded should have a high probability of increasing attendance and membership or of generating revenue, so that continued funding of the initiative can be maintained. Requests can originate from any committee and should be reviewed by the Strategic Planning Committee, Finance and Stewardship Committee and Elders prior to going to the Board for approval. The purpose of this review is to solicit broad based review and comment to test the proposal against the goal of meeting Mission, Vision and Plan, having a major impact and likelihood of being a sustainable initiative. The Board or its successor organization must approve the request.

4. Replenishing Withdrawals:

- a. It has been difficult to build reserves and continuing to build toward targeted levels will also be difficult. Therefore, spending decisions should be treated with the utmost care and the Board, with input from the Finance and Stewardship Committee should propose a plan for replenishing withdrawals within a reasonable period of time.