

## UNITED METHODIST CHURCH INTERNAL CONTROL POLICY and PROCEDURES

Applicability:

All funds administered by \_\_\_\_\_ United Methodist Church and church-issued credit cards.

Purpose:

To establish procedures to safeguard Church assets and to insure compliance with applicable regulatory guidelines/statutes

Procedures:

- I. Finance Committee Oversight
  1. Finance Committee (FC) or its equivalent appoints Lay Treasurer. Lay Treasurer is accountable to the FC
  2. Finance Committee will meet at least on a quarterly basis to review specific financial information.
- II. Management of Banking and Investment Accounts
  1. Two (2) signatures shall be required on all checks AND authorizations for wire transfers or withdrawals from investment accounts.
  2. There should be no more than one operating checking account and one payroll checking account.
  3. There may be no more than four (4) authorized check signers
- III. Church Credit Cards

While the issuance of “corporate” credit cards is discouraged, it is acknowledged that certain circumstances necessitate their issuance.

Approved usages:

1. Airline Reservations
2. Lodging Reservations
3. Rental Car Reservations
4. Office Supplies. (This does NOT include the purchase of electronic devices, such as computers, cell phones, PDA's, or any equipment purchase over \$100)
5. Business Meals

All other expenses should be paid/reimbursed from the Church checking account, as applicable.

#### IV. Cash Procedures

1. Each church may establish a petty cash account not to exceed \$100. The petty cash account shall be replenished as needed. Receipts must accompany the check to reimburse the petty cash fund, and must total the amount of the check. ALL expenses paid out of petty cash MUST be accompanied by a receipt, regardless of amount.
2. Safeguarding Cash – Other than petty cash, no cash should be kept on premises overnight. Miscellaneous cash receipts should be deposited daily and never mixed with petty cash.
3. Deposits – Checks should be endorsed (stamped) “For Deposit Only” immediately upon receipt.
4. The Receipts Log (attached) should be used daily before the deposit ticket is prepared. The receipts log can serve as additional supportive documentation when reviewing the monthly bank statement.

#### V. Review

The FC will review bank statements/reconciliations and credit card statements at their respective scheduled meetings.

#### VI. Approved/Disapproved Reimbursement Items

-See appendices