

**Unitarian Universalist
Congregation of Columbia**

Financial Policies and Procedures Manual

June 2014

Unitarian Universalist Congregation of Columbia
 Financial Policies and Procedures Manual
 Table of Contents

FOR DETAILED FINANCIAL PROCEDURES SEE APPENDIX

Description	Page Number	
▼ Introduction	4	Deleted: Please note: Recommended policies pending Board approval are noted in red.¶ Formatted: Font color: Auto
Chart of Accounts		
▲ Chart of Accounts Structure	5-6	Formatted: Font color: Auto
Organizational Structure		
▲ Segregation of Duties	7-8	Formatted: Font color: Auto
Key Personnel for Financial Functions	9	Formatted: Font color: Auto
Budget Process		
Budget Development and Approval Process	10-11	
Financial Processes Involving Assets		
▲ Cash Receipts Processes	12-13	Formatted: Font color: Auto
▲ Bank Reconciliations	14-15	Formatted: Font color: Auto
▲ Investments and Investment Income	16	Formatted: Font color: Auto
Policy for Receipt of Stock in Payment for Pledge Donations	17	
Financial Processes Involving Liabilities		
▲ Summary of Cash Disbursements Processes	18-19	Formatted: Font color: Auto
Check Signing Procedures	20	
Debit and Credit Card Policy	21	
▲ Payroll Process	22-23	Formatted: Font color: Auto
Long Term Debt Policy	24	
Other Policies and Procedures		
Conflict of Interest (Existing)	25	
▲ Conflict of Interest (Recommended, Pending Board Approval)	26-28	Formatted: Font color: Auto
Document Retention and Destruction	29-31	
Confidentiality	32-33	Deleted: The "document destruction" portion of this policy is Pending Approval by the Board of Trustees¶
▲ Whistleblower Policy	34-35	Formatted: Font color: Auto

Fraud Prevention	36
Risk Management	
Asset Protection	37
Appendix Table of Contents (See UCC Administrator for current copy of the Appendix)	38

Formatted: Font color: Auto

Formatted: Font color: Auto

Acknowledgment: This Manual was first compiled by the 2013-2014 UCC Finance Committee, co-chaired by Linda Brennon and Michael Sullivan, with substantial contributions from our consultant, Jackie Breland, CPA, of Jackie Breland Consulting, P.A.

Introduction

The purpose of this Financial Policies and Procedures Manual is to document all of the significant internal controls and financial policies of Unitarian Universalist Congregation (UUCC) of Columbia. The policies are intended for the use of management and staff.

The objectives of this Financial Policies and Procedures Manual are as follows:

- Provide guidance and direction with respect to compliance with current tax and accounting regulations;
- Provide a reasonable basis for the development of consistent financial reporting procedures and accounting processes within the organization;
- Provide the basis for adequate internal controls;
- Provide clear directions for staff with regards to financial processes to promote ease of implementation and ongoing maintenance.

For the detailed financial procedures, please reference the Appendix. The Finance Committee shall review this manual on an annual basis for the Board of Trustees to ensure that all financial policies are current and reflect the actual policies in place at UUCC.

Formatted: Font color: Auto

Chart of Accounts Structure

Title: Chart of Accounts Structure

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval: 11/19/14

Deleted: Pending Approval by the Board of Trustees

Formatted: Font color: Auto

Policy Statement:

The chart of accounts is the heart of any accounting system. The chart of accounts determines how transactions will be recorded. A good chart of accounts should be well thought out and set up so that a trained accountant can immediately understand the account numbering system.

Background:

A current chart of accounts is necessary to ensure proper account coding. The chart of accounts should be numbered logically and contain a brief description of the use of each account. A chart of accounts should be divided into the following account groupings:

1. Assets
2. Liabilities
3. Net assets
4. Revenues
5. Expenses

The numbering system should be set up so that one can easily identify which account grouping an account belongs in. For example, all asset accounts begin with number 1, and all liability accounts begin with the number 2. The account numbering system should be such that in addition to the major account groupings, the accounts should reference the financial statement reference account, the account number, and a brief description of the account.

Guidelines:

Unitarian Universalist Congregation of Columbia (UUC) will maintain an up to date and accurate chart of accounts.

The current structure of the chart of accounts is as follows:

- Assets – begin with the number 1
- Liabilities – begin with the number 2
- Fund Principal (Net Assets) – begin with the number 3
- Revenues – begin with the number 5
- Expenses – begin with the number 6

Temporarily and Permanently Restricted accounts – begin with the number 8

UUCC will update the chart of accounts on a regular and routine basis. Everyone with accounting or budgetary responsibilities will be given a copy of the chart of accounts.

The current chart of accounts can be found in the Appendix tab 1.

Organizational Structure

Title: Segregation of Duties

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval: 11/19/14

Deleted: Pending Approval by the Board of Trustees

Policy Statement:

Adequate segregation of duties with regard to all aspects of the financial operations is the policy of UUCC. This policy includes but is not limited to the segregation of responsibilities over receipts, bank deposits, bank statement reconciliations, invoice approval, check preparation, check signing, and expense reimbursement approvals.

Background:

The organizational structure of a congregation is important to ensuring that proper policies and procedures are put into effect. With the proper policies in effect an organization can help ensure that its programs are launched, supported, monitored, and reported on for their duration in accordance with grantor, Board of Trustees' and the minister's policies. An integral part of an organizational structure is the organizational chart and the assignment of the duties of its personnel. In order to reduce the probability of dishonesty, effective internal controls require adequate segregation of duties. One individual with complete control over a sequence of related functions presents the opportunity for errors to occur and not be found.

Guidelines:

It is the policy of UUCC to provide for adequate segregation of duties with regards to all aspects of its financial operations. No one employee shall perform a complete cycle of financial operations, to the extent practicable. Financial duties shall be segregated through every aspect of UUCC accounting functions, wherever possible.

Cash Receipts

Accounting personnel or other UUCC personnel with responsibilities over receipts shall not be involved in bank deposits and vice versa. Accounting personnel with bank reconciliation duties shall be independent of cash receipts functions. The handling of cash shall be separated from pledges billing functions.

- The Bookkeeper is responsible for preparing bank reconciliations and for recording all receipts into the accounting system.
- The Administrator handles the pledges billing function at UUCC.

- The UUCG volunteer teams (counters) are responsible for preparing the bank deposits for UUCG.
- The Administrator opens all of the mail for UUCG and places any checks received in the mail to be deposited in a locked box in the Work Room. The UUCG volunteer teams (counters) are responsible for actually making the bank deposits for any checks that arrive by mail.

Cash Disbursements

Accounting personnel with check preparation duties shall not have sole authority to sign checks.

- The Board Treasurer and Board President are the only persons who are authorized to sign operating account checks. The Minister can sign on the Minister's Discretionary account only. The Bookkeeper and Administrator cannot sign checks.

Personnel with invoice approving responsibilities shall not sign the check for payment, when practicable.

- Employees submit a completed Check Request Form to the applicable Committee Chair for approval. This includes reimbursements for travel expenses. The Committee Chair does not have the authority to sign checks.

Payroll

Ideally, payroll accounting duties should be separated from the general ledger function. However, due to the fact that UUCG is a small congregation with a small accounting staff, this is not practicable. The Administrator is responsible for entering all payroll transactions, using reports from the outsourced payroll provider, ADP, as the source documents. Additional internal controls are in place, however, in that the Treasurer reviews and submits all hours and changes in pay rates to ADP for time worked for each payroll. The Treasurer also submits new employee information to ADP.

Investments

Responsibilities for initiating, evaluating and approving investment transactions shall remain separate from detailed accounting and general ledger functions.

- The Board Treasurer and Board President are the only individuals that can initiate, evaluate and approve investment transactions for UUCG.
- There is a separate committee of the board that deals with transactions for the Endowment Fund. All Endowment Fund transactions are approved by the Board of Trustees.

Title: Key Personnel for Financial Functions

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval: 11/19/14

Deleted: Pending Approval by the Board of Trustees

Policy Statement:

UUCS shall ensure that the appropriate personnel are placed in positions to ensure proper financial accounting is carried out.

Background:

An organization needs to be structured so that competent personnel are in place to ensure the financial operations are carried out in accordance with generally accepted accounting procedures, and that the organization's financial position is properly administered.

Guidelines:

Board of Trustees

The ultimate responsibility for the proper administration of UUCS's financial position lies with the Board of Trustees. The Board is required to regularly review the financial operations and activities of the UUCS.

Board Treasurer

The Board Treasurer of UUCS operates as the primary "chief financial officer" function for UUCS. The Board Treasurer oversees all of the accounting functions performed by the Bookkeeper and the Administrator. The Board Treasurer serves as an ex-officio member of the Finance Committee.

Bookkeeper

The Bookkeeper performs the monthly close-out accounting functions, handles the bank and other account reconciliation processes for UUCS, and prepares the monthly financial statements for the Board. Also see the Bookkeeper's job description included in the UUCS Personnel Manual

Administrator

The Administrator handles the input of the cash disbursements transactions, cash receipts transactions and payroll transactions into the accounting system. Also, see the Administrator's job description included in the . UUCS Personnel Manual

Title: Budget Development and Approval Process

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement: It is the policy of UUCC to maintain an annual budget. The UUCC Finance Committee has the responsibility of developing the annual budget for approval by the Board of Trustees and the congregation.

Background: Every organization should prepare an annual budget. As a planning document, a budget forecasts expected revenues and expenses for the coming year. A budget should reflect the financial activities for the entire organization, and it should be a compilation of individual program and project budgets. The budget shall provide the means for setting program priorities and allocation of resources to those priorities, as well as a means for comparison of actual financial results to budgeted amounts.

Guidelines: Please see the Budget Development and Approval Process below.

UUCC Budget Development and Approval Process

1. Finance Committee Chair and President coordinate date for Annual Meeting.
2. Finance Committee manages budget development timetable. Work backwards from Annual Meeting date (usually May or June) to set dates for budget process, beginning 3 months prior with deadline for committee budget requests, 2 months prior for meeting with Executive Committee, then 1 month prior for Board meetings to revise and approve the budget for congregational vote.
3. Notify Committee Chairs of budget deadline.
4. Create draft budget. The template we currently use includes past history, YTD performance, YE projections, changes from current budget, and relevant comments.
5. Finance Committee reviews and approves draft budget for submission to Board.
6. Executive Committee reviews and revises draft budget presented by Finance Committee chair.
 - a. Finance Chair consults with Bookkeeper if the new budget requires any changes to the chart of accounts.

7. Board reviews and revises draft budget presented by Finance Committee chair. This ordinarily takes part in two Board meetings to balance budget and confirm revenue projections from pledge drive.
8. The Finance Chair presents the revised budget to the Executive Committee for further refinement. The Executive Committee makes the final budget recommendation to the Board.
9. Board submits budget for the congregation's approval at Annual Meeting. Board Secretary sends notice 15 days in advance.
10. Board hosts a congregational update meeting in advance of Annual Meeting to answer questions about the proposed budget.
11. Congregation approves budget at Annual Meeting.
12. Concurrent with all of these steps is the canvass, also managed by the Finance Committee. Weekly progress reports on pledge drive are prepared and printed in the Orders of Service and Unigram.

Financial Processes Involving Assets

Title: Cash Receipts Processes

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval: 11/19/14

Deleted: Pending Approval by the Board of Trustees

Policy Statement:

Control shall be established over all cash and checks received and they shall be deposited promptly in UUCC's bank account(s). Cash receipts shall be protected from misappropriation.

Background:

Physical access to cash receipts and cash receipt records shall be limited to authorized personnel. Additionally, all cash receipts, including wire transfers shall be recorded promptly in the appropriate accounting period. (See Appendix, Bookkeeping Procedures, tab 2)

Guidelines:

The mail should be opened by a staff person who does not have access to the accounting records, does not deal with accounts receivable and does not prepare bank reconciliations, when practicable.

- Currently the Administrator opens all of the mail. However, due to the small size of the accounting staff, this individual also has access to the accounting records.
 - An offsetting control is that the Administrator does not make the actual bank deposits at the bank.
 - Another offsetting control is that the Bookkeeper reviews all deposit transactions when closing out the month, from a higher level.
 - The Administrator records all cash receipts in the accounting system.
- The Administrator restrictively endorses the checks received (through the mail) and places all checks to be deposited in a locked box in the Work Room.
- For all checks received on Sunday, the volunteers (teams of volunteers who handle the preparation of the bank deposit), under the guidance of the Chairman of the Finance Committee, work in pairs so that there is a minimum of two persons working together on site to prepare the amounts to be deposited at the bank.
- The volunteers receive the checks on Sunday, restrictively endorse the checks and total the actual deposits.
- The volunteers also prepare the checks to be deposited at the bank and make the actual deposit at the bank.
- The volunteers also make copies of all checks received for supporting documentation of the deposit(s).

There is a form used entitled “UCC Sunday Collections” to document the total deposit made on a specific date. (See Appendix,tab 17, Weekly Functions of Counters)

Title: Bank Reconciliations

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval: 11/19/14

Deleted: Pending Approval by the Board of Trustees

Policy Statement:

The bank reconciliation process is an important element in the internal control over cash. Each account shall be reconciled monthly and all outstanding items shall be tracked. All discrepancies shall be resolved in a timely manner.

Background:

Bank statements should be addressed to a designated person who is not involved in accounting and does not sign checks. However, due to the small size of the UUCS accounting staff, this is not feasible at UUCS. The Administrator forwards the bank statement (unopened) to the Bookkeeper. The Bookkeeper is responsible for bank reconciliations. All bank accounts shall be reconciled in a timely manner (ideally, within 30 days of receipt of the bank statement). The Board Treasurer reviews the bank reconciliations on a regular basis.

Guidelines:

Bank balances, as shown by the bank statement shall be reconciled with the general ledger as follows:

1. Establish the accuracy of the bank statement by ensuring that the beginning balance on the bank statement reconciles to the ending balance on the prior month's bank statement.
2. Determine the reconciling items between book and bank balances by:
 - Reconcile each paid check listed on the bank statement to the accounts payable check register and the prior month bank reconciliation. Check off each entry to indicate the check that has been cashed by the proper payee for the correct amount and cleared by the bank. Prepare a list of outstanding checks which will consist of the unmarked disbursements. Investigate any old outstanding checks and take action, when and wherever appropriate.
 - Reconcile each deposit on the bank statement to those recorded in the cash receipts journal and check off the deposits per the cash receipts journal and those recorded as deposits by the bank. Any unchecked items in the cash receipts journal represent deposits in transit.
 - Reconcile any miscellaneous debit or credit memos per the bank statement to those in the general ledger.
3. Prepare the bank reconciliation incorporating the reconciling items determined above.

The Bookkeeper who prepares the bank reconciliation is responsible for identifying all discrepancies. The bank reconciliation shall be provided to the Board Treasurer, together with recommended

adjustments, if any. The resolution of discrepancies shall be investigated, resolved and adjusted in a timely manner.

The Bookkeeper may record any necessary adjustments to the accounting system as a result of the bank reconciliation process. Again, any adjustments posted by the Bookkeeper are reviewed by the Board Treasurer for appropriateness. Also, the Board Treasurer has online bank access and can view any transactions for which the Bookkeeper is recording in the accounting system.

Other detailed procedures followed in the bank reconciliation process are included in the Appendix, tab 2.

Title: Investments and Investment Income

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval: 11/19/14

Deleted: Pending Approval by the Board of Trustees

Policy Statement:

Funds not presently needed for the UUCC's operations shall be invested. Such investments shall be properly authorized and accurately accounted for.

Background:

UUCC shall invest available funds in order to maximize earnings and minimize risk. The overall investment policy, specifying the needed liquidity of investments, acceptable risk, and expected returns, shall be established by management and approved by the Board of Trustees. In addition, the Endowment Funds that are held in a separate account shall be managed and overseen by the separate Endowment Fund Committee.

Guidelines:

General: The Board of Trustees shall set the investment policy for the UUCC. The investment policy shall provide general guidelines regarding the type of investments deemed appropriate and the objectives of each investment. The Board Treasurer shall be designated to implement the Board's investment decisions. The Treasurer shall also work with the Endowment Fund Committee with regards to the investment policies of the Endowment Fund.

Reconciliation of Investment Accounts: Investment account balances shall be reconciled regularly.

There are two general ledger accounts where investments are held: (1) The BB&T Money Rate Savings Account, and (2) the UU Common Endowment Fund. The general ledger balances shall be reconciled monthly together with amounts on supporting schedules. The Treasurer shall review and all reconciliations of investment accounts as performed by the Bookkeeper.

Title: Policy for Receipt of Stock in Payment for Pledge Donations

Reviewed by:

Implementation Date: 12/19/2012

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement:

The following policy is in place at UUCS when stock is received in payment for a pledge donation.

Gifts of stock will be accepted to fulfill a member's pledge. Bank to bank transfers are the preferred method of receiving stock donations. The Treasurer will obtain the brokerage account information from the donor and/or provide the UUCS brokerage account number necessary to facilitate a bank to bank stock transfer.

The stock will be sold by the Treasurer and will be deposited to UUCS main checking account. Any fees incurred for the stock transfer and sale are the responsibility of the donor and will be deducted from the proceeds of the sale of the stock.

Upon completion of the transfer and sale of the stock, the Treasurer or Administrator will notify the donor of the net amount (proceeds of the sale of the stock less any fees) by letter. The Treasurer will also notify the Administrator to make the proper allocation to the donor's pledge balance.

Title: Summary of Cash Disbursements Processes

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval: 11/19/14

Policy Statement:

The Board of Trustees, is responsible for ensuring that there are sufficient internal controls with regards to cash disbursements for the congregation. The Treasurer has oversight of appropriate payment methods, the approval process, the coding of disbursement transactions and disbursement controls. The Board of Trustees must maintain control over the disbursement of funds by requiring proper approval and consistent application of procedures for payment transactions.

Background:

Cash disbursements procedures include the receipt, control, classification and preparation for payment of vendors' bills, check requests and other financial obligations of the congregation. Under the system described herein, all such obligations are recorded as debits to the appropriate general ledger expense account (and funding source).

Guidelines:

The following processes are included in this document:

- Check control (p. 18)
- Accuracy of coding expenditures (pp.18-19)
- Segregation of Duties (pp.7-8)
- Check Signing / Authorization Procedures (p.20)
- Debit and Credit Card Policies (p.21)

Check Control

All blank checks are kept in a file cabinet in the Administrator's office. In no event are checks:

- Prepared unless proper procedures followed
- Use other than in chronological order
- Prepared and signed in advance without proper authorization
- Made out to cash or bearer without proper authorization
- Prepared on verbal authorization

Accuracy of Coding Expenditures

UUCS uses a check request form to document both the approval process and the coding of expenditures. The form is included with the supporting invoice or expenditure documentation. A

Deleted: Pending Approval by the Board of Trustees

check request form is also used to document and support a request for reimbursement for travel expenses incurred by employees. (Form in Appendix tab 22.)

The Administrator codes the check in the ACS system according to the check request form. The Treasurer or President will also review the coding of the check when signing the checks. The Bookkeeper reviews all check coding for reasonableness when performing the monthly close-out process.

~~Petty Cash — there is no petty cash fund used.~~ Deleted by Board vote 05/20/2015

Formatted: Strikethrough

Automatic Bank Transfers / Debits

The following are examples of typical bank transfers / debits or EFT transactions initiated by the Board Treasurer or debit-card holders:

- UUA dues
- Retirement (for the minister)
- Loan or line of credit payments
- EFT monthly payments for office equipment rental / leases
- Payroll-related transactions
- ACS / ADP fees
- Debit card transactions – business expenditures (also see separate Debit Card Policy section)

It should be noted that the Board Treasurer reviews and/or approves these bank transfers / debits or EFT transactions when reviewing the online bank activity. In addition, the Bookkeeper will record and review these transactions when performing the monthly bank reconciliations.

Voided Checks

Voided checks are voided properly (by marking VOID across the check so that it cannot be used again) and are placed in a voided checks file. There is a specific “void checks” process for voiding checks in the ACS accounting systems which is documented and used by the accounting staff. (See Appendix, tab, 13)

The following cash disbursements processes are covered in the next two sections:

- Check Signing / Authorization Procedures
- Debit Card Policy

Title: Check Signing Procedures

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement:

Persons authorized to sign checks should not also make accounting entries. There should always be at least two persons authorized to sign checks within the congregation..

Background:

Accounting procedures around the signing of checks should provide sufficient internal controls so that one person cannot initiate, authorize, sign and enter check disbursements into the accounting system.

Guidelines:

The following guidelines are used regarding check signing at UUCG:

- The Administrator creates checks (typically each Friday or weekly) and puts them in a designated folder with all supporting invoice / check request documentation.
- The designated folder is put in Treasurer's Inbox in the copier room.
- The Treasurer signs the checks on Sunday and puts the designated folder in the Administrator's Inbox in the copier room.
- All checks are to be mailed or distributed by the Administrator by Monday morning.
- Copies of checks are filed in locked filed cabinet in the Administrator's office.
- Currently the Board President and Board Treasurer are the primary individuals who can sign operating account checks. The Minister can sign checks on the separate Minister's discretionary account.

Title: Debit and Credit Card Policy

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement:

In order to facilitate purchases on behalf of the UUCC, debit and/or credit cards will be issued to the following Board of Trustee members, Committee Chairs and Staff during their term of service to the UUCC: President, Treasurer, Director of Religious Education, certain RE staff, and Chair of the Religious Education Committee. Debit cards and credit cards will only be used for official UUCC business purposes.

Debit Cards:

With regards to the debit cards, the President and Treasurer will be granted a daily spending limit of \$500 enforced by the UUCC's bank of record at the time of the card issuance. The Director of Religious Education and the Chair of the Religious Education Committee will be granted a daily spending limit of \$100 enforced by the UUCC's bank of record at the time of the card issuance. "Daily spending limit" means a combination of purchases and cash withdrawals occurring within the same 24 hour period. The Treasurer will obtain and manage all the debit cards from the bank including the Treasurer's debit card.

Individuals who make debit card cash withdrawals or purchases are required to retain a copy of the debit card receipts for all transactions. As soon as possible, the debit card receipts must be submitted to the Administrator along with a completed "Charge Card Record Form" (see forms in the *Appendix, tab 21*). All debit card receipts will be reviewed and balanced to the UUCC checking account by the Bookkeeper or the Administrator.

When an individual is no longer serving in a role requiring the use of a debit card, the Treasurer will immediately notify the bank to cancel the card. It will be the duty of the Administrator to receive and shred all cancelled debit cards. The Administrator will also maintain in a secure location a list of all active debit card holders along with their debit card numbers. It is the Administrator's duty to keep the debit card holder lists on file for a minimum of 7 years as required by the UUCC documentation policy.

Credit Cards:

UUCC Credit cards will be issued to designated UUCC personnel only with the approval of the Board of Trustees. Cash advances on the credit cards are not permitted without proper authorization by the UUCC Board Treasurer. Detailed credit card receipts must be retained and attached to the credit card statements. Monthly statements, with attached detailed receipts, must be submitted to the UUCC Finance staff within ten days of receipt of the statement to enable timely payments of amounts due, and to record the amounts on a timely basis in the ACS accounting system. Sufficient coding information will be included with the credit card receipt to ensure that amounts are properly coded in the ACS accounting system. (See Charge Card Record Form, Appendix, tab 21)

Title: Payroll Process
Reviewed by:
Implementation Date:
Revision Date:
Next Scheduled Review Date:
Approval: 11/19/14

Deleted: Pending Approval by the Board of Trustees

Policy Statement:

The UUCC shall ensure that all employees are paid in a timely and accurate manner and that necessary data, records and reports are maintained in accordance with acceptable business and regulatory standards. All payroll expenses recorded to the general ledger shall be reconciled with the appropriate payroll returns. All payroll liabilities shall be accurately computed and paid on a timely basis.

Background:

It is important to retain proper, complete information when dealing with payroll matters. This is necessary for such matters as the issuance of timely and accurate paychecks, assuring the timely satisfaction of governmental regulations and obligations, assurance that compensation and benefits packages are allowing the recruitment and retention of competent personnel, and to assure a safe, productive work environment. It is important that all payroll employer tax and withholding payments be remitted to federal, state and local tax authorities in a timely manner. It is also important that all UUCC payroll expenses and payroll withholdings are properly recorded in the ACS accounting system.

Currently UUCC uses an outsourced third party payroll provider (ADP) to handle the payroll function for UUCC, including payment of employees (generally through direct bank deposit), preparation and submission of payroll tax returns, and annual Form W-2 / W-3 reporting.

Guidelines:

The following guidelines and procedures are followed in the processing of the UUCC payroll through ADP:

- The Administrator reports all hours worked by hourly employees to the Treasurer.
- The Treasurer inputs the semi-monthly payroll hours (including confirming the pay rates) to ADP.
- The semi-monthly payroll checks / stubs are delivered to UUCC, and the Administrator distributes them to the employees. It should be noted that some employees are on direct deposit, while others may receive an actual pay check.
- The Bookkeeper receives the payroll reports so that she can record payroll in the ACS Accounting system (via journal entries). She also reviews the payroll reports for reasonableness and accuracy.

- Note that ADP signs the payroll checks for the employees that receive live checks.
- With regards to pay rates, the Treasurer maintains an Excel worksheet that documents the current pay rates for UCC employees.
- UCC relies on ADP to calculate the federal (withholding and social security/Medicare) and state withholding taxes and handle the payroll tax deposits.
- There is no separate bank account for payroll.
- Time sheets (see Appendix, tab 23) are used by employees to record hours worked (for those UCC employees who are paid based upon hours worked and an hourly rate).

Title: Long-Term Debt

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement:

All long-term debt incurred by UUCC will be approved by the Finance Committee and the UUCC Board of Trustees. All payments on long-term debt will be made on a timely basis in accordance with the debt agreements.

Background:

When needed, a congregation may incur long-term debt in order to finance certain capital improvements or other facets of congregational operations. Such debt will be approved by the Board of Trustees.

Guidelines:

The original debt agreements are maintained by the UUCC Administrator..

Title: Conflict of Interest (Existing)

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement:

Board Members are expected to avoid conflicts of interest, defined as any situation where a Board Member may attain personal gain or which may serve as a detriment to the UCC, either monetarily or to its public image, because of the use of information or personal contact which is not generally available except through membership with UCC Board of Trustees.

Board Members shall not engage in any business or transaction and shall not have a financial or other personal interest that is incompatible with their Board duties that would impair their judgment or actions in the performance of their duties for the Board. Board members who have questions about whether an activity violates this policy should discuss the matter with Executive Committee.

Signature: _____

Date: _____

Title: Conflict of Interest

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval: 11/19/14

▼

Policy Statement:

This policy is intended to supplement, but not replace, federal and state laws governing conflicts of interest applicable to nonprofit corporations. It applies to UUCB Board members and staff with significant decision-making authority. Persons covered under this policy, as well as their relatives and associates, are hereinafter referred to as “interested parties”. A conflict of interest exists when the UUCB Board of Directors decides there is a conflict.

Background:

A conflict of interest may exist when the interests or concerns of an interested party may be seen as competing with the interests or concerns of the organization. There are a variety of situations that raise conflict of interest concerns including, but not limited to, the following:

Financial Interests - A conflict may exist where an interested party directly or indirectly benefits or profits as a result of a decision, policy or transaction made by the organization. A financial interest is not necessarily a conflict of interest. A financial conflict of interest exists only when the Board decides a person with a financial interest has a conflict of interest. Examples include situations where:

- The church contracts to purchase or lease goods, services, or properties from an interested party.
- The church offers employment to an interested party, other than a person who is already employed by the church.
- An interested party is provided with a gift, gratuity, or favor of a substantial nature from a person or entity that does business or seeks to do business with the church.
- An interested party is gratuitously provided use of the facilities, property, or services of the church.
- The church adopts a policy that financially benefits an interested party.

Other Interests - A conflict also may exist where an interested party obtains a financial benefit or advantage that he/she would not have obtained absent his/her relationship with the church. Examples include where:

- An interested party seeks to make use of confidential information obtained from the church for his/her own benefit (not necessarily financial) or for the benefit of another interested party.
- An interested party seeks to take advantage of an opportunity or enables another interested person or other organization to take advantage of an opportunity that he/she has reason to believe would be of interest to the church.

Deleted: NOTE: Pending Approval by the Board of Trustees

- The church adopts a policy that provides a significant non-financial benefit to an interested party.

Guidelines:

UUCC board members are expected to avoid conflicts of interest, as defined above. Board members shall not engage in any business or business transaction, and shall not have a financial or other personal interest that is incompatible with their Board duties that would impair their judgment or actions in the performance of their duties for the Board.

Disclosure statements will be submitted as follows. For Board members, the disclosure statements shall be provided to the Board Chairman on an annual basis. The Chair's disclosure statement shall be provided to the Board Treasurer.

In the case of UUCC staff with significant decision-making authority, the disclosure statements shall be provided to the Board Chairman of the church. An affirmation of compliance shall be submitted and reviewed annually thereafter. An additional disclosure statement shall be filed whenever a potential conflict arises.

In all cases, the recipient is the designated reviewing official responsible for bringing potential conflicts to the attention of the appropriate authorities. The UUCC Board Treasurer shall file copies of all disclosure statements with the official corporate records of UUCC.

Whenever there is reason to believe that a potential conflict of interest exists between the church and a Board member or the Minister, the Board of Directors shall determine the appropriate response. This shall include, but not necessarily be limited to, invoking the procedures with respect to a specific proposed action, policy or transaction. The designated reviewing official has a responsibility to bring a potential conflict of interest to the attention of the Board promptly for action at the next regular meeting of the Board or during a special meeting called specifically to review the potential conflict of interest.

Where the potential conflict involves an employee of the church other than the Minister, the Minister shall be responsible for reviewing the matter and may take appropriate action as necessary to protect the interests of the church. The Minister shall report to the Chair the results of any review and the action taken. The Chair shall determine whether any further Board review or action is required.

Where a potential conflict exists between the interests of the church and an interested party with respect to a specific proposed action, policy or transaction, the Board of Directors shall consider the matter during a meeting of the Board. The organization shall refrain from acting until such time as the disinterested members of the Board of Directors have approved the proposed action, policy or transaction. The following procedures shall apply:

- An interested party who has a potential conflict of interest with respect to a proposed action,

policy or transaction of the church shall not participate in any way in, or be present during, the deliberations and decision-making vote of the church with respect to such action, policy or transaction. However, the interested party shall have an opportunity to provide factual information about the proposed conflict and/or action, policy or transaction. Also, the Board may request that the interested party be available to answer questions.

- The disinterested members of the Board of Directors may approve the proposed action, policy or transaction upon finding that it is in the best interests of the church. The Board shall consider whether the terms of the proposed action, transaction or policy are fair and reasonable and whether it would be possible, with reasonable effort, to find a more advantageous arrangement with a party or entity that is not an interested party.
- Approval by the disinterested members of the Board of Directors shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present. An interested party shall not be counted for purposes of determining whether a quorum is present, or for purposes of determining what constitutes a majority vote of directors in attendance.
- The minutes of the meeting shall reflect that the conflict disclosure was made to the Board, the vote taken and, where applicable, the abstention from voting and participation by the interested party. Whenever possible, the minutes should frame the decision of the Board in such a way that it provides guidance for consideration of future conflict of interest situations.

If the Board of Directors has reason to believe that an interested party has failed to disclose a potential conflict of interest, it shall inform the person of the basis for such belief and allow the person an opportunity to explain the alleged failure to disclose. If the Board decides that the interested party has in fact failed to disclose a possible conflict of interest, the Board shall take such disciplinary and corrective action, as the Board shall determine.

Title: Document Retention and Document Destruction

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval: 11/19/14

▼
Policy Statement:

UUCS shall keep documents that preserve institutional history for strategic planning, regulatory compliance, and legal purposes. The term “records and record retention” includes all hard paper copies, computer disks, microfilm, scanned or digitized copies and other electronic communications. UUCS shall destroy such documents when and if appropriate.

Background:

In accordance with the Sarbanes-Oxley Act, which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding, this policy provides for the systematic review, retention, and destruction of documents received or created in connection with the transaction of the organization’s business. . This policy covers all records and documents, regardless of physical form, contains guidelines for how long certain documents should be kept, and how records should be destroyed (unless under a legal hold).The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records, and to facilitate the organization’s operations by promoting efficiency and freeing up valuable storage space.

Guidelines:

This policy outlines retention schedule to be used for UUCS documents and records. Any record which contains personal information, financial information or any type of information which can be considered private should be shredded or otherwise thoroughly destroyed when permanently removed from the office.

The following records are to be kept for 4 years after the fiscal year in which they are generated:

- Budgets and projections
- Certificates of Deposit, redeemed or canceled
- Contracts to provide services
- Employee time sheets
- Personnel files of terminated employees

Deleted: NOTE: The “document destruction” portion of this policy is Pending Approval by the Board of Trustees¶

The following records are to be kept for 7 years after the fiscal year in which they are generated:

- Bank deposit slips
- Bank reconciliations
- Bank statements
- Canceled checks
- Copies of donation checks
- Contracts to purchase and warranties (begin counting when contract ends)
- Equipment leases (begin counting when lease terminates)
- General correspondence
- Insurance policies and claim records (begin counting when policy ends)
- Paid invoices
- Payroll reports
- Supporting journals to the general ledger

Permanent Records of the UUCC:

- Annual Directory
- Annual Financial Statements
- Annual reports
- Auditor's Reports
- Bequest and Estate Papers
- Building Plans
- Bylaws
- Committee Minutes
- Deeds and titles
- General Ledger
- Legal correspondence
- Minutes of congregation meetings
- Minutes of Board meetings
- Official correspondence
- Orders of Service
- Property Records
- Tax Returns and worksheets, including W-2s
- Unigrams

Electronic Documents and Records:

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an e-mail message, the message should be printed in hard copy and kept in the appropriate file or moved to an "archive" computer file folder. Backup and recovery methods will be tested on a regular basis.

Document Destruction (11/19/14)

The Board Treasurer is responsible for the ongoing process of identifying records, which have met the required retention period, and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding.

Deleted: Policy Pending Board Approval

Formatted: Font color: Auto

Title: Confidentiality

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement:

UUCC employees and those serving in volunteer positions at UUCC, including members of the Board of Trustees, committees, and working groups, may receive or have access to information about members. This information may include, but not be limited to, information on finances, personal behavior, stated opinions, interpersonal conflicts, personal relationship information, and health information. Information may be received or accessed verbally, in written documents, electronically, through emails, and other forms.

The position of the UUCC is that such information shall only be used as necessary for the health and operation of the UUCC, and that only those individuals with a need to know shall receive such information.

The daily operations of the UUCC, Board of Trustees activities, working groups, and committee processes must remain as public, open, and as welcoming as possible while honoring individuals' rights to privacy in personal, interpersonal, and business processes. Efforts should be made to ensure that information is accessible only to those with a need to know such information. During meetings or discussions this may require that some who are present be asked to leave so that a confidential discussion may be held by those individuals with a need to know.

Special Conditions and Circumstances: Mail addressed to officers by their positions should be delivered unopened and sealed. If it looks urgent, they should be contacted and their instructions followed.

On at least an annual basis, employees and those serving in volunteer positions at the UUCC will receive training on the issue of confidentiality.

Some events may need to be documented. It is recommended that the Board of Trustees develop a method of maintaining needed documentation in a manner that respects this policy on confidentiality.

This statement of the UUCC position on confidentiality is implemented through the personal commitments of paid staff and volunteers. Maintaining respect and dignity for all individuals through this commitment to confidentiality strengthens our community and congregation

Signing of Confidentiality Statements: No later than 30 days after accepting a leadership position, either as paid staff, board member, or committee chairperson, individuals will sign and date a statement indicating that they have read, and agree to, supporting and maintaining issues of confidentiality as

described above. Those signed statements will be kept in an annual file, as designated by the Board of Trustees. Such statements may read as follows:

Confirmation of Personal Review:

By my signature, I have read the UUCU position on confidentiality, and pledge to adhere to the spirit of this position.

Name: _____ Role/Position: _____

Signature

Date Signed

Title: Whistleblower Policy

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval: 11/19/14

▼
Policy Statement:

The UUCC encourages its employees to report suspected or actual illegal or improper activity, financial or otherwise. The UUCC will not condone any activity that is illegal or improper, whether done by a Board Member or employee.

No director, officer or employee who in good faith reports a violation shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This whistleblower protection policy is intended to encourage and enable employees and others to raise serious concerns within the organization prior to seeking resolution outside the organization. In some cases it may be appropriate to report violations of this policy through established channels and in accordance with the Whistleblower Protection Act (codified at 5 USC § 2302(b)(8)).

Background:

The UUCC requires Trustees, officers and employees to observe high standards of business and personal ethics in the conduct of their duties. As employees and representatives of the UUCC, all individuals must practice honesty and integrity in fulfilling the UUCC's responsibilities and comply with all applicable laws and regulations.

Guidelines:

It is the responsibility of all Trustees, officers and employees to report violations or suspected violations in accordance with this Whistleblower Protection Policy.

The UUCC has an open door policy and suggests that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if the individual is not comfortable speaking with his/her supervisor or is not satisfied with the supervisor's response, he/she is encouraged to speak with the Minister or a member of the Board of Trustees whom he/she is comfortable in approaching. Supervisors are required to report suspected violations to the Board President, who has specific and exclusive responsibility to investigate all reported violations.

Deleted: NOTE: This Policy is Pending Approval by the Board of Trustees¶

For suspected fraud, or when an employee is not satisfied or is uncomfortable with following the organization's open door policy, individuals should contact the Board President directly or a member of the Board of Trustees.

The Board President is responsible for investigating and resolving all reported complaints and allegations concerning violations and shall advise the Board of Trustees of all reported complaints and allegations.

The Executive Committee of the Board of Trustees shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Board President shall immediately notify the Board of Trustees of any such complaint and work with the Executive Committee until the matter is resolved.

Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. The Board President will notify the filer of the complaint and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

Title: Fraud Prevention

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval: 11/19/14

Policy Statement:

It is the policy of UUCC to promote strong internal controls and to take all steps necessary to prevent fraud from occurring within the UUCC. UUCC will also have a plan in place that may easily be put into action in the event that fraud should occur.

Background:

Strong internal controls within a congregation help to deter fraud. Management must demonstrate support of a strong internal controls system through an obvious “tone at the top” for this system to be effective with all employees. Also the internal controls in place within UUCC should be clearly documented.

If fraud should occur, employees must know what steps to take in order to respond to this. A clear plan of action should be formulated which gives management and employees a road map to follow should this occur.

Guidelines:

UUCC has an open-door policy and encourages employees to share their questions, concerns, suggestions or complaints with their manager, the Minister, or a Board member, including suspected violations of any applicable laws or regulations, any UUCC policies, or any dishonest or fraudulent conduct.

No UUCC employee who in good faith reports a violation of any UUCC policy, any violation of law or regulation, or any dishonest or fraudulent conduct will be retaliated against or suffer any adverse employment consequences because of his or her good faith report. This policy is to encourage and enable employees and others to raise serious concerns without fear of retaliation.

Therefore, all employees when reporting potential fraud or other violations should contact their manager, the Minister or the Board President as the first step. The Board President will take the appropriate next steps with regards to handling and reporting the potential violation or fraud to the appropriate authorities, and to the UUCC Executive Committee or full board, when appropriate.

When new employees are hired, UUCC management is responsible for ensuring that the new employees are aware of and how to report violations in accordance with this policy.

Deleted: NOTE: This Policy is Pending Approval by the Board of Trustees

Each year UUCC management is responsible to ensure that this fraud prevention and response plan is working as intended, and to make changes as needed to ensure the effectiveness of this plan.

Title: Asset Protection

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval: 11/19/14

Policy Statement:

It is the UUCC's policy to adopt best practices in the identification, evaluation and cost effective control of risks to ensure that they are eliminated or reduced to an acceptable level.

Background:

Risk management is all about managing threats and opportunities. By managing threats effectively the UUCC will be in a better position to provide improved services.

In this policy, risk is defined as something happening that may have an impact on the achievement of the UUCC's mission. When management of risk goes well it often remains unnoticed; however, if it fails, the consequences can be significant and high profile. Risk management is needed to prevent such failures.

Guidelines:

The Board shall adequately protect and maintain from unnecessary risk the UUCC's assets. Accordingly, the Board shall:

- Insure against theft and casualty losses of tangible personal property to at least 80 percent replacement value and against liability losses to board members, staff, or the UUCC itself at no less than minimally acceptable prudent levels
- Have sufficient employee dishonesty insurance and Trustees' and officers' liability insurance for personnel with access to material amounts of funds
- Ensure office and equipment is not subjected to improper wear and tear or insufficient maintenance
- Protect the UUCC, its board, and staff from exposure leading to claims of liability
- Protect intellectual property, information, and files from loss or significant damage
- Receive, process, or disburse funds under financial controls that meet the board-determined or reasonable business standards
- Not endanger the UUCC's public image or credibility, particularly in ways that would hinder its accomplishment of mission, except when necessary to accomplish its mission.

Deleted: NOTE: This Policy is Pending Approval by the Board of Trustees¶

Appendix

Accounting Procedures

(Also see the UUCS Employee Handbook)

Bookkeeper

1. Chart of Accounts (text ref. on p. 6)
2. Monthly Bookkeeper Procedures/Bookkeeping & Bank Reconciliation (text ref. on p. 15)
3. Intentionally Left Blank
4. Intentionally Left Blank
5. Intentionally Left Blank

Administrator

6. Monthly Administrator Procedures
7. Writing Checks in ACS
8. Check Signing
9. Submitting Work Hours
10. Entering Payroll in ACS
11. Entering Charge Card Transactions in ACS
12. Entering Sunday Totals in ACS
13. Voiding Checking in ACS (text ref. on p. 19)
14. Intentionally Left Blank
15. Intentionally Left Blank
16. Intentionally Left Blank

Counters

17. Weekly Procedures of Sunday Counters (text ref. on p.13)
18. Intentionally Left Blank
19. Intentionally Left Blank

Forms

20. Sunday Collections Form
21. Charge Card Record Form (text ref. on p. 21)
22. Check Request or Refund Form (text ref. on p. 19)
23. Employee Time Sheet (text ref. on p. 23)
24. Intentionally Left Blank
25. Intentionally Left Blank

7/14/14