

Presbytery of Geneva **Financial Policies and Procedures**

*The Presbytery of Geneva lives to support and equip Congregations and leaders to be Christ in the Finger
Lakes and the World.*

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I. INTRODUCTION

The Presbytery of Geneva lives to support and equip congregations and leaders to be Christ in the Finger Lakes and the world.

The following are overlying principles that should guide us in our decision formation.

It is the intention of the Presbytery to be a responsible corporate citizen. The Presbytery shall pay its lawful debts in a timely manner in order to minimize the Presbytery's cost of operation and to achieve the maximum effectiveness of its resources. Committee actions shall be taken under the broad concepts of stewardship and fiduciary responsibility. All actions shall be motivated by the principles of fairness and equity.

Principle of Stewardship – Resources shall be used wisely and for the growth of the whole Church. Presbytery's purpose shall be to support and equip congregations and leaders to be Christ in the Finger Lakes and the world. The effectiveness of the Presbytery and its member churches shall be measured in terms of the ability to create a vibrant, loving, and active community. Healthy financial management is absolutely necessary to achieve this effectiveness.

Principle of Fiduciary Responsibility – The Presbytery's funds shall be expended wisely and in a prudent way. In the event income does not meet expenditures, the Operations Committee shall recommend fair and equitable methods to minimize expenses for the good of the Presbytery as a whole, and to ensure its extended welfare.

Principle of Fairness and Equity – The Operations Committee shall undertake its duties with the overriding principle that all churches in the Presbytery, all Presbytery committees and their programs and goals, as well as all individual Presbytery members, shall be given equal consideration in the administration of Presbytery funds.

APPLICABILITY

These policies become effective upon final enactment by Presbytery, November 17, 2018. It is the intent of Presbytery that these policies replace and supplant any and all previously enacted policies, procedures or guidelines relating to finance, investments, and asset management of the Presbytery, and upon the adoption of these consolidated policies, such previously-enacted policies, procedures and guidelines are repealed and shall be null and void.

In the event of any conflict or inconsistency between these policies and the Presbyterian Church (U.S.A.) Constitution, applicable New York State or federal law, the provisions of the church order, state, or federal law shall prevail.

II. PRESBYTERY FUNDING POLICIES

A. Presbytery Income

1. Per Capita

a. Background

In order to meet the obligations of being a connectional church, the Presbytery of Geneva, as well as the Synod of the Northeast and the General Assembly, may choose to direct per capita apportionments to sessions within their bounds (in accordance with Book of Order G- 3.0106). Per Capita is a fair way of distributing support for larger church councils among all church members. While the Presbytery does not have the power to compel a session to contribute to per capita, it is a moral obligation, the fulfillment of which visibly demonstrates the covenantal ties that bind us as the one church of Jesus Christ.

b. Determination

The Operations Committee will recommend the annual per capita amount, including Synod and General Assembly per capita, to General Council as part of the annual operating budget process. The General Council is responsible for bringing the annual budget, including per capita apportionments, to Presbytery for approval

c. Collection

Sessions of the Presbytery of Geneva may collect Per Capita from members and forward it to the Presbytery. Sessions are encouraged to collect per capita throughout the year and forward the collection to the Presbytery on a monthly basis. The Operations Committee will review the contributions to per capita from the churches quarterly and offer encouragement and interpretation to all congregations. Presbytery may explore additional methods for funding per capita obligations.

d. Remittance to Synod and General Assembly

The Presbytery is responsible for remitting per capita to the Synod and General Assembly. Ordinarily, the Presbytery will submit quarterly payments to the Synod and General Assembly.

e. Interpretive material regarding Per Capita requested by Presbytery, Synod and GA shall be made available to the churches at least annually.

2. Mission Giving Process

a. Annually, requests shall be made to each church to report its intended mission support of the Presbytery of Geneva, the Synod of the Northeast, and General Assembly PC (U.S.A.). A recommended percentage of mission support for each higher Council will be included in this request.

b. Churches shall be urged to make contributions monthly to mission support.

c. The most current reports of the contributions received for mission Support shall be submitted at each meeting of the Operations Committee.

d. Interpretive material regarding mission ministries undertaken by the larger church shall be made available to the churches at least annually by the Mission and Witness Committee.

e. Presbytery shall forward to the Synod and General Assembly those funds received on their behalf.

3. Grants

Grants provided by Synod and General Assembly will be distributed by the Presbytery for funding of programs designated by the purpose and terms of the grant.

4. Gifts from Individuals or Congregations

The Trustees of the Presbytery shall accept or reject all restricted gifts

Restricted gifts refer to restrictions by the donor regarding the use of principal and earnings.

Designated gifts refer to designations by the donor regarding the use or purpose of the gift.

Designated gifts that exceed the anticipated expense for a given item may be disbursed by decision of the Trustees, in consultation with the donor when possible.

5. Designated Funds

The Trustees may choose to maintain several designated funds for the purpose of long-term projects. The use of such funds is subject to the stated purpose for these funds.

Such designations may only be changed by action of the Trustees.

6. Gifts of Marketable Securities

Gifts of marketable securities to the Presbytery shall be liquidated for cash as soon as possible and used for the purposes for which the gift was given.

7. Special Offerings

- a. The Presbytery, upon recommendation of the General Council may approve a Presbytery-wide special appeal for funding projects or programs that further the mission of the Presbytery.
- b. Previously budgeted allocations will not suffer reduction as a result of the special appeal. The General Council will insure that adequate informational materials are provided to enhance and deepen the entire Presbytery's understanding of our mission.
- c. It is understood that a church's giving to such requested funds is over and above the giving church's established commitment to General Assembly, Synod of the Northeast, and Presbytery of Geneva mission and per capita.
- d. The Presbytery shall encourage churches to respond with generosity to the Special Offerings of the General Assembly (One Great Hour of Sharing, the Peace and Global Witness Offering, the Pentecost Offering, and the Christmas Joy Offering), and other special appeals as they may arise.

B. Presbytery Expenses

All invoices and vouchers will be recorded with appropriate account lines by the Office Administrator and reviewed and approved by the Head of Staff prior to payment.

1. Direct Operating Expenses

- a. Expenses associated with the physical operation of the Presbytery office, such as gas, electricity, water, sewer, telephone, insurance, etc., shall be paid once bills are verified as accurate by the Head of Staff or Treasurer in the absence of the Head of Staff. If an expense is deemed inappropriate or generates cause for concern, the billing will be referred to the Operations Committee for further review.
- b. Payroll is administered by the Presbytery office staff. The Camp Director administers payroll for Camp Whitman employees. Payroll reports are reviewed by the Head of Staff. The Operations Committee annually recommends appropriate compensation for all employees. Compensation is subject to approval in the annual budget by the Presbytery. The Presbytery may contract with an outside payroll service to have all paychecks issued and withholding taxes and reports filed in a timely fashion to appropriate agencies.

2. Other Expenses

- a. All expenses generated by Committee or Presbytery actions shall be paid only upon receipt of a voucher properly approved by the Presbytery chairperson of the specific committee, with such approval verified by the Head of Staff or Treasurer in the absence of the Head of Staff.
 - b. By approving the voucher, the Head of Staff is verifying that, to the best of his/her knowledge, the approved expenditure is prudent, properly authorized, within approved budgeted amounts, and advances the mission of the Presbytery.
- 3. Reimbursable Expenses of the Presbytery

Expenses for conducting presbytery business may be reimbursed for travel, mileage, meals, and miscellaneous expenses of either volunteers or employees of the Presbytery. Expenses shall be paid only upon receipt of a voucher, properly approved by the Head of Staff.

Reimbursement is dependent upon IRS guidelines. Policies are as follows:

 - a. *Travel Expenses*

Travel shall be reimbursed at the most reasonable fare available for public accommodation and supported with a receipt.
 - b. *Automobile Expenses*

Mileage expense reimbursement for employees shall be equal to the amount set by IRS guidelines for reimbursements used “in trade or business.” Mileage expense reimbursement for volunteers shall be equal to the amount set by IRS guidelines for reimbursements used “for charitable purposes.”
 - c. *Meal Expenses*

Reimbursement requests for meals must be accompanied by the original, itemized receipt, along with a credit card receipt (the credit card summary alone will not be accepted for reimbursement). Alcoholic beverages are excluded from reimbursement.
 - d. *Miscellaneous Expenses*

A receipt shall support any miscellaneous expenses that a person expects the presbytery to reimburse. A spouse’s expenses are not reimbursed nor are personal items, including over-the-counter medications, toiletries, etc.

III. ADMINISTRATIVE PROCEDURES

A. Accounting for Cash and Other Valuable Items

1. Cash

- a. Cash refers principally to currency and checks received in the normal course of operations. The office staff and the Bookkeeper shall be responsible for controlling the receipt, accounting for, and disbursement of the Presbytery’s cash.
- b. The Office Administrator shall oversee the recording of all cash received by the Presbytery in support of its operations. Records will be maintained by the Office Administrator, who will detail the source, proper disposition, and accounting for all cash received and disbursed. A log of all cash will be prepared at least weekly and checked and signed by the Head of Staff and recorded by the Bookkeeper.
- c. The Office Administrator shall also oversee the deposit of all cash into the Presbytery banking accounts. Deposits shall be made weekly. Cash should not be left in the Presbytery offices over a weekend. Until a deposit is made, cash will be kept in a secure place in the Presbytery office.

2. Other Valuable Items

Securities and other valuable items presented to the Presbytery will be itemized and will be maintained securely until deposited into an appropriate secure repository, such as the Presbytery's investment account

B. Disbursements

1. All disbursements shall be made from the Presbytery accounts. Presbytery committees shall not maintain separate accounts of any type to handle committee disbursements.
2. Committees may maintain internal reporting of and accounting for expenditures for the purpose of managing committee operations.
3. All disbursements shall be supported by a properly approved voucher or stamped receipt. Required receipts will be retained in Presbytery office.
4. All payments will be made by a check or electronic transfer drawn on the appropriate funding account. This is in part to provide an audit trail, but also to discourage the maintenance of cash in the Presbytery office.

C. Checking Account Balance

It is intended that the balance in the checking account be a minimum amount to fill regular operating needs and a level of emergency cash for unforeseen needs.

D. Authorized Signatories

Authorized signatures may include those of the Treasurer and any three Ruling/Teaching Elders appointed by the Board of Trustees on an annual basis. Two signatures shall be required for disbursements that exceed \$10,000. Multiple checks or partial payments are not permitted to circumvent this limitation. The Operations Committee will maintain a current list that shall specify those with the authority to sign vouchers and share this with the Bookkeeper.

E. Voucher Procedures

1. A properly approved voucher for reimbursable expenses shall be presented to the Office Administrator for reimbursement. The voucher shall have all normal available receipts and invoices attached. Expenses without receipts shall be itemized in detail. The appropriate account for reimbursement shall be specified on the voucher. Payment will not be made without a properly approved voucher. Reimbursement of staff expenses not reported within 90 days of the expense will be forfeited.
2. Expenditures by the Head of Staff shall be approved by the Chair of the Operations Committee or other approved signatories
3. Expenditures by Camp Whitman Staff shall be authorized by the Camp Director and approved by the Head of Staff.
4. Expenditures by Camp Director shall be approved by the Head of Staff.

F. Analysis and Comparison of Budget and Actual Expenditures

1. Reporting to Presbytery

The Treasurer shall oversee the preparation of clear and accurate reports of the financial condition of the Presbytery. The Treasurer, through the Operations Committee, will present the reports to the General Council. The Operations Committee shall also present these reports to the Presbytery at each stated meeting of the Presbytery.

2. Recommendations for Expenditure Adjustments

When the Operations Committee notes that the Presbytery, or a committee thereof, is varying significantly from its annual budget, the Operations Committee shall suggest actions to the General Council in order to maintain financial stability and budget integrity. This action may take the form of spending limits or deferrals, identification of alternative funding sources, or committee budget reallocations. Budget reallocations shall occur only by

action of Presbytery upon recommendation by the General Council.

3. Carryover of Unused Budget Amounts

It is not the practice to carry over unexpended allocations to the subsequent fiscal year.

Exceptions to this may only be made by action of the General Council. Following the principles of stewardship, it is also not the practice to spend out lines at the end of the year unnecessarily.

G. Review and Certification of Annual Financial Review

All funds shall be reviewed annually. The Operations Committee shall select an outside accounting firm, receive and forward the firm's report to the General Council and Presbytery. The Operations Committee will implement recommendations as necessary, evaluate control suggestions by the accountant, and monitor process changes to minimize or eliminate deficiencies.

H. Determination of Service Providers

Presbytery employees and volunteers who are entrusted with choosing outside service providers should base their judgment on which service will provide the best value for the Presbytery, i.e. the most appropriate services, at a reasonable cost, considering the benefits to the Presbytery. Services should be reviewed annually to determine that the provider continues to represent the best value to the Presbytery for the expenditure of funds.

I. Capital Fund or Building Programs

1. Regarding Selling or Encumbering Congregational Property: The Constitution of the Presbyterian Church (U.S.A.), Book of Order G 4.0206 states:

a. A congregation shall not sell, mortgage, or otherwise encumber any of its real property and it shall not acquire real property subject to an encumbrance or condition without the written permission of the presbytery transmitted through the session of the congregation.

b. A congregation shall not lease its real property used for purposes of worship, or lease for more than five years any of its other real property, without the written permission of the presbytery transmitted through the session of the congregation.

2. The Trustees of the Presbytery of Geneva approves all such transactions that will exceed 25% of the church's annual budget.

3. In order to receive approval, Sessions must submit the following items to the Trustees:

a. A copy of the current year's annual budget,

b. A budget for the specified work, campaign, or transaction.

4. The Presbytery encourages congregations which enter into capital fund or building program to remember the mission of the whole church and to consider adding a mission contribution for Presbyterian mission as a component of their fundraising efforts.

J. Additional Policies

1. The Presbytery shall use accrual accounting and follow Generally Accepted Accounting Principles [GAAP].

2. Financial reports, such as the Balance Sheet and the Operating Statement, will be established, formatted, and modified by the Bookkeeper at the direction of the Operations Committee.

3. Before reconciling the checking account each month, the Office Administrator will email the electronic statement to the Bookkeeper. The Treasurer will review the reconciliations regularly.

4. The Treasurer will be responsible for the management of all short-term (less than one

year) cash needs of the Presbytery. The Treasurer may move funds between the checking account and a short-term cash management fund, as the need dictates, after approval of the Operations Committee.

IV. CREDIT CARD POLICY

A. General

Credit cards may be issued to employees who incur expenses that ultimately will be paid by the Presbytery of Geneva. These expenses may include travel and other costs incidental to fulfilling their responsibilities. Charges to the cards shall be documented with receipts, invoices, or other supporting evidence of the nature of the expenditure and submitted for approval. Expenses that are not ultimately the responsibility of the Presbytery of Geneva should not be charged on the credit cards. An expenditure that would not be eligible for reimbursement by the Presbytery of Geneva if paid in cash or with a personal charge card should never be charged on the Presbytery of Geneva's credit card. Employees who use Presbytery of Geneva credit cards for expenses not related to the Presbytery of Geneva or Camp Whitman on Seneca Lake will have their credit card revoked, shall immediately repay all personal charges, and may be subject to other actions by the presbytery. Persons authorized to administer the credit accounts are the chair of the Operations Committee and the Chair of the General Council. Any person who becomes aware of personal use, other than by one-time accident, should advise the Operations Committee and the Chair of the General Council to cancel the credit card.

B. Submission Process

Each month, expenses charged on the credit card should be reported to the Office Administrator on the approved form, together with supporting detail sufficient for an approver, Bookkeeper, Treasurer, or independent auditor to be able to verify the expenses as being Presbytery of Geneva-related. The form should be submitted to the next highest level of authority for review and approval for payment. Generally, the Head of Staff or Camp Director would approve expenses of other employees, however, all credit card expenses are reviewed by the Head of Staff. The Head of Staff should submit his/her expense voucher to the Chair of the Operations Committee for approval.

V. RECORD KEEPING

- C. The permanent paper financial records of the Presbytery shall be kept in secure files or cabinets in the Presbytery office including the Presbytery incorporation documents, checks, documents pertaining to Camp Whitman property, and other irreplaceable paper documents
- D. The Presbytery shall use up to date accounting software to maintain and store financial records. Additional records may be stored electronically by the payroll service, the Board of Pensions, the bank, the Presbyterian Foundation, or other partner institutions. All electronic files and platforms are secured by the Presbytery's Information Technology Disaster Recovery Policy.
- C. The Presbytery will follow the recommended record retention guidelines of the Presbyterian Historical Society when possible.
<https://www.history.pcusa.org/services/records-management/records-mid-councils>

VI. PRESBYTERY INVESTMENT POLICY

- E. The purpose of this investment policy statement is to establish a clear understanding of the investment policy, guidelines and objectives for the invested monetary assets of The Presbytery of Geneva.
- F. The intent is that all the financial assets other than those in the near-term category are to be managed with the aid of a professional investment advisor or one or more investment management firms under oversight of the Trustees with annual review.
- G. Policy for the Professionally Managed Investments
 - 1. The intent of this investment plan is to be sufficiently specific to be meaningful but flexible enough to be practical.
 - 2. Portfolio assets shall be invested to provide preservation of principal and capital growth for the benefit of the Presbytery of Geneva. The first objective is preservation of capital. Therefore, the Presbytery of Geneva expects this objective to be fulfilled within the levels of economic risk that a prudent person would take under various economic conditions. The Presbytery of Geneva reserves the right to modify these economic objectives periodically in light of changing rates of inflation.
 - 3. The appropriate time period for the portfolio to be measured, in the context of the objectives, shall be a full market cycle, which should approximate a three to five year period.
 - 4. The Presbytery of Geneva requires that any investments made on its behalf by the investment manager recognize the Divestment List compiled by The Committee on Mission Responsibility Through Investment of the Presbyterian Church (U.S.A.) and published on an annual basis.
<https://www.presbyterianmission.org/ministries/mrti/>

VII. PRESBYTERY CAPITALIZATION POLICY

The Presbytery of Geneva shall capitalize any item, equipment, or software that costs more than \$1,000 and is expected to last at least three years. Capitalized items shall be depreciated over their estimated useful lifetimes.

VIII. ACQUIRED ASSETS

- H. Acquired Assets are any assets received by the Presbytery from the dissolution of a congregation. Acquired Assets may include, but not be limited to, the proceeds of the sale of real and/or tangible and intangible property, personal property, bank accounts, pledges received, securities, and other investments, cash on hand, and notes and loans receivable. The use of Acquired Assets governed by this policy shall be recommended to the Presbytery by the Operations Committee, in consultation with General Council. Whenever relevant, the preferences of the dissolving congregation, as determined in consultation with the Administrative Commission, will be taken into consideration.
- I. In recommending to the Presbytery the use of acquired assets, the Operations Committee shall give first consideration to the Presbytery mission goal of supporting and equipping congregations and leaders to be Christ in the Finger Lakes and the world.

IX. **RESPONSIBILITIES**

- J. The Operations Committee is responsible for assuring ongoing compliance with these policies. In the event the Bookkeeper, Head of Staff, or Office Administrator is unable to fulfill his or her responsibilities within the scope of these policies, the Treasurer may act on his or her behalf until the Presbytery Operations Committee has resolved the situation. In the event the Treasurer is unable to fulfill his or her responsibilities within the scope of these policies, Presbytery General Council shall appoint a Treasurer Pro Tempore who shall serve until the Presbytery Nominating Committee can present a candidate for permanent Treasurer to the appropriate stated meeting of Presbytery.
- K. Proposed revisions to this policy shall be submitted to the Operations Committee, which shall prepare them for presentation to the General Council for approval prior to presentation to the Presbytery for adoption. Revised policies and procedures will be forwarded to clerks of session and posted publicly on the Presbytery website.

