

OPERATING AND FINANCIAL POLICY MANUAL OF THE PRESBYTERY OF SCIOTO VALLEY

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[Responsibility of Commission for Presbytery Operations]

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A. Preface: Committee of Commission for Presbytery Operations (CPO) References

The following describes the four standing committees of the CPO. Members are appointed by the Chair of the Commission for Presbytery Operations in a number sufficient to accomplish the Committee's purpose. Membership is to be confirmed by the Commission for Presbytery Operations; the Committee Chairperson is appointed by the Chair of the Commission for Presbytery Operations. Membership may include persons who are not current members of the CPO as designated.

1. **The Investment Advisory Committee** is a Committee of the Commission for Presbytery Operations (CPO) and consists of the Chair of the CPO, the Executive Presbyter, Presbytery Treasurer and at least two other members. Their goal shall be to maintain relative safety of principal while accepting reasonable risk consistent with achieving reasonable returns.
2. **The Property and Loans Committee** functions to assist Presbytery of Scioto Valley (PSV) churches and the Commission for Presbytery Operations in determining affordability, monitoring compliance with the Book of Order, and PSV policies. A further goal is to generally assist all involved to achieve the proposed project goals while it seeks to promote prudent stewardship of the resources of the church and the denomination. This Committee is a screening and advisory group to the CPO.
3. **The Budget and Fiscal Management Committee** interacts with the Presbytery through the Commission for Presbytery Operations. The following information provides additional information about the Committee and its guidelines for making sound decisions in the best interests of the Presbytery.
 - a. **Purpose:** The purpose of this Committee of the Commission for Presbytery Operations shall be to develop annual budgets and monitor the administration of the current year's Presbytery budget and to present, through the Treasurer, a report of finances to the Presbytery at each stated meeting. The Committee shall make appropriate recommendations to the CPO and the Coordinating Team concerning administration of the income and expenditures in the current year. If budget adjustments are necessary, the Committee shall negotiate adjustments with the CPO before recommendations are made.
 - b. **Membership:** Standing members (with votes) shall include the Treasurer, the Chair of CPO, and the Chair of the Coordinating Team. Ex-officio members of the Budget Committee are the Executive Presbyter and the Financial Assistant. There should also be at least one, preferably, two at-large members from the CPO on the Committee.
 - c. **Meetings:** The Committee shall ordinarily meet at least four (4) times a year, and additionally as needed to fulfill its responsibilities.
 - d. **Functions and Authority:** Specifically, the functions of the Committee shall be:
 - i. To assure that CPO members acting as trustees execute fiduciary responsibility.
 - ii. To oversee budget development and the ongoing budgetary situation of the Presbytery and its component parts during a fiscal year after the budget has been adopted and to recommend to Presbytery, through the CPO and Coordinating Team, such revision in the budget as the Committee feels necessary or desirable. Revisions may affect the totals of individual budget centers as well as the budget as a whole.
 - iii. To report the finances of the Presbytery at each meeting both of the CPO and Coordinating Team and to report, through the CPO, the finances at each stated meeting of the Presbytery.
 - iv. To provide for an annual audit.

- v. To assure adequacy of insurance coverage based on current replacement costs and to review all insurance policies at least annually.
- vi. To project future budgets, both income and anticipated expenses for purposes of Presbytery planning.

4. **The Human Resources Committee** interacts with the Presbytery through the Commission for

Presbytery Operations. The Commission for Presbytery Operations appoints the Committee's members in a number sufficient to accomplish the Committee's purpose. The Chair of the Commission for Presbytery Operations shall appoint the Committee Chair. The following information provides additional information about the Committee and its guidelines for making sound decisions in the best interests of the Presbytery.

- a. **Purpose:** The purpose of this Committee of the Commission for Presbytery Operations shall be to provide support and guidance for the staff and officers of the presbytery and to develop and maintain appropriate personnel policies and procedures.
- b. **Membership:** The membership is to be appointed by the Commission for Presbytery Operations, in a number sufficient to accomplish the Committee's purpose. The Chair of the Commission for Presbytery Operations shall name the Chairperson.
- c. **Meetings:** The Committee shall ordinarily meet at least four (4) times a year, and additionally as needed to fulfill its responsibilities.
- d. **Functions and Authority:** Specifically, the functions of the Committee shall be:
 - i. Recommend to the Commission all staff positions called or employed, full-time or part-time.
 - ii. Recommend to the Commission all salary schedules including staff benefits for all presbytery positions.
 - iii. Develop and maintain all position descriptions and requirements to ensure they are current and represent the full and complete duties and responsibilities of the position.
 - iv. Develop and maintain the Presbytery Personnel Policies and Procedures Manual.
 - v. Conduct annual performance reviews of the Executive Staff and coordinate with the Executive Presbyter to ensure annual performance reviews of all staff are conducted annually.
 - vi. Issue appropriate letters of appointment or reappointment or employment contracts for the Executive Presbyter and coordinate with the Executive Presbyter to ensure that letters of appointment or reappointment are issued for all other staff members.
 - vii. Hear and resolve all cases where a disagreement of an evaluation may exist between the supervisor and the staff member.
 - viii. Review all formal grievances and make a determination of the compliant in accordance with the Presbytery of Scioto Valley Personnel Policies and Procedures.
 - ix. Review all disciplinary actions and make a determination in accordance with the Presbytery of Scioto Valley Personnel Policies and Procedures.
 - x. Render a final determination involving the immediate termination of a staff member, exempt or non-exempt, for cause, providing the staff member requests a hearing/appeal by the committee.
 - xi. Conduct salary surveys annually for Executive staff and Stated Clerk positions to better ensure that the presbytery's compensation is competitive, fair and reasonable in terms of budget considerations. (Survey other Ohio based presbyteries as well as the Consumer Price Index. Use the CPI for the staff positions.)
 - xii. Provide caring, support and advocacy based on an awareness of the needs and concerns of all staff members.

- xiii. Possess a basic understanding of the benefits available to staff members through the Board of Pensions.
- xiv. Coordinate with the Executive Presbyter to ensure compliance with all AA/EEO guidelines and other applicable regulations and laws related to personnel actions.

B. Guidelines for Decision Formation

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

It is the Policy of the Presbytery to be a responsible corporate citizen. The Presbytery shall pay its lawful debts in a timely manner so as to minimize the Presbytery's cost of operation and to achieve the maximum effectiveness of its resources. Commission 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 and consistent with the stated mission of the Presbytery.

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 Budget and Fiscal Management Committee of CPO 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 Budget and Fiscal Management Committee shall undertake its duties with the overriding principle that all churches in the Presbytery, all Presbytery commissions and their programs and goals, as well as all individual Presbytery members, shall be given equal consideration in the administration of Presbytery funds.

C. Operating Procedures

1. Presbytery Income

a. Per Capita Apportionment

i. Background

In order to meet the obligations of being a connectional church, the Presbytery of Scioto Valley, as well as the Synod of the Covenant and the General Assembly, may choose to have a Per Capita Apportionment (in accordance with Book of Order G-3.0106). The Per Capita Apportionment is seen as a fair way of distributing the cost of our governing bodies among all church members. While the Presbytery does not have the power to compel a session to pay its Per Capita Apportionments, payment of Per Capita Apportionments is a high moral obligation, the fulfillment of which visibly demonstrates the covenantal ties that bind us as the one church of Jesus Christ.

ii. Determination

The CPO will determine the Presbytery Per Capita Apportionment annually as part of the Annual Operating Budget process based on historical performance and the budget for the succeeding year. The CPO will recommend the annual Per Capita amount to the Presbytery for adoption. For budget calculations it is necessary to use the active membership figure from the previous year. For example, 2008 per capita is based on December 31, 2006 membership.

iii. Collection

Member congregations of the Presbytery of Scioto Valley collect the Per Capita Apportionment and forward it to the Presbytery, where the funds are used to pay for the operation of the Presbytery. In addition, the Presbytery acts as agent for the Synod

and General Assembly in collecting and forwarding part of the Per Capita Apportionment to these respective operations.

Ideally, Per Capita Apportionments should be paid in full during January of each fiscal year. If a congregation desires to divide the apportionment into smaller payments during the year, a plan for payment should be submitted in January of the year to the Presbytery's Commission for Presbytery Operations (CPO). Churches that have made arrangements with the CPO will be encouraged to collect the Per Capita Apportionment throughout the year and forward the collection to the Presbytery on an agreed upon basis. The Fiscal Management Committee will review the collection of the Per Capita from the churches quarterly. The CPO will offer encouragement to those congregations falling behind, so that a steady cash flow can be maintained and no church falls seriously behind.

iv. Remittance to Synod and General Assembly

The Presbytery is responsible for the payment of Per Capita to the Synod and General Assembly.

v. Effects of and Remedies for Non-Payment

The expenses incurred by the Presbytery are funded by the Per Capita remitted by those congregations who pay it. Therefore, withholding of Per Capita hurts other congregations and our mutual ministries in necessitating budget cuts or tapping of reserves. The Presbytery, through the Commission for Presbytery Operations, will make efforts to encourage the payment of the Per Capita Apportionment. Efforts may include reports to the Presbytery Assembly, letters, and phone visits with the pastor and Session. Where there is ongoing failure to pay any Per Capita Apportionment, the Presbytery will interpret it as a sign of possible problems with our connectional relationship.

b. Basic Mission Giving Process

- i. Annually, requests shall be made to each church to report its intended Basic Mission Support of the Presbytery of Scioto Valley, the Synod of the Covenant, and General Assembly PC (USA).
- ii. Churches shall be urged to make contributions to Basic Mission support.
- iii. Churches shall be encouraged to contribute to Basic Mission Support without designation. However, if designations are made, they will be carefully monitored.
- iv. The most current reports of the contributions received for Basic Mission Support shall be submitted at each meeting of the Presbytery and CPO.
- v. Interpretive material regarding Basic Mission Support undertaken by all governing bodies of the church shall be made available to the churches on an annual basis.
- vi. Presbytery shall forward to the Synod and General Assembly those funds received on their behalf.

c. Grants

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

d. Restricted Funds

Directed gifts such as those from individuals or sessions are restricted. Directed gifts will be placed in funds labeled "Restricted" until the gifts are used or until terms have been renegotiated with the donor.

- i. The CPO reserves the right to accept or reject gifts with a combined total of \$1,000 or more to a specific project and, thereby, honor restrictions as requested. Restricted gifts of less than \$1,000 shall be presented to the CPO for consideration and specific approval. All restricted gifts shall be expended prior to budgeted fund expenditures of said restricted expense.
- ii. Gifts that exceed the anticipated expense for a given item or monies unexpended after one year shall be disbursed by decision of the CPO subsequent to donor consent if the donor is a single individual or congregation. Such disbursement will eliminate the classification of the gift as restricted for accounting and reporting purposes.

e. Designated Funds

Undirected gifts may be designated by the appropriate commission for a particular purpose. These gifts will be placed in funds labeled "Designated." The designating commission is able to change this designation whenever they feel it is appropriate.

f. Fees

- i. Commissions of Presbytery sponsoring programs may charge appropriate fees related to program cost.
- ii. Such fees shall be credited to the body conducting the program.
- iii. Fees collected in excess of program cost shall be credited to the Investment Fund at the end of the year.

2. Presbytery Expenses

a. Direct Operating Expenses

Expenses associated with the physical operation of the Presbytery office, such as gas, electricity, water, sewer, telephone, insurance, etc., shall be paid once they are verified as accurate by the Treasurer. If the Treasurer deems an expense inappropriate or has cause for concern, the billing will not be paid but referred immediately to the Fiscal Management Committee for further review. The Committee may authorize payment of the expense before it has completed its review in order to avoid financial or other penalties that would be incurred if the payment were not made on time.

The Treasurer administers the payroll for all Presbytery employees. The Human Resources Committee annually authorizes appropriate pay rates for employees. These are subject to approval in the annual budget by the Presbytery.

The Treasurer will contract with an outside payroll service to have all paychecks issued and withholding taxes and reports filed in a timely fashion to appropriate agencies.

All disbursements of funds shall be under the control of the Financial Assistant and the review of the Treasurer. (See additional information under I.E below.)

b. Administrative Expenses

All administrative expenses generated by Commission or Presbytery actions shall be paid only upon receipt of a voucher, properly approved by the appropriate Presbytery official, with such approval verified by the Financial Assistant.

c. Commission Expenses

Disbursements from commission budgets shall be requested by the Commission Chair and approved by the Executive Presbyter, or the Treasurer. By approving a request, the Treasurer is verifying that, to the best of his/her knowledge, the approved expenditure is prudent, properly authorized, consistent with the PSV budget and advances the interests of the Presbytery or the Commission's work.

All disbursement requests in excess of the lesser of \$500 or 50% of the commission's remaining annual budget must be approved by the treasurer and by the chair of the Fiscal Management Committee.

Travel expenses will be reimbursed for attendance at all called commission meetings when requested. Relevant guidelines include the following:

- Such requests shall be made via an expense voucher.
- Such requests shall be at the per-mile rate set by the Internal Revenue Service.
- Ministers who receive an auto allowance as part of their compensation must obtain casualty insurance and should consider using a part of that allowance to cover Presbytery responsibilities.
- Lay people and ministers should be informed of the possibility of making "in kind" contributions to the Presbytery for travel and other expenses incurred on behalf of the Presbytery.

d. Reimbursable Expenses of the Presbytery

Expenses may be reimbursed for travel, meals, and miscellaneous expenses of either volunteers or employees of the Presbytery.

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

- *Travel Expenses*
Travel shall be reimbursed at the most reasonable fare available for public accommodation.
- *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 reports shall be submitted at least monthly. Third party verification of mileage may be requested by CPO.
- *Airline Travel*
Because of the prevalence of airline travel by Presbytery staff and the pricing policies of the airlines, advance reservations are to be obtained if at all possible to minimize the cost of travel. Wherever possible, cancellation and rebooking fees should be avoided.
- *Meal Expenses*
A receipt should support any meal expense that a person expects the Presbytery to reimburse. The receipts must show the detail of the meal. The business purpose of the meal including the person or persons at the meal must be listed on the receipt. Meal reimbursements shall not exceed IRS per diem guidelines. In any case, receipts shall be required for all meals. No alcoholic beverages will be reimbursed.

The Financial Assistant will send a list of reimbursements monthly to the Treasurer and the Budget and Fiscal Management Committee.

3. Accounting for Cash and Other Valuable Items

a. Cash

Cash refers principally to currency and checks received in the normal course of operations. The Administrative Assistant shall be responsible for processing receipts. The Financial Assistant shall be responsible for the disbursement of the Presbytery's cash.

- i. The Financial Assistant shall oversee the recording of all cash received by the Presbytery in support of its operations. Records will be maintained by the Financial Assistant, who will detail the source, proper disposition, and accounting for all cash received and disbursed.
- ii. The Financial Assistant shall also oversee the deposit of all cash into the Presbytery banking or investment accounts. Deposits shall be made several times a week, if needed. Cash should not be left in the Presbytery offices over a weekend.
- iii. Until a deposit is made, cash will be kept in the vault in the Presbytery office or in a safe deposit box.

b. 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 or with the Presbytery's investment custodian.

4. Disbursements

- a. All disbursements shall be made from the Presbytery accounts. Presbytery Commissions shall not maintain separate accounts of any type to handle Committee disbursements. This should provide direct control of Presbytery assets and make certain that all expenditures are made according to Presbytery and Commission directives.
- b. Commission may maintain internal reporting of and accounting for expenditures only for the purpose of managing commission operations.
- c. All disbursements shall be supported by a properly approved voucher. All required receipts will be retained in the records of the Financial Assistant.
- d. All payments will be made by a check of the Presbytery or by Electronic Funds Transfer (EFT) 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.

5. Authorized Signatories of Checks and EFT approvals

The Treasurer, Stated Clerk, Executive Presbyter, and the Corporation President (Chair of CPO) shall be authorized to sign checks and EFT approval forms. The CPO may specify certain other officers and employees as signing authorities. The Chair of the CPO and the Treasurer are authorized to make changes to the signatories. The CPO will maintain a current list that shall specify certain officers and employees as signing authorities.

Two signatures shall be required for disbursements that exceed \$2,500. Multiple checks or partial payments are not permitted to circumvent this limitation. If the sum of disbursements to a single entity in a given month exceeds \$2,500, two signatures are required. In all cases, the payee shall not be the same as the signer(s).

6. Voucher Procedures

- a. A properly approved voucher for reimbursable expenses shall be presented to the Financial Assistant for Reimbursement. The voucher shall have all normal available receipts and invoices attached. Expenses without receipts, such as tips or parking must be incidental to other expenses and shall be itemized in detail. In those cases where the account to be charged is not clearly self-evident, the Treasurer or Human Resources Chair, after approving the voucher, shall indicate the proper account to be charged. Credit card charge policy is addressed Section J.
- b. Expenditures by Presbytery staff members shall be approved by the Treasurer, Chair of the CPO or Chair of Human Resources and be supported by an approved voucher.
- c. Expenditures by the Executive Presbyter shall be approved by the Treasurer, Chair of the CPO or Chair of Human Resources and be supported by approved voucher.
- d. Expenditures by volunteers and others on behalf of a Commission shall be approved by the Chairperson of the Commission and the appropriate staff person and be presented by approved voucher.
- e. Payment by the Financial Assistant will not be made without a properly approved voucher.

7. Review and Certification of Annual Audit

All funds shall be audited annually. The Fiscal Management Committee shall:

- a. Select an outside auditor, subject to the approval of the CPO.
- b. Receive and forward the auditor's report to the CPO and Presbytery with recommendations as necessary. The auditor shall be encouraged to make recommendations.
- c. Evaluate control suggestions by the auditor and monitor process changes to minimize or eliminate deficiencies.

8. 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 on a recurring cycle to determine that the provider continues to represent the best value to the Presbytery for the expenditure of funds.

9. Bonding

The Presbytery shall maintain fiduciary insurance covering officers, employees, and volunteers in an amount sufficient to provide adequate coverage for Presbytery financial transactions, and in an amount not less than \$100,000 per loss.

10. Pastors Emergency Fund

The Pastor's Emergency Fund shall be administered by the Commission for Church Professionals (CPC). The Emergency Fund is normally replenished from the offerings received during the presbytery's services of ordination, installation or commissioning.

Whenever possible, the Emergency Fund shall pay the needed expense directly, in lieu of direct payment to the pastor in need.

In the rare instance that a payment is made directly to a pastor, that pastor shall provide the presbytery with a receipt of funds.

D. Budget Accountability

1. Developing the Budget

- a. On July 1, the Financial Assistant sends to staff and commission chairs the activity (through May 31) in the line-items for which they are responsible.
- b. By August 1, staff and commission chairs submit their requests for the new budget to the Financial Assistant.
- c. By August 1, the Human Resources Committee submits its recommendations for Personnel costs for the new budget to the Financial Assistant.
- d. By August 1, the Commission for Presbytery Operations submits an estimate of the new year's revenue (at the current year's per capita rate) to the Financial Assistant.
- e. By August 7, the Financial Assistant compiles the submissions in b-d as "Budget A" to the Budget Committee.
- f. The Budget Committee meets to make adjustments to create a balanced budget ("Budget B") while setting the new recommended per capita rate.
- g. The Budget Committee sends "Budget B" to the Coordinating Team's August meeting for the Coordinating Team's approval. The Budget Committee incorporates the Coordinating Team's recommendations into the budget. The "Proposed Budget" is completed by September 1.
- h. The "Proposed Budget" is presented to the September Presbytery meeting for a first reading. The new year's per capita rate is presented for adoption.
- i. The "Proposed Budget" is presented for adoption at the November Presbytery meeting.

2. Monitoring the Budget against Expenditures

a. Reporting to Presbytery

The Treasurer will oversee preparation of monthly financial reports, including a balance sheet and income statement. The Treasurer, through the Fiscal Management Committee, will present them to the CPO, the Coordinating team and to Presbytery at each stated meeting. Audited financial statements shall be submitted to the Presbytery at its September meeting, based upon review and recommendation for acceptance by the CPO.

b. Recommendations for Expenditure Adjustments

When the Fiscal Management Committee notes that the Presbytery, or a commission thereof, is varying significantly from its annual budget, the Fiscal Management Committee shall request explanation and will work with staff or commission leadership to encourage and adopt suggested modifications 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 commission budget reallocations. Budget reallocations shall occur only through Presbytery upon recommendation by the Fiscal Management Committee.

c. Unbudgeted Proposals

Any new proposal with budgetary implications shall be reviewed by the CPO and any action to be taken shall be recommended through Coordinating Team to Presbytery. This provision is not withstanding any action taken at Presbytery meetings.

d. Carryover of Unused Budget Amounts

Presbytery procedures prohibit a commission from carrying over amounts not spent in one fiscal year to be used in a subsequent fiscal year. It is also NOT appropriate to spend unused funds at the end of the year to avoid “loss” of control over those funds. If funds are not spent, and the expenditure remains valid, the Commission should re-budget the amount and justify the amount as part of the budgeting process.

E. Presbytery and Church Property

The Constitution of the Presbyterian Church (USA) imposes strict limitations concerning disposition of real property by a particular church without written permission of the Presbytery. (G-4.02)

1. Goals of Presbytery Policies and Procedures Presbytery policies and procedures are established in order to:

- a. Carry out the ultimate legal and connectional responsibility of the Presbytery regarding the conservation of local church property
- b. Ensure that each congregation shall have an appropriate place for worship and ministry
- c. Ensure that congregations can be provided with adequate pastoral support
- d. Assist with and verify local church procedures for the maximum benefit and protection of all

2. Policies

The Commission for Presbytery Operations has established the Standing Committee on Property and Loans to gather and review information and make recommendations to the CPO for their consideration and action relevant to the following policies:

- a. Sale or Encumbrance: A church shall obtain written permission of the Presbytery before any sale of real property, whatever its source or use. It shall also have the written permission of the Presbytery before undertaking or assuming any encumbrance on real property by mortgage, or other condition, whether the encumbrance pertains to property already owned by the church or to property acquired subject to encumbrance.
- b. Each church of the presbytery shall report annually the status of its indebtedness secured by property and the changes in that indebtedness from the previous year.

3. Local Church Procedure

- a. The session of a church, if desiring permission of the Presbytery for any of the above, should receive the approval of the local church corporation; then submit the minutes of the said congregational meeting with its request to the CPO’s Standing Committee on Property and Loans.
- b. Requests for all loans regardless of source, encumbrances, and refinancing must be submitted to the CPO’s Standing Committee on Property and Loans through the completion of the Summary Affordability Worksheet and Request for Approval Related to Building Program or Purchase Forms, which are included in the appendix.
- c. Sale of Property must include the following:

- i. Reason for disposition
 - ii. Asking price
 - iii. Proposed use of proceeds
- 4. All uses of these proceeds requires approval of the Commission for Presbytery Operations. Proceeds from the sale of a manse along with any income generated by the proceeds, may be used for housing allowance and/or pastoral support. This provision does not apply in the case of dissolved congregations. Sale of Church Property of Dissolving or Extinct Congregations (G-4.0205)
 - a. Final financial steps as closing date approaches
 - i. At least six weeks before the final service, a meeting should be scheduled with financial personnel of the Presbytery to determine:
 - The date to transfer the checking account to the Presbytery
 - The names of people to sign checks on behalf of the church
 - Which on-going bills for utilities and services will be transferred to the Presbytery
 - Which services such as telephone, credit cards and email services will be cancelled
 - The procedure and wording for a change of address.
 - Who will file the state and federal end of the year tax reports
 - During the last month of bill paying by church personnel,
 - ii. Vendors will be informed of the change of address
 - A change of address will be filed with the post office, ten days before mail should be forwarded to the Presbytery.
 - Services will be cancelled
 - A final monthly financial report will be prepared
 - Contribution statements will be prepared and mailed
 - A meeting will be arranged with the bank to get signature cards changed.
 - iii. Following the transfer of the checking account,
 - Remaining checks and deposit tickets plus relevant financial files shall be delivered to the Presbytery office.
 - If the church has investment funds, a meeting must also be arranged with the investment firm to transfer those funds to the Presbytery.
 - The USACHurches.org listing is changed to note that the church is closed.
 - Keys for the church building should be turned over to the Administrative Commission chairperson.
 - b. Following the dissolution of the corporation, the funds from the church are then transferred by the Presbytery to the Church Development Fund.

F. **Annual Closing Procedures and Record Retentions**

- 1. Annual closing procedures for accounting shall be established. A printed checklist shall be followed and kept with year-end records. Annual backup of all data shall be kept for seven (7) years. Monthly systems backups shall be stored off site. Interim backups should be prepared each day that the office is open, removed from the premises, and rotated the next workday. Such backups should be encrypted to protect information.

2. Records, including electronic data, should be kept as follows:

Cash Receipts	7 years
Cash Disbursements	7 years
Employment Tax Records	Permanent
Expense Reports	7 years
Minutes of Committee Meetings	7 years
Bank Statements	7 years
Bank Reconciliations	7 years
Budgets	7 years
Duplicate Deposit Slips	7 years
Contracts, Notes, Leases	Permanent
Accident Insurance Reports	7 years
Time & Attendance Records	7 years
Corporate Stock Records	Permanent
Fixed Asset Schedule	Permanent
Real Estate records	Permanent
Journals & Ledgers	Permanent
Chart of Accounts	Permanent
Fixed Asset & Depreciation Schedules	Permanent
General Ledger/Trial Balances	Permanent
Financial Statements	Permanent
Retirement/Pensions Records	Permanent

G. **Capitalization**

1. The Presbytery of Scioto Valley sets forth the guidelines contained herein for the recognition of certain expenditures as Capital expenditures for the Presbytery Corporation.
2. Expenditures in excess of the amounts indicated below and inclusive of any freight or other incidental charges, shall be capitalized:

Land	Any and all
Buildings	Any and all
Furniture	\$ 500
Electrical Equipment	\$ 500
Electronic Equipment	\$ 500

3. A purchase of several like items shall be considered in total to make the determination under the above guidelines. For example, four lamps @ \$ 150 each should be capitalized because the total cost of \$ 600 exceeds the \$ 500 guideline.
4. Estimated useful life and depreciation conventions must be established for any capitalized asset. The following are the guidelines to establish the useful (depreciable) life for each category of capital asset:

Land	N/A
Buildings	25 years
Furniture	10 years
Electrical Equipment	5 years
Electronic Equipment	5 years

The Presbytery will recognize one-half year of depreciation in the year of acquisition.

H. **Conflict of Interest**

1. Care must be taken to assure that there is not a conflict of interest, or the appearance of a conflict of interest, in any transaction of the Presbytery.
2. A conflict of interest exists whenever an elected or volunteer Presbytery committee member, officer or employee, or any member of his/her immediate family has any interest, direct or indirect, in a Presbytery transaction, or potential Presbytery transaction. When such conflict exists, any interested person must excuse himself or herself from decision making.
3. This policy covers:
 - a. The provision of any service or product to the Presbytery. All transactions should be negotiated on an arms-length basis. This policy does not extend to providing discounts on products or service at cost to the Presbytery. Caution should be exercised in acquiring products and especially services, at "cost."
 - b. Investment transactions, which include the sale, purchase, or investment of a particular security or financial instrument by the Presbytery of Scioto Valley.
4. When a decision maker cannot determine whether a conflict exists, or appears to exist as to the transaction, the decision will be referred to the CPO for final determination.
5. Officers, Staff, and Commission members shall be required annually to sign a Conflict-of-Interest Statement (included in the appendix) disclosing any conflicts or potential conflicts and, in the absence of any such conflict, declaring that to the best of their knowledge, no conflict exists. Any conflicts or potential conflicts shall be reported to the CPO to enable them to assure that the Presbytery is not exposed to any negative impact.

I. **Investment Policy**

J. **Credit Card Policy**

1. General

Credit cards may be issued to employees who incur expenses that ultimately will be paid by the Presbytery of Scioto Valley. These expenses may include travel and other costs incidental to fulfilling their responsibilities. Charges to the cards should 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 PSV should not be charged on the credit cards. An expenditure that would not be eligible for reimbursement by the PSV if paid in cash or with a personal charge card should never be charged on the PSV credit card. Any employee's use of a PSV credit card for expenses not related to PSV may result in revocation of his/her PSV credit card(s). Such employee will be required to reimburse the Presbytery and may be subject to disciplinary action (including termination of employment) and legal action.

The person who approves payment of credit card charges and who becomes aware of personal use, other than infrequent accidental use, should advise the Financial Assistant to cancel the credit card and should report the situation to the Treasurer, who should investigate it and initiate any appropriate action.

2. Submission Process

Each month, expenses charged on the credit card should be reported to the PSV on the approved "Explanation of credit card expenses" form, together with supporting detail sufficient

for an approver, Financial Assistant, Treasurer, or independent auditor to be able to verify the expenses as being PSV-related. Receipts must be provided with the credit card statement.

The form should be submitted to the next highest level of authority for review and approval for payment. Generally, the Chair of Human Resources would approve expenses of employees. The Executive Presbyter should submit his/her expense voucher to the Treasurer or to the Chair of the Human Resources Committee for approval. Copies of all card statements and explanation forms will also be sent to chair of Fiscal Management Committee.

APPENDICES**Appendix A****EFT Expense and Payment Authorization**

THE PRESBYTERY OF SCIOTO VALLEY
 4131 North High Street, Suite B, Columbus, OH 43214-3081
 614-847-0565 – Email dagmar@psvonline.org

PAYEE: _____

DATE: _____

Description of expense:

Account Number	Detail Description	Amount \$
_____	_____	_____
_____	_____	_____
_____	_____	_____
		Total Expense: \$ _____

Commission/committee approving expense: _____

Signature verifying approval: _____

=====

EFT Frequency: ☐ One time ☐ Monthly ☐ Quarterly ☐ Annually☐ Other: _____

Signature approving EFT: _____

Signature approving EFT: _____

If the total actual or estimated EFT amount will exceed \$2,500 in any one month, two signatures are required.

Appendix B

Conflict of Interest Statement

[To be developed]