



Office of Finance

Bylaws Policies and Procedures

True Holiness Assemblies of Truth United International, Inc.
865 Altoona Street, 3rd Floor
Cincinnati, Ohio 45206

This manual was prepared to assist the national and local financial officers of True Holiness Assemblies of Truth United International (THAT United) in managing church accounts according to the Generally Accepted Accounting Principles (GAAP) that were established by the Fund Accounting Standards Board (FASB) along with standard practices issued by federal and state governments.

WHY CHURCH FINANCIAL POLICIES?

Churches are finding it necessary to comply with increasing federal and state government guidelines in operating nonprofit organizations. Church financial policies are tools to help the church avoid conflicts by providing well-written, understandable, and easy to follow policies regarding financial matters. It is important to note that church financial policies should establish a clear biblical basis in handling the financial resources God has provided a congregation.

Your role as a financial officer in the church is the same as the steward described in the Word of God. You are entrusted with the “talents” of the Master, and as a wise steward, you will use your best judgment to manage and increase his assets.

Maintaining meaningful and well-considered policies and procedures is a critical component of a strong financial management system. They are used to establish an organization’s internal controls because many donors expect recipients to comply with specific regulatory standards.

Documenting the organization’s fiscal policies also serves as an important tool for clarifying roles and responsibilities and ultimately for ensuring that the organization’s financial data is an accurate and reliable basis for organizational decision making.

NOTE: The reader should not rely on this document as a substitute for legal consultation. If necessary, the reader should refer to the Internal Revenue Service and state and local government regulations.

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HISTORY OF THE TRUE HOLINESS ORGANIZATION

The True Holiness congregations have been in existence since 1966. In 1998, these congregations formed a central organization called True Holiness Assemblies of Truth United International to provide guidance for its growth and to synchronize the national and international efforts of all its churches and subsidiaries. Its corporate headquarters is located at 865 Altoona Street, Cincinnati, Ohio.

The Board of Bishops is the highest governing body of this organization. Although its congregations are located in Ohio, Northern Kentucky, Southern Indiana, and Delaware, they constitute one church that is united for one purpose, which is to transform their communities by teaching the doctrine of our Lord Jesus Christ.

The members of the congregations are integrated into a volunteer workforce, which ensures that the projected goals are reached each fiscal year.

THE OFFICE OF FINANCE

The responsibility of our finance officers is to be wise stewards of the financial and physical resources that God has entrusted to our fellowship. The Office of Finance is in charge of making sure that these resources are handled with the highest level of trust and integrity as is possible.

The volunteer chief financial officers (Co-Directors) for 2012-2014 are Co-Directors of three main divisions of the Office of Finance. They work in tandem with the CEO and report to the CEO and the Board of Bishops.

Vision Statement:

The affluence of THAT United will increase through skilled, dedicated and anointed stewardship.

Mission Statement:

To perfect our fund accounting system and to standardize cash handling, accounting, and record keeping procedures, throughout our national organization. To support each united congregation in the development and maintenance of acceptable accounting procedures, through the financial principles that are regulated by the Fund Accounting Standards Board (FASB).

Objectives:

1. To develop, maintain, and administer a plan of fiscal and administrative policies, procedures, and management services by means of godly Stewardship.
2. To establish banking relationships and handle accounts payables, contribution receivables, general receivables, payroll, and the taxes associated with payroll.
3. Operate under a strict code of biblical ethics.
4. Teach biblical stewardship
5. Encourage people to give of their monetary substance and gifts in-kind.
6. Report financial and managerial activities to the CEO, Board of Bishops and to the True Holiness Community-at-large.

BYLAWS

ARTICLE I: STATEMENT OF PURPOSE

The purpose of these By-Laws is to define procedures by which financial transactions are conducted and enable THAT United International to conduct business in such a manner so that it may work to the benefit of the united congregations and its subsidiaries.

ARTICLE II: AUTHORIZATION OF EXPENDITURES

The Board of Bishops (also referred to as the Board of Directors) in collaboration with the Office of the President/CEO reserve the right to control all financial transactions, assets, and liabilities of the organization and the procedures by which such are handled. The President/CEO delegates to the chief financial officers (the Co-Directors) the oversight and authority over all revenues and expenditures for officer's compensation, staff salaries, office operation, and organizational expenses within the approved budget limits for each category. The Vice President and the Board of Bishops will review all requests for monies from the Ministerial Fund.

ARTICLE III: Fiscal Year.

The fiscal year as set by the Board of Directors begins August 1, and ends July 31.

ARTICLE IV: Execution of Instruments.

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver

any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

ARTICLE V: Checks and Notes.

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the chief financial officer and countersigned by the President of the corporation.

ARTICLE VI: Deposits.

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

ARTICLE VII: Gifts.

The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the nonprofit purposes of this corporation.

ARTICLE VIII: Fees and Dues.

The Board of Directors shall determine the annual dues payable to the corporation by union churches annually.

ARTICLE IX: IRS 501c3 Tax Exemption Provisions Prohibition against Private Inurement.

No part of the net earnings of THAT United shall inure to the benefit of, or be distributable to, its members, directors, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purpose of this corporation.

ARTICLE X: Missions and Ministries Annual Reporting/Budget

The purpose of financial reporting is to make sure any decisions that need to be made can be done in relation to existing financial data that is up-to-date and accurate.

Reports. A monthly report should be produced on all financial transactions. Reports on the organization's financial transactions should also be made bi-monthly or quarterly at specific reporting meetings at the end of each reporting period. Reports should consist of:

- The name of the missions, ministry or department.
- The period which the report covers

- The cash balance at the beginning of the period
- The income received during the period
- The expenses paid during the period
- The cash balance at the end of the period
- The signature of the treasurer or account manager

Budget Submissions. Budget estimates from departments in the organization should be submitted by May 1 of each year. An annual operating budget is to be developed by June 1 by the Finance Department to be considered by the CFO and CEO for approval. Steps in preparing the budget are:

- Review the mission statement of the organization
- Decide how much each organizational activity will cost
- Decide how much money can be raised
- Compare expenses to revenues
- Based on the above considerations, revise the expenses and revenues to produce final budget

ARTICLE XI: ESTABLISHMENT OF THE CHIEF FINANCIAL OFFICERS

The chief financial officers shall be established by the President/CEO to review and make recommendations to the Board of Bishops on the annual budget and financial requests for monies from all funds.

Section I: MEMBERSHIP

The chief financial officers shall consist of the Director of Fund Accounting & Financial Reporting, who shall chair the meetings, the Director of Cash Receiving & Disbursement Systems, and the Director of Property & Physical Assets Accounting Systems. The CFO's shall serve until the end of the 2nd fiscal year following their initial appointment. The Board of Bishops reserves the right to remove any CFO by a simple majority vote. The President/CEO shall cast a vote only in the case of a tie.

Section II: POWERS AND RESPONSIBILITIES

The Co-Directors shall have the following powers and responsibilities:

1. The Co-Directors shall hold meetings to review the budget and any requests for monies from the Missions and Ministries Divisions and their subdivisions.
2. The Co-Directors shall establish and maintain a detailed set of request forms and procedures for each type of funding request.
3. The Co-Directors shall review the organization's financial records and account balances on a quarterly basis.

4. The Co-Directors shall review, audit, and approve all financial reports and budgets prior submission to the Board of Bishops.
5. The Co-Directors shall periodically review these By-Laws.
6. The Co-Directors shall initiate the budget process 3 months prior the end the fiscal year, for the subsequent fiscal year.
7. The Co-Directors shall have knowledge of THAT United's Constitution, Financial By-Laws, and other related procedures.

Section III: Meetings

The Co-Directors shall schedule all meetings and notify persons requesting funds as to the time and location of such meetings. The regular meetings of the Co-Directors shall be scheduled every 3rd Thursday of the 3rd week in the 3rd month of each quarter of the fiscal year. The standing attendees to this meeting will be the President/CEO and the Co-Directors. A quorum shall consist of the President/CEO and at least two Co-Directors.

ARTICLE XII: ALLOCATION PROCEDURES

Allocated funds shall not be expended for programs or purposes that are not in line with That United's mission statement, or of the Office of Finance Policies and Procedures. The following procedures shall be followed for requests for monies from all funds.

Section I: Submission of Funding Requests

1. The Co-Directors and President/CEO shall act as the finance committee to make decisions for requests for funds. However, the Board of Bishops reserve the right to make decisions without the committee.
2. Requests shall be submitted to the Director of Fund Accounting, online or in writing using the appropriate form, based on the submitted annual budget of each mission, ministry or administration department.

3. Requests that are not budget items or additional funding needed may be submitted to the Director of Fund Accounting, to be submitted to the committee.
4. It is the option of the requester to attend the Co-Directors meeting at which the non budget item request will be reviewed. However, failure of the requester to meet with the Co-Directors may result in a delay of consideration of the request and a subsequent delay in funding.
5. Requests must be submitted in advance of finance committee meetings by a time established and advertised by the Co-Directors. Requests must be approved before any funds are spent. The requestor, or an individual designated by the requestor, must attend the meeting to answer questions from the committee.
6. Retroactive requests will NOT be considered.

Section II: Criteria for Awarding Funds

1. Funding is granted based on monies raised during the prior year or the current year.
2. Funding requests which lead to personal gain or which benefit a single individual will not be considered.
3. All requests should primarily benefit THAT United membership; accept for funds designated for charity.
4. If no representative from the requesting organization or department is present at the committee meeting, the committee may adjust the request as they see fit. Any amendments made to a request without the consent of the requestor must be presented in writing to the requestor before the request can receive final approval.

Section III: Acknowledgement of Funds Received

1. Any decrease in funding can be appealed to the committee in writing within ten days of the final decision.
2. Receipt of funds requires a signature by the requestor within ten days. Failure to supply required documentation may result in denial of requisition or reimbursement at the discretion of the Director of Cash Receiving & Disbursement. This decision may be

appealed to the President/DEO before the last committee meeting of the year with an explanation for the lack of required documentation.

Section IV: Deadlines

1. Funding requests must be submitted by the last finance committee meeting of each fiscal year for all appropriations.
2. Requests must be submitted with sufficient time to allow review by the finance committee at their regularly scheduled meetings prior to the date of the planned event.
3. Any requests for appeal hearings must be submitted to the CEO in writing before the last committee meeting of the year with specific reasons as to why the funding request should be reconsidered.
4. Financial cut-off for expenditures against approved allocations is the last day of the fiscal year, July 31st, for all appropriations. As of that date, any reimbursement receipts, requests for payment (using the requisition form), requests to transfer expenses, or any other type of expenditure requests that are not received by the committee will not be honored and the remaining allocated funds will remain in the fund and will no longer be available until the next fiscal year.

Section V: Building Fund

Funding from the building fund can only be requested by Bishops or Pastors.

ARTICLE XIII: BUDGET

Section I: Proposed Budget

All projected annual budgets will be presented by the CEO and Co-Directors to the Board of Bishops one month prior to the Midwinter Leadership Conference, following finance committee approval at the finance committee meeting subsequent to presentation of the budget. The budget shall project revenues and expenditures for the Missions & Ministries Divisions, for the current fiscal year.

Section II: Annual budget schedule and guidelines

The budget planning process is necessary for good stewardship. The subdivision and its leadership is encouraged to participate in drafting its budget for each fiscal year. Group participation will promote a strong consensus of the final decisions. Planning should commence in the 4th quarter of the current fiscal year, so that all groups will be prepared to implement their programs in the subsequent year.

Your group's income and expenses from the previous year will help you project your expenses for the subsequent year.

Section III: The rationale for the Annual Budget

1. It helps to define the group's yearly goals.
2. It accurately shows what is affordable and where the gaps in funding are and demonstrate what you're actually able to do in a given year.
3. A budget can motivate the group to be creative in seeking out other sources of funding, when there are money issues.

Section IV: Worksheets used to determine the group's fiscal budget

1. **Annual projected income worksheet:** The amount of revenue you can reasonably expect to receive for the fiscal year, from pledges, donations, fundraising and membership dues.
2. **Annual ministries/operating worksheet:** This section lists expenses while operating your group's ministry or administrative activities.
3. **Annual administrative budget worksheet:** These expenses are required to set up your program or ministry.
4. **Annual fundraising budget worksheet:** Expenses incurred while setting up the fundraising activity.
5. **Annual budget summary:** The group's projected and actual income and expenses are summarized on this sheet.

Section V: Composition of Final Presentation to the Board

The Annual Budget shall be presented to the Board in three (3) categories. These categories are to be: 1.) Revenue; 2.) Expenditures 3.) Reserve Fund

1. Revenue: This category shall reflect the projected revenue to be received by each Division from all sources.
2. Expenditures
 - a. This category shall determine all expenses incurred during operations of ministry and administration.

- b. Office Operations: This category shall reflect those expenditures normally expected in the daily operations of the missions, ministry or administration. These costs may include, but are not limited to, computing expenses, mail service fees, office supplies, printing/copying, telephone costs, office equipment and other miscellaneous expenses.
 - b) Organizational Expenses: This category shall reflect expenditures directly related to THAT United organization and may include, but are not limited to, accounting or audit fees, officer's business travel, newsletter expenses, divisional training, etc.
 - c) Fundraising Events: This category shall reflect expenditures events throughout the year.
 - d) Appropriations: The following appropriation categories will be allocated over the course of the year upon the recommendation of the finance committee:
 - i. Building Fund
 - ii. Benevolence Fund
3. Reserve Fund (Savings account): This category shall reflect the current balance in the Reserve Fund as well as the current budgeted amount to be transferred to (from) the Reserve account.

Section VI: Amendments to the Budget

Once the annual budget is approved by the committee, amendments to the budget must be submitted for review, with the agenda for its next regular meeting. The budget may be amended by a simple majority vote of those members present at a regular meeting of the committee.

Section VII: Final Budget

The actual budget from the previous fiscal year will be calculated, after the end of the fiscal year audit, at the first committee meeting of the 1st quarter of the subsequent fiscal year.

Section VIII: Minimum Project Balance of the Reserve Fund

As of August 1, 2014, The Reserve Fund balance is intended to be maintained at a minimum of \$5,000.00 in an interest bearing account to protect contractual expenditures such as salaries and to address emergency funding issues. Only those monies in excess of the minimum balance may be approved for expenditure or transfer except extraordinary expenses resulting from natural disaster, external lawsuit, and loss of funding sources or similar catastrophe.

Beginning on August 1, 2016, the reserve funds shall be maintained at a minimum balance of \$10,000 in order to guarantee that the earnings will always be positive. The Board of Bishops reserve the right to modify this projection.

Section IX: Transfers to Reserve

The Reserve Fund shall receive at least \$1000, per year to be transferred into the account no later than the last day of the Annual Assembly, each year. The Board of Bishops, upon recommendation from the finance committee, shall approve any further additions to the reserve by a simple majority vote of those members present at a quarterly meeting of the Board of Bishops.

Section X: Transfers from Reserve

Monies transferred from the Reserve Fund, at or below the minimum balance requirement, requires, approval of three-fourths of the Board of Bishops or the President/CEO after the proposal has been presented at a previous meeting. Rationale and amounts of all transfers to and from the Reserve Fund must be stipulated in the financial bylaws and the decision recorded in the meeting minutes.

ARTICLE XIV: AMENDMENTS TO THE BY-LAWS

These By-Laws shall take effect after being approved by a two-thirds majority of the Board of Bishops and adopted by the entire committee. They may be amended by a two-thirds majority vote of those present at a regular meeting of the Board of Bishops after the amendments have been proposed at the previous regular meeting. They may be suspended for one meeting, or a part thereof (except Article VI regarding the Mandatory Reserve Fund), by a two-thirds majority of those present providing quorum requirements are met.

Office of Finance Bylaws

Signature Page

Date Approved by Board of Bishops

Signatures of Members of Board of Bishops:

Print Name

Signature

Date Adopted: _____

Signatures of Finance Committee:

Print Name

Signature

CEO

Print Name

Signature

Co-Director

Print Name

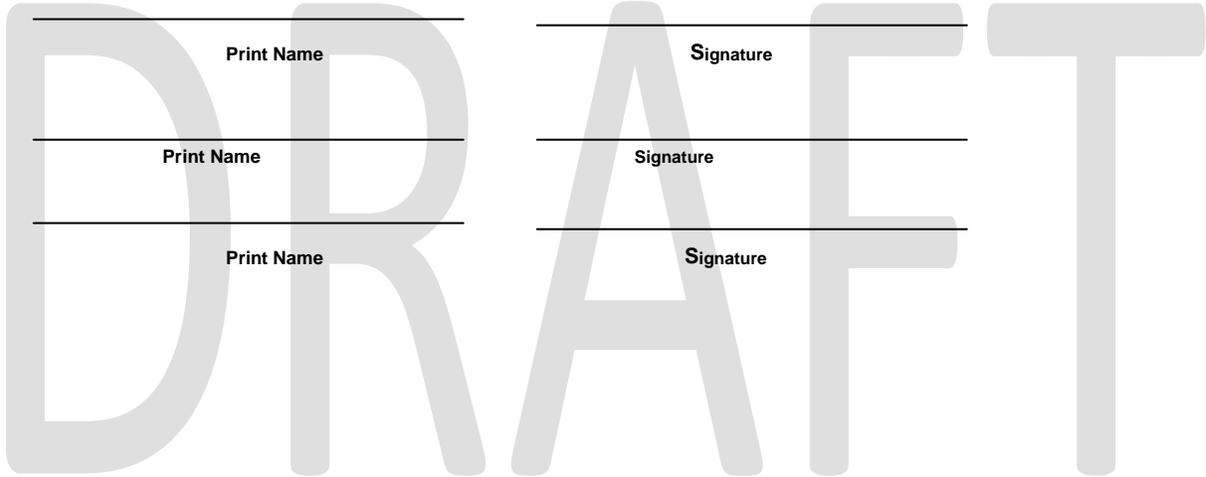
Signature

Co-Director

Print Name

Signature

Co-Director



ACCOUNTING PROCEDURES

The accounting procedures used by the organization shall conform to the Generally Accepted Accounting Principles (GAAP), developed by the Financial Accounting Standards Board (FASB),¹ to ensure accuracy of information and compliance with external standards.

Basis of Accounting

This organization uses the accrual basis of accounting. The accrual basis is the method of accounting whereby revenue and expenses are identified with specific periods of time, such as a month or year, and are recorded as incurred. This method of recording revenue and expenses is without regard to date of receipt or payment of cash.

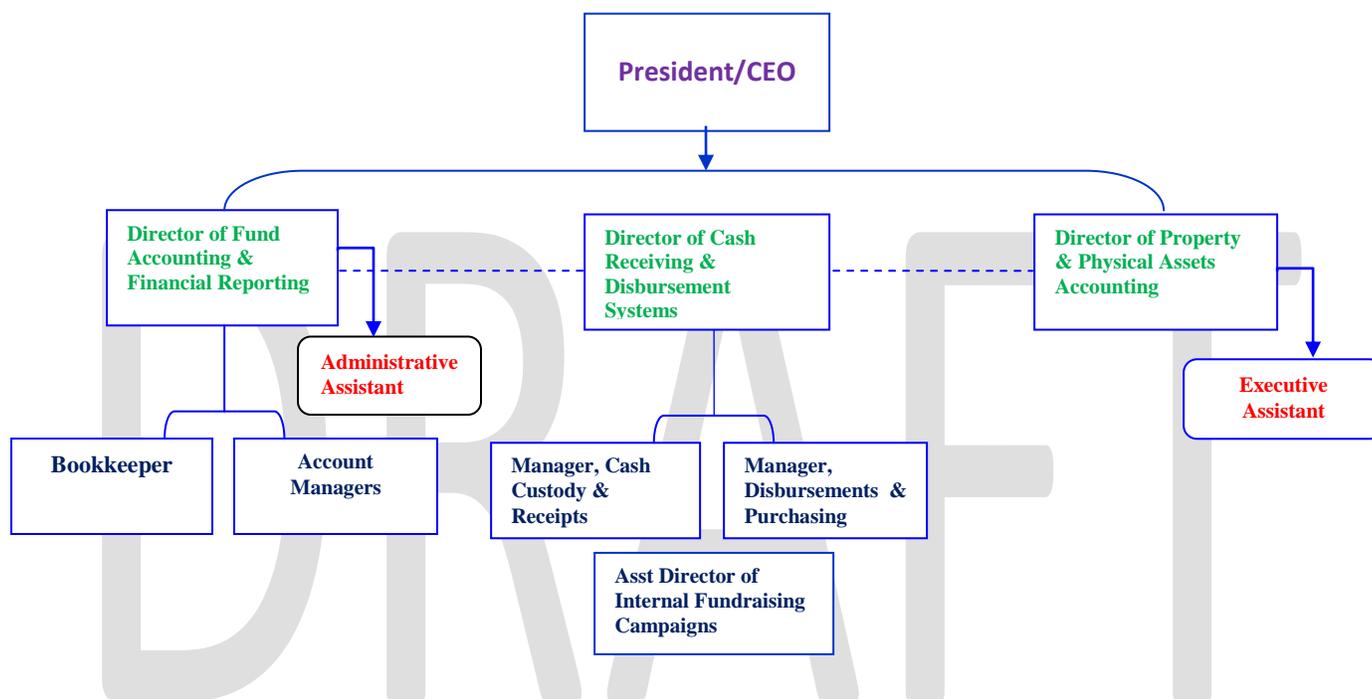
Procedures:

- Throughout the fiscal year, expenses are accrued into the month in which they are incurred. The books are closed no later than the [DAY/WEEK] after the close of the month. Invoices received after closing the books will be counted as a current-month expense.
- At the close of the fiscal year, this rule is not enforced. All expenses that should be accrued into the prior fiscal year are so accrued, in order to ensure that year-end financial statements reflect all expenses incurred during the fiscal year. Year-end books are closed no later than 90 days after the end of the fiscal year.
- Revenue is always recorded in the month in which it was earned or pledged.

¹. The [Securities and Exchange Commission](#) (SEC) designated the FASB as the organization responsible for setting accounting standards for public companies in the U.S. It was created in 1973.

DESCRIPTION OF RESPONSIBILITIES

True Holiness Assemblies of Truth United International
Office of Finance
Chart of Responsibilities
FY 2012-2013



To meet the financial management needs of our organization, the President/CEO has restructured the department, for the 2012-2013 and 2013-2014 fiscal years. The following is a brief description of these changes.

Director of Fund Accounting & Financial Reporting (Part-time)

1. Implement & oversee the use of Quickbooks for nonprofits
 - Supervise & meet monthly with bookkeeper
 - Internal/External reporting
 - Prepare combined timely monthly & quarterly financial statements for CEO and Board of Bishops
 - Payroll and Tax preparation
 - Assure GAAP compliance for month end closing process
2. Presentation and disclosure of financial position
3. Receive monthly and quarterly reports from co-directors
4. Assist in annual budgets and strategic planning
5. Risk Management

- Solve compliance and regulatory issues
- 6. Cash flow management
- 7. Accounts Payable
- 8. Accounts Receivable
- 9. Internal Audit

Director of Cash Receiving & Disbursement Systems (Part-time)

1. Banking relationship management
 - Reconciliation
2. Assist in annual budgets and strategic planning
3. Contributions receivable
4. Reimbursements
5. Requisitions
6. Purchasing
7. Audits
 - Deposits
 - Disbursements

Director of Property & Physical Assets Accounting Systems (Part-time)

1. Assist in annual budgets and strategic planning
2. Real estate asset accounting
3. Physical assets accounting
 - Library
 - Electronic equipment
 - Furniture
 - Etc
4. Intellectual assets accounting
 - Copyrights
 - Books
 - Video/Audio recordings
 - Etc

Volunteer Bookkeeper (as needed)

The primary responsibilities of the bookkeeper is to review and make sure accuracy is maintained in THAT United's financial records including reconciling accounts, tracking income and expenses using Quickbooks Nonprofit accounting software, and generating financial statements for the CEO and Board of Bishops to review.

- Reports to the Director of Fund Accounting & Financial Reporting
- Review software for Quickbooks
- Train Directors in the use of Quickbooks Nonprofit accounting software
- Facilitates entry of revenue and expenses into accounting database (Quickbooks for Nonprofits)

- Reconciles bank statements
- Prepares routine and special financial reports on a daily, weekly, monthly, quarterly or annual basis and needed
- Maintains financial records in accordance with accounting policies and procedures
- Prepares grant expense reports as needed
- Assist in preparing Minister's 1099 tax form for reporting income

Account Manager

Responsibilities of the Account Manager are:

- Responsible for monitoring budget of a specific account to control flow of funds for projects of the organization
- In cooperation with the Disbursements and Purchasing Manager, process items for payment of goods and services received or for reimbursement
- Verify accuracy of financial documents including requisitions, and inventory lists
- In cooperation with the counting committee, record and deposit monies received (cash and checks); maintain accurate records; prepare weekly and monthly financial reports
- Performs duties as a collector or counter in assigned ad hoc finance committees

Bank Control

- A. The bank will be notified in writing:
 1. Never cash a check payable to THAT United or its subdivisions..
 2. A letter of authorization from the President/CEO is required to open new accounts in the church's name with church's tax number.
 3. A letter of authorization from the President/CEO is required before any changes are made to the present accounts in the organization's name with its tax number.
- B. The bank will send the bank statements directly to the corporate office, so that the designated person can reconcile the statement.

Volunteer Administrative Assistant to the FAFR Director (as needed)

The following duties should be interpreted as examples of the work, and are not necessarily all-inclusive.

- Provide responsible technical assistance in the analysis, implementation and monitoring of departmental programs.
- Assist in formulating departmental policies and procedures, including the collection and compilation of relevant data.
- Provide responsible administrative support
- Compile materials and assist in the research and preparation of various reports.

- Perform highly responsible confidential secretarial duties including:
 - ✓ Composing and typing a variety of confidential correspondence and reports; maintaining calendars,
 - ✓ Responding to correspondence,
 - ✓ Typing, formatting and editing reports and letters
 - ✓ Answering phones
 - ✓ Maintaining confidential records and files.
 - ✓ Organize and maintain departmental files, route and distribute office mail,
 - ✓ Send and receive faxes, copy, and sort and distribute documents.
- Assist in preparation and development of departmental budget and monitoring monthly expenses and in gathering and analyzing financial information.

Education and Experience: Possession of a high school diploma or its equivalent and four years of responsible administrative, secretarial, or high-level clerical experience. Related two year college education or technical college certification can be substituted for up to two of the years of required experience on a year-for-year basis.

Knowledge of: Office administration practices; correct English usage, including spelling, grammar and punctuation; standard and advanced uses of word processing, spreadsheet, presentation graphics, database and other standard software to prepare a variety of routine to moderately complex documents and materials; records management, recordkeeping and filing procedures; basic statistical and quantitative analytical techniques.

Skills and Ability to: Work independently and exercise sound judgment within established guidelines; understand and implement administrative policies and procedures; evaluate alternatives and reach sound conclusions; use word processing, graphics, spreadsheet and database programs to develop reports, databases and communications materials; compose correspondence; type 32 words per minute; coordinate multiple projects and meet critical deadlines.

Volunteer Manager, Cash Custody & Receipts (as needed)

- Reports to Director of Cash Receiving & Disbursement Systems
- Supervise Officers who collect offerings
- Supervise Counting Committee
- Supervise Deposits
- Reconcile bank deposit receipts with collection sheets
- Report receipts to bookkeeper

Volunteer Manager, Disbursements & Purchasing (as needed)

- Reports to Director of Cash Receiving & Disbursement Systems
- Assist Bookkeeper in Accounts payable
- Collect signatures for checks

- Issue Reimbursements after receiving approval
- Issue Requisitions for funds after receiving approval
- Manage Petty Cash Fund
- Report financial activities to bookkeeper

Assistant Director of Internal Fundraising Campaigns

Assist Internal Fundraising Campaigns by educating and training campaign managers and their staff on conducting successful fundraising campaigns, and to observe finance policies and procedures.

The steps for a Fundraising Campaign include:

- Soliciting donors to make contributions
- Having donors complete their pledge form and return to Office of Finance.
- Creating a database to track donor contributions and balances.
- Communicate monthly with donors as a reminder of their pledge.
- Make monthly reports to Bishop Rozier as to donor contributions and participation.
- Follow up individually with donors using quarterly contribution statements generated from the database.
- Tallying all contributions and making a report at the conclusion of the Annual Assembly.
- Making sure all donors have received their Substantiation of Contribution Statement form for tax filing purposes
- Sending out a thank you email or letter to each contributor informing them of how their contribution has helped further the building of the kingdom of God in our communities
- Evaluation of Campaign activities.

Volunteer Executive Assistant to the PPAA Director (as needed)

Position Summary:

The title "Executive Assistant to the PPAA Director" does not do justice to what this position will actually be. You will actually be the Director's "right-hand," providing strategic input, which you may be called upon to implement with quick and resourceful implementation.

Position Responsibilities:

1. Provide strategic support and utilize excellent judgment to make independent decisions, always keeping the preferences of the executive in mind;
2. The lead on one-of-a-kind special projects;
3. Prepare expense reports on a monthly basis;
4. Review and monitor documents and rectify inaccuracies;
5. Maintain accurate documentation and filing systems;

6. Conduct extensive online research;
7. Comprise and deliver timely asset reports and summaries

Education and Experience: Possession of a high school diploma or its equivalent and four years of responsible administrative, secretarial, or high-level clerical experience. Related two year college education or technical certification can be substituted for up to two of the years of required experience on a year-for-year basis.

Knowledge of: Office administration practices; correct English usage, including spelling, grammar and punctuation; standard and advanced uses of word processing, spreadsheet, presentation graphics, database and other standard software to prepare a variety of routine to moderately complex documents and materials; records management, recordkeeping and filing procedures; basic statistical and quantitative analytical techniques.

- Skills and Ability to: Excellent problem-solvers with strong analytical abilities;
- Self-starters who are committed to success for the long term;
- Exceptional communicators – both written and verbal communication skills are key;
- Intellectually curious;
- Strong team players that also thrive individually.

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POLICIES AND PROCEDURES

Internal Controls Policy

The organization employs several safeguards to ensure that financial transactions are properly authorized, appropriated, executed and recorded.

Conflict of Interest

All the Office of Finance decision makers are expected to use good judgment, to adhere to high ethical standards, and to act in such a manner as to avoid any actual or potential conflict of interest. A conflict of interest occurs when the personal, professional, or business interests of an officer or Board member conflict with the interests of the organization. Both the fact and the appearance of a conflict of interest should be avoided.

Procedures:

- Upon or before hire, election, or appointment each employee and Board member must provide a full written disclosure of all direct or indirect financial interests that could potentially result in a conflict of interest. Examples include employer, business, and other nonprofit affiliations, and those of family members or a significant other. This written disclosure will be kept on file and will be updated annually and as needed.
- Employees and Board members must disclose any interests in a proposed transaction or decision that may create a conflict of interest. After disclosure, the employee or Board member will not be permitted to participate in the transaction or decision.
- Should there be any dispute as to whether a conflict of interest exists:
 - The President/CEO shall determine whether a conflict of interest exists and shall determine the appropriate response.
 - The Board of Bishops shall determine whether a conflict of interest exists for the President/CEO or a member of the Board, and shall determine the appropriate response.

Segregation of Duties

Policy: The organization's financial duties are distributed among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the organization's assets while also considering efficiency of operations.

Physical Security

Policy: The organization maintains physical security of its assets to ensure that only people who are authorized have physical or indirect access to money, securities, real estate and other valuable property.

Financial Planning & Reporting Policy

The organization's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The presentation of the Financial Statements shall follow the recommendation of the Financial Accounting Standards Board (FASB) No. 117, "Financial Statements of Not-For-Profit Organizations." Under GAAP, revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the organization are classified as unrestricted, temporarily restricted and permanently restricted.

Budgeting Process

Policy: The organization's annual budget is prepared and approved annually for all missions, ministries and departments. The budget is prepared by the President/CEO in conjunction with the Finance Committee and the Board of Bishops. The budget is to be approved by the Board of Directors prior to the start of each fiscal year. The budget is revised during the year only if approved by the Board of Directors.

Procedures:

1. The President/CEO will work together with the Co-Directors to ensure that the annual budget is an accurate reflection of programmatic and infrastructure goals for the coming year.
2. The President/CEO and Co-Directors will present a draft budget to the Board of Bishops at least 30 days prior to the end of the fiscal year .
3. The Finance Committee shall review and approve a recommended fiscal year budget. The budget shall contain revenues and expenses forecasted by month. A chart describing monthly cash flow shall be included.
4. The Board of Directors will review and approve the budget prior to nor at the start of the fiscal year.

Internal Financial Reports Policy

Policy: The organization prepares regular financial reports on a monthly basis.

Procedures:

1. The Director of Fund Accounting and Reporting is responsible for producing the following year-to-date reports within 30 days of the end of each month: Statement of Financial Position, Statement of Activities, Budget v. Actual and updated Cash Flow Projection.

2. The President/CEO and Co-Directors, review financial reports each month, and the Finance Committee presents reports to the Board of Bishops on a quarterly basis.
3. On a quarterly basis, the Director of Fund Accounting and Reporting prepares a narrative report that summarizes the organization's current financial position and includes explanations for budget variance.

Revenue Recognition Policy

Policy: All contributions will be recorded in accordance with GAAP, with specific attention to standards FASB 116 and 117. Contributions are recorded as pledged or received in accordance with FASB 116, and must be credited to the appropriate revenue lines as presented in the annual budget and coded as designated in the organization's Chart of Accounts.

Purchases & Procurement Policy

Policy: Any expenditure in excess of \$XXX for the purchase of a single item should have bids from three (3) suppliers if possible. These bids will be reviewed by the President/CEO and the bid award must be specifically approved in advance.

Invoice Approval & Processing Policy

Policy: All invoices must be approved by the leadership of the missions, ministries or department for which the expense was incurred. Approved invoices will be paid within 30 days of receipt.

Procedures:

1. Invoices and bills will be opened and reviewed by the Administrative Assistant to the CEO or Co-Director of Fund Accounting and Reporting. They will be notified immediately of any unexpected or unauthorized expenses.
2. Invoices are then routed to the appropriate department manager for pre-authorization form prior to payment being issued. If the expense was not authorized through the requisition system, either the CEO or Director of Fund Accounting and Reporting must approve the expenditure.
3. Copies of all invoices paid will be filed in the Office of Finance. After two years these documents will be archived and they will not be destroyed.

Operating Reserve Policy

Policy: The target minimum operating reserve fund for the organization is three (3) months of average operating costs. The calculation of average monthly operating costs includes all

recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional services.

Procedures:

1. The amount of the operating reserve will be calculated each year after approval of the annual budget, reported to the Finance Committee and Board of Directors, and included in regular financial reports.
2. The operating reserve will be funded with surplus unrestricted operating funds. The Board of Directors may from time to time direct that a specific source of revenue be set aside for operating reserves. Examples may include one-time gifts or bequests, special grants, or special appeals.
3. To use the operating reserves, the Director of Fund Accounting and Reporting will submit a request to the Finance Committee of the CEO. The request will include the analysis and determination of the use of funds and plans for replenishment. The organization's goal is to replenish the funds used within twelve (12)

Bank Reconciliations Policy

Policy: All bank statements will be opened and reviewed in a timely manner. Bank reconciliation and approval will occur within 30 days of the close of the month.

Procedures:

1. All bank statements and cancelled checks will be opened, reviewed and initialed by the bookkeeper upon receipt.
2. Once reviewed, bank statements are submitted to the Account Manager for reconciliation.
3. The Director of Fund Accounting and Reporting will review and approve reconciliation reports by signing and dating the report in the upper right hand corner.

Fund Accounting

General Operations Fund

Monies are dispensed from the General Operations Fund Account to handle the operating expenses of the organization, and for reimbursements for executive travel and/or relocation. Operating expenses come by contribution income. Some pledges may cover operating expenses, as by the discretion of the Board.

Missions/Benevolent Issues (Union Church)

The National Missionary Society of THAT United shall annually propose a general mission or benevolence program which shall be divided among the officially approved causes.

Unrestricted gifts

Members are encouraged to support the ministry of the church through regular gifts and offerings to the general operating budget.

Designated gifts

Individuals can give designated gifts for the ministry of the church. However, the designated fund must be established before the church receives the cash or cash equivalent designated gift. If the designated gift is a gift of property, not cash or cash equivalent, then the President/CEO and the Board of Bishops reserves the right to use the property for the purpose of the organization. The leadership will try to honor the intention of the donor, but the Board of Bishops reserve the authority to use or dispose of the property that best fosters THAT United's ministries.

The process of establishing a designated fund by the THAT United International:

1. Any member of the church or community may request the establishment of a designated fund.
2. The member must present a verbal or written request to the church or finance committee.
3. The President/CEO or finance committee must approve the establishment of the requested designated fund.
4. Before the leadership accepts a contribution for the designated purpose, the designated fund must be approved.
5. If the finance committee or the President/CEO fails to approve a request for a designated fund, the designated fund cannot be established and the organization will not receive any money.
6. A list of contributors and their contributions is maintained for Internal Revenue Service record-keeping requirements.

The established designated fund must meet the following requirements in writing by the finance committee or President/CEO:

- The purpose of the fund and how it furthers the mission of the church must be stated.
- Procedure on how the fund will be spent must be recorded.
- The procedure on how the fund can be closed should be stated.
- The policy should state how to disperse any money left in the fund after the fund is closed.

Benevolence Fund

THAT United, in exercise of its religious and charitable purposes, has established a benevolence fund to assist persons in financial need. The church welcomes contributions to the fund. The administration of the fund includes all exclusive control and discretion of the benevolence committee. The benevolence committee may consider recommendations from anyone, but the committee is not bound in any way to honor the recommendations. Donors will not be permitted to recover a contribution because the committee failed to honor the donor's recommendation.

THAT United recognizes that assisting persons in financial need is a continuing mission of the church and has established this fund as an ongoing fund. Should at any time in the future the Board of Bishops vote to close this fund, all money in the fund at that time will go in the general operations budget.

Also, the church should record the required Internal Revenue Service documentation for benevolence requests. The following documentation for benevolence requests should be recorded for accurate record keeping:

- A complete description of the assistance.
- The purpose for which the aid was given.
- The church or benevolence committee's objective criteria for disbursing assistance under the benevolence fund.
- How the recipients were selected.
- The name, address, and amount distributed to each recipient.
- Any relationship between a recipient and officers, directors, or key employees or substantial contributors to the Church.

Building Fund

The church, in exercise of its religious purposes, has established a building fund to maintain its building, grounds, and equipment. The church welcomes contributions to the fund. The administration of the fund, including all disbursements, is subject to the control and discretion of the CEO or Board of Bishops. They may consider recommendations from anyone, but in no event is the committee bound in any way to honor the recommendations. Donors will not be

permitted to recover a contribution on the grounds that the committee failed to honor the donor's recommendation.

The church recognizes that maintaining its buildings, grounds, and equipment is a practice of good stewardship and has established this fund as an ongoing fund. Should at any time in the future the church vote to close this fund, all money in the fund at that time will go in the general operations budget.

Missions and Ministries Fund

The church, in exercise of its religious purposes and mission, has established a ministry fund to provide resources for its various ministries. The church welcomes contributions to the fund and donations may be requested for a specific ministry of the church provided the church has budgeted funds in the general budget for that ministry. The administration of the fund, including all disbursements, is subject to the control and discretion of the finance committee or the CEO. The finance committee or CEO may consider recommendations from anyone, but in no event is the finance committee bound in any way to honor the recommendations. Donors will not be permitted to recover a contribution on the grounds that the finance committee or CEO failed to honor the donor's recommendation.

The church recognizes that ministry is a vital part of the church's purpose and has established this fund as an ongoing fund. Should at any time in the future the church vote to close this fund, all money in the fund at that time will go in the general operations budget.

EDT Memorial Scholarship Fund

THAT United International, in exercise of its religious and charitable purposes, has established a memorial fund to honor the memory of its founder Bishops Eddita D. Tolber. The church welcomes contributions to the fund in her memory. The administration of the fund, including all disbursements, is subject to the exclusive control and discretion of the finance committee or CEO. The finance committee may consider recommendations from anyone, but the committee is not bound in any way to honor the recommendations.

Donors will not be permitted to recover a contribution because the committee failed to honor the donor's recommendation.

The church recognizes that the memorial fund is part of the continuing mission of the church and has established this fund as an ongoing fund. Should at any time in the future the church vote to close this fund, all money in the fund at that time will go in the general operations budget.

The Reserve Fund (Savings Account)

It is used to protect contractual expenditures such as salaries and to address emergency funding issues.

ACCOUNTING PROCEDURES

Budget presentation

The finance committee will present a budget for Board adoption at least one month before August 1st.

Financial records

The Co-Directors will be responsible for maintaining adequate financial records at the church facilities. Members can request to review financial records by submitting a written request to the finance committee. The finance committee will make the financial records available with a valid request only. The finance committee will determine which requests are valid. The church financial records or copies will not be removed from the church premises without the finance committee's approval.

Financial reports

Monthly financial reports of expenditures and receipts shall be made available. At least quarterly, a financial report should be presented to the congregation in a business conference. An annual summary financial report should be prepared for the Annual Assembly.

Tangible Assets or Resources

Special Checking Accounts

Some —petty purchases can best be efficiently paid from a Petty Cash Asset. This will be in the charge of the appropriate Account Manager who is authorized to make individuals' payments of no more than \$50.00. The amount of the account should not exceed \$300.00.

Land, Building and Equipment Issues

Equipment inventory consists of items costing \$500 or more. Union churches are to be accountable for equipment under their control.

Investment Issues

It is not the policy of THAT United to participate in the stock market. If the organization receives stock gifts, it is our policy to convert them to cash.

Debt or Liabilities

1. **Land, Building and Equipment Acquisitions.** All property bought by the THAT United shall be deeded to True Holiness Assemblies of Truth United International, Inc. The Board of Directors shall govern it and the Board will hold the documents. Any officer or member holding license or business papers bearing the name True Holiness Assemblies of Truth United International, Inc. and cease to be in fellowship with the organization or union church should turn over all said papers and belongings to the Board of Directors or its representatives. Failing to do so shall be counted as a misdemeanor and dealt with accordingly.
2. **Borrowing.** THAT United may borrow to fund the purchase of certain equipment or vehicles. We may also borrow to acquire certain land/buildings and or improvements.

Income

All contributions to the organization must be under the CEO and Co-Directors' control for the ministry. THAT United is not required to apply a donation based on the donor's entity of choice.

Collecting Guidelines (For Union Churches and at Special Events)

1. For the organization, a designated counter captain can carry out collections from members. At Union Churches, the Head Treasurer or Trustee can carry out collection procedures.
2. Collectors stand at the head of the church and enlighten membership of the purpose of that specific offertory, and encourage them concerning the benefits of leaving their contribution.
3. Collectors pray over the offering event. When offering is ready to be received, collectors take their appointed place.
4. After tithes and offerings have been collected and placed in containers, all collectors assemble at one exit. The captain of the collectors accompanies the collectors to the financial room. The captain releases the offering into the custody of the financial committee or counters.
5. The captain and collectors have completed their task

Counting Guidelines (Counting Teams/Financial committees)

1. The finance committee or counting committee should begin with prayer.
2. Designated counters should be on a rotating schedule and should include no less than two counters for each offering. Avoid using the same two people every service, but choose a small group of trustworthy individuals.
3. A private room (place) at the office, away from —people traffic and interruptions, should be prepared for the counting of offerings.
4. It is required to leave outside of the counting room all brief cases, purses, bags, or any other container.
5. The Head counter, along with approximately two or three counters take a container of money.

6. Once at the counting table, envelopes should be separated according to type of receipt. Then, separate each envelope into cash, checks, loose change, and place to one side.
7. All checks not enclosed in envelopes should then be placed in a stack face up. Then all currency should be sorted by denomination, face up. Stamp the back of each check.
8. Use the tally sheets to record different fund designations for the right. For example, one tally sheet for minute books receipts, another sheet for church assessments, and another sheet for the General Offering.
9. Two people count the receipts and record the amounts on the tally sheets. Each counter should sign each tally sheet he/she recorded on.
10. Deposits should be made immediately. Contributions should never be left in the church overnight; neither should the deposit person take the money home with him. Deposit the money in the night deposit at the bank. If there is an emergency, use a safe.
11. All Sunday monies are to be processed so that the bank deposit is made no later than the following Monday (except when Monday is a holiday)

Cash Management-Secretarial procedures

1. The Secretary records the Cash Summary Report and fills out the Bank deposit slip.
2. The Secretary then places all of the appropriate items in the deposit envelope.
3. The Recording Secretary receives a copy of the cash Summary Report.
4. Items to be placed in the deposit envelope are the account deposit slip, a letter requesting a receipt from the bank through the mail, and money.
5. For night deposit, two people should deposit the money at different hours each night. (A key should be available if needed.)

Receipts

- a. Money is always in view of at least two people
- b. Documentation occurs by each person handling cash
- c. All cash receipts are promptly deposited

Cash/Check Paid Outs

- a. Cash pay-outs are limited
- b. Invoices are balanced to vendor's statement
- c. Two signatures of unrelated parties on checks are generally required

Giving Records

It is our policy to maintain giving records manually and electronically. A report of donations will be available every month.

Fundraising for Special Projects/Events

THAT United and its union churches conduct fundraising events for the purpose of defraying the costs of certain church and organizational endeavors. This includes merchandise buying/selling. THAT United also conduct national building fund campaigns.

Cash

1. Checks will never under any circumstances be cashed out of Sunday offerings, weekday receipts, or any other money.
2. Bank will be notified in writing never to cash checks made payable to the church.
3. Checks will never be made payable to "Cash."
4. All bank accounts using the church's name and/or tax number will be reported on the financial reports.
5. At no point is a staff member to have cash in his/her desk. All monies are to be given to financial secretary/church treasurer.

Receipts

Counting Committee

1. The Counting Committee will consist of three (3) to five (5) church members elected annually.
2. Spouses and immediate family members shall not be on the Counting Committee at the same time. Immediate family members include grandparents, parents, children, and grandchildren.
3. A Counting Committee team of two (2) Counting Committee members will count all money received Sunday morning. Hereafter, this team will be referred to as "Counting Partners."
4. Counting Partners will rotate teams and individuals each week so that no two persons are repeatedly on the same team.

Counting and depositing money received on Sunday

1. Duly elected Counting Partners only can open offering envelopes, count money, prepare deposit slips, and take deposits to the bank.
2. All money received will be deposited in bank.
3. One of the designated Counting Partners will take the locked deposit bag to the bank immediately after deposit is prepared.
4. Person taking the deposit to the bank will park in designated parking place close to the church.

Sunday School and Worship Service offerings

1. Offering envelopes shall not be opened in the classroom or by any Sunday school officer.
2. The class secretary records amount of offering on the face of the envelope on the Sunday School report (never opening the envelopes) and gives the sealed offering

envelopes and loose cash along with the class report to the General Secretary of the Sunday School.

3. The general secretary of the Sunday school will record information from class reports and then give offering envelopes and loose cash to designated Counting Partners for that Sunday. From this time forward the Sunday school offering will always be in the presence of two or more persons.
4. The Counting Partners will place the Sunday school offering in a locked bank bag and place it on the communion table in full view of Counting Partners and other members.
5. At the end of the worship service, the Counting Partners for the day will ...
 - a. Immediately retrieve the locked bank bag, pick up offering plates, and take them to a secured room,
 - b. Count loose money, record it on offering report, and set it aside,
 - c. Open offering envelopes; verify the amount on the front of envelopes matches the amount removed from the envelope, and make notation in red ink of any discrepancies. Both Counting Partners will initial any changes,
 - d. Stamp envelopes and checks with "Not Tax-deductible" when applicable and notify donor gift is not tax-deductible. Charitable contributions must comply with IRS rules and regulations.
 - e. Total the amount of the money removed from the envelopes and the amount on the face of the envelope and be sure the two balance,
 - f. Stamp all checks with "For Deposit Only" stamp.
 - g. Prepare the deposit slip and offering report in triplicate,
 - h. Attach the second copy of the deposit slip to the original of the offering report and file them in locked file at the church,
 - i. Place all money and deposit book in locking bank bag and lock it in the presence of both Counting Partners with one person keeping the key and the other taking the locked deposit bag to deposit it in the bank.

Weekday payments and offering

1. Fundraiser and activity payment money
 - a. All cash and checks from fundraising event
 - Two persons will count the money and write a receipt indicating fundraising event and amount.
 - The money will be placed in locking bank bag along with two copies of the receipt and locked in the presence of both persons preparing deposit.
 - One person will keep the key and receipt book, and the other will place bank bag in night deposit box.
 - Designated person will go to bank, open bag, verify money matches receipt, and make deposit.

- All money received will be deposited in bank within twenty-four hours.
- b. All cash and checks received by church officers and staff
- Person receiving money or check will write a receipt indicating purpose for money and the amount, sign receipt, and then give or mail the original receipt to donor.
 - The second copy of the receipt and the money and/or check will be given to the head of the counting committee for depositing process on Sunday.
 - At no point is a staff member to have petty cash in his/her desk.

Expenditures

Payment to Staff

The salaries of the officers, if any, shall first be fixed from time to time by resolution of the Board of Directors. In all cases, any salaries received by officers of this corporation shall be reasonable and given in return for services actually rendered to or for the corporation.

Checking Account

- I. The church will vote on persons authorized to sign checks.
 - a. Two signatures will be required.
 - b. No more than one person in a family will be authorized to sign checks, per account.
 - c. No more than one staff member will be authorized to sign checks.
 - d. Checks will not be signed blank.
 - e. Persons signing checks will review and initial all bills/invoices before signing checks. This person is accountable for checks signed and should question anything irregular.
- II. Reconciliation of bank accounts
 - a. The church will designate a person to reconcile all bank accounts. This person will not handle any money/deposits, approve bills, or sign checks.
 - b. All checking accounts will be reconciled monthly.
 - c. Savings accounts and certificates of deposit will be reconciled upon receipt of statements.
- III. Bank Control
 - a. The bank will be notified in writing:
 1. Never cash a check payable to the church.

2. A letter of authorization from the church is required to open new accounts in the church's name with church's tax number.
3. A letter of authorization from the church is required before any changes are made to the present accounts in the church's name with the church's tax number.
- b. The bank will send the bank statements directly to the church-designated person designated for reconciling.

IV. Authorization to approve bill payment

- a. The Co-Director will vote on persons authorized to approve payment of bills. These persons will be knowledgeable of the budget and will question anything irregular, as they will be accountable for bills they approve.

Disbursements

I. Budget Expenses

- a. Receiving merchandise
 - i. All merchandise received will be verified with the invoice or packing slip and signed by person receiving merchandise. This invoice or packing slip is then attached to the statement.
- b. Approval for payment of bills
 - i. Church-designated person will approve all bills before they are paid. Bills will be stamped "Approved" and signed by person approving payment.
- c. Verification of all mission gifts and other designated gifts
 - i. Each month the person designated to reconcile bank statements will verify amount of the checks for mission gifts and designated gifts against amount shown in financial report.
- d. Salaries
 - i. Ordained and non-ordained employees will be paid according to amount set up in current budget.
 - ii. Any bonus, anniversary, birthday gift, etc., given to an employee is taxable when given from the church.
- e. Benefits

Any benefits, such as insurance and retirement paid directly to an employee, will be reported as taxable income.

- a. Credit Cards
 1. Two business credit cards will be acquired with the church-approved limit for church-authorized purposes.
 2. The credit cards will be kept in the church office with person getting credit card signing in and out on log.
 3. Receipts will be required at the time the credit card is turned in.

4. Credit cards will be used for church business only.
 5. Receipts must be approved and reconciled with statement before payment is made.
 6. After reconciliation the new balance will be paid in full to avoid paying a finance charge.
- b. Petty Cash
1. The church-approved amount for petty cash will be reported on the financial reports as an asset under cash.
 2. A numbered petty cash voucher will be required for each disbursement regardless of how small. This voucher must be dated, signed by person receiving the cash as well as the person issuing the cash, and must have receipt or bill attached for processing.
 3. Reconcile petty cash before reimbursing it. For petty to balance, the total of petty cash vouchers plus any cash must equal total amount of church-approved petty cash.
 4. Person reconciling bank statement should also reconcile petty cash each month.
 5. Church staff is never to have petty cash in his/her desk.

Reimbursements

A church-designated person must approve all reimbursements before payment is made.
(Reimbursements and allowances are not the same! Reimbursements are totally separate from an employee's salary.)

I. Business Reimbursement

- a. Substantiated (documented) business expenses of employees will be reimbursed from the budgeted church funds in accordance with church-approved reimbursement policy and limit set up in Budget. Required substantiation for business expenses is paid receipts for all purchases and paid receipts with names of persons involved along with purpose for all hospitality receipts. This includes expenses for: convention/conferences, library, continuing education, hospitality, and ministry travel. A computer is considered either a personal item of the employee or church property. When the item is deemed church property, then the church must pay the (monthly) expenses to the provider and reimbursement is not allowed; if not church property, the employee must pay for the item from salary.

Note: A cell phone is considered personal property and is not reimbursable.

Note the difference between accountable reimbursements and benefits. Benefits include medical insurance, term life, retirement, etc. These are not reimbursable items. Medical insurance is paid to the carrier and is stated in a medical policy.

II. Travel Reimbursement

- a. Employees are reimbursed from the budgeted church funds for business-related travel per mile at the stated IRS rate as stipulated in church reimbursement policy. A mileage log is required for verification of mileage. (Note: The IRS can change the mileage rate annually or more often.)

III. Budget Reimbursement

- a. Budgeted expense items for the church purchased by staff or church members will be reimbursed up to limit stipulated in the budget upon presentation of a paid receipt. (Among the items that can be reimbursed include: library, convention/conferences, continuing education, and hospitality expenses. Health insurance and cell phones are not included in this list.)

Contribution Records

All designated accounts and purpose for account will be approved by the Board of Bishops or the President/CEO and recorded in the Board of Bishops' Minutes.

1. Total contribution postings must always equal "Total envelopes" on offering report.
2. Designated Accounts
 - a. Tax-deductible designated gifts:
 - i. All gifts designated for church approved projects (not individuals) will be recorded as tax-deductible gifts.
 - b. Not tax-deductible designated gifts:
 - i. All gifts designated for an individual will be recorded as not tax-deductible.
 - c. Retention of offering envelopes:
 - i. Retain all offering envelopes for three (3) years after date of annual statement.
 - d. Closing Designated Account Funds: (example "Piano Fund") is cleared at end of the year in which the money was used (as the fund was designed). All remaining money is moved to the "General Operations Fund."
3. Payment for purchases
 - a. Payment for any purchases, such as fundraisers, suppers, etc., will not be recorded as contributions.

4. Contribution Statements
 - a. Quarterly contribution statements will be mailed to donors no later than the last day of the first month following the quarter.
 - b. Annual contribution statements will be mailed to donors by the 31st of January each year.
5. Non-monetary or tangible gifts
 - a. A statement on THAT United letterhead stationary will be sent promptly to person giving non-monetary gift stating the following:
 - Name and address of person giving gift,
 - Detailed description of the item including age and condition,
 - Date the gift is received at the church.
 - b. Note: the value of the property will not be stated on this statement, as it is the donor's responsibility to get the appraised value amount to be used for tax purposes.
 - c. Contribution of auto is handled differently.
6. Fund raising
 - a. The leadership will not provide charitable contribution statements for fund-raising events.
7. Contributions
 - a. The leadership retains the right to determine how to spend any contribution that is for a purpose not already church-approved.

Financial Policy Review

The purpose of a Financial Policy Review is to evaluate how well the adopted policies are being observed and if the implemented policies are efficiently achieving the desired purpose. Properly conducted annual reviews can reinforce adopted policies, reveal weaknesses in implementing policies, and expose policies that may not be effective.

A Financial Policy Review will be performed annually without notification to persons involved in implementing policies. The persons performing review will randomly select three months for the review.

Committee

- a. The Board of Bishops will elect a committee of three persons to perform Financial Policy Review.
- b. A report of the review will be first shared with the CEO and the Board of Bishops and then with persons implementing policies.

Cash

- a. Review cancelled checks in the bank statements to verify no checks were made payable to “Cash.”
- b. Look at checks payable to the church to verify they were deposited and not cashed.

Bank Accounts

- a. Once a year write a letter to banks with which you do business and request a list of accounts with balances using your church’s name and/or tax number. Verify these accounts against accounts being reported on financial reports.

Receipts

- a. Review rotation list for Counting Partners to make sure teams and individuals are being rotated each week.
- b. Confirm the Counting Partner taking the deposit bag to the bank does not have key in his or her possession while deposit is in his or her custody.
- c. Ascertain Sunday school class secretaries are not opening offering envelopes in class and the general secretary is not opening offering envelopes when compiling weekly report.
- d. Compare Offering Report to:
 - i. Total report to amount of deposit.
 - ii. Total of envelope offerings to total amount posted.
- e. Review procedure for canceling checks with “For Deposit Only” and “Not Tax-Deductible” to make certain all policies are being properly implemented.
- f. Make sure the Sunday school offering is placed in a locked bank deposit bag and placed on the “Communion Table” during worship service each Sunday and that the “Counting Partners” pickup bag and money from offering plates promptly at the end of the service.
- g. Verify the bank deposit bag is locked in the presence of at least two persons with one keeping the key and the other taking the deposit bag to the bank.
- h. Weekday payments and offering Ascertain a TURN IN RECEIPT is written for all fundraiser money and that it matches deposit.
- i. Make certain a receipt is written for all incoming money and the original receipt was given or mailed to the donor.
- j. Confirm all money receipted was promptly deposited.

Expenditures

- a. Make certain all bank statements are reconciled and are reconciled by person designated by church.
- b. Review all paid bills for written or stamped approval of payment.
- c. Verify designated person reconciling bank statement has also confirmed that amounts of the checks for mission gifts and designated gifts match amounts shown in financial report.
- d. Check all time sheets for supervisor's approval signature.
- e. Examine all reimbursements for business expenses to ascertain proper receipts have been submitted for payment.
- f. Check reimbursements for mileage to verify mileage log meets requirements.

Contribution Records

- a. Make sure offering envelopes and contribution statements properly identify non tax-deductible and tax-deductible contributions.

Review of Financial Records

The financial records of the church shall be reviewed annually by at least a three member ad hoc committee appointed by the finance committee. If the ad hoc committee has a concern over the financial records, then an accountant who is not a church member will be employed to help resolve the concern.

NATIONAL BUILDING FUND CAMPAIGN PROCEDURES

Annual versus Capital Campaigns

Annual campaigns are ongoing, yearly appeals. These drives raise funds to keep the doors open—to support an organization’s operating budget and special projects. Since donors are asked to make a gift each year to similar reasons, annual drives can quickly lose sparkle and are often difficult to sustain.

On the other hand, capital campaigns have a mystique because they pay for land acquisitions, new or improved buildings, or both. Often startup costs for these new facilities are included. But seldom do capital drives fund such things as ongoing staff salaries, maintenance costs, and programs. Capital campaigns create lots of excitement among supporters because facilities such as expanded campuses, research labs, hospitals, gymnasiums, and cultural centers are tangible and highly visible.

Six Requirements for Successful Fundraising

1. **The goals of your organization must be compelling to ensure intense donor commitment.** Potential contributors must believe in and have a highly positive response to the reason(s) you are in business.
2. **Your organization’s growth patterns must be easily perceived.** You have to prove a winning track record. In a first-time appeal by a newly formed group, the background of key leaders must reflect a record of experience and expertise in the area(s) for which the drive is held.
3. **Your organization or its key leaders must be strongly visible to the people whose support you expect.** You must be well known by volunteers and prospects.
4. **Your chief executive and volunteer leadership must be highly competent, totally committed, and be proven, excellent fundraisers.**
5. **Your campaign’s needs must be specific, attractive, people-oriented, and have a sense of urgency.** Explain exactly what project is to be funded, why it is compelling, for whom the appeal benefits, and why it must be underwritten at once.

6. **The results of your campaign must be measurable.** Tell your prospective donors exactly what will be done with contributions, and provide time frames for actions and achievements.

Ten Prime Reasons Why Campaigns Fail

- i. The drive doesn't live up to the six fundraising requirements.
- ii. The governing body is ineffectual.
- iii. An incompetent overall chair is enlisted.
- iv. The goal is unrealistic.
- v. Not enough major gift prospects are found and cultivated.
- vi. Top-ranking members, constituents, and other community leaders are incorrectly assumed to be highly supportive.
- vii. There are not enough campaign workers.
- viii. The amount of money prospects can afford to contribute is not estimated.
- ix. Leadership does not commit itself to an action plan.
- x. Solicitation training is inadequate.

Before asking people for contributions, make certain you have met the 6 fundraising requirements. Then eliminate the 10 prime reasons why campaigns fail by completing the pre-campaign activities relevant to your funding effort.

Telephone Appeals to Members

Fundraising by telephone is a very effective way of soliciting small gifts, but often very poorly handled. When a member picks up the phone, he or she will not be sure if they want to hear you out. Two things will capture that person's interest: mentioning the urgency of the campaign, and the tone and sound of your voice. If you were seeing a potential donor in person, you would greet them with a smile.

Make that come through the phone lines. Here's how!

When you prospect answers the phone – smile. Literally smile just before you speak.

You will be amazed how warm that makes the sound of your voice.

Thank you for your participation. I look forward seeing you in the next service.

Example:

Praise the Lord, Sister Johns. I hope you're having a nice day. (Listen for response.....)

I am one of several volunteers contacting our members to talk about the National Building Fund Campaign. I hope you've had a chance to look over the material that the national committee distributed recently. (Listen for response.....)

As you know, our organization is out growing its current facilities very fast. We need to increase our finances in order to address current needs and prepare for future opportunities. That is why the Board of Bishops initiated this pledge program.

The goal of our building fund is to raise \$41, 000 dollars this year. Your participation will help reach this goal. It is important that each individual in the church work cooperatively to accomplish all the work that God has given True Holiness, so that many people will reap the benefits of our labor.

The greatest of our needs right now are buildings to house our work. One example is that we need to acquire adequate facilities to teach and preach the gospel of Jesus Christ. Each church needs help in reaching that goal. We also need a larger corporate office to house our Leadership Development Institute, conference center, and national administration. (Listen for response.....)

I am sure that you are anxious to make a pledge this year. Each family or individuals can make pledges. (Or.... I'm glad you're as enthusiastic as I am about our project.)

Would you like to pledge \$50 this year? (Listen for response.....)
Yearly pledges can be paid monthly or quarterly. Do you want to write a check for the entire amount? (Listen for response.....) If your prospect does not want to donate, do not badger him.

Thank him for his time and graciously end the phone call.

Payment Schedules:

You may wish to pay in a lump sum. If so, a coupon for a one-time donation will be available to you. I also want to encourage you to make other one-time donations throughout the year, as God blesses your finances.

Mail in coupons and envelopes will be provided for your installments.

Thank you for your pledge of \$_____.

I will report your gift (or pledge) to the campaign office. Then you will receive a gift (or pledge) acknowledgement, a pledge card showing the gift (or installment agreement), and a return envelope. Please place this information in the mail as soon as you can. Or, you can give it to the National Building Fund Representative in you church.

After the committee receives your donation, we will send you a letter that acknowledges that we have received your donation.

Thank you for your participation. I hope to see you in the Thursday night prayer Service!

Finance *FORMS*

DRAFT

(Use Corporate Letterhead)

Date _____

Charitable Contribution Substantiation Statement
For a Single Donation of \$250 or More

Dear Donor:

The True Holiness Assemblies of Truth United International Finance Department would like to thank you for your generous donation. Your generous giving helps our organization reach its mission goals.

Please keep this statement for your records. It serves as your receipt for tax reporting.

Individual/Company name: _____

Address: _____ City/State: _____ Zip _____

Contact Person: _____ Donation Amount: _____

This letter serves as a receipt for your following contributions:

\$ _____ Received ___/___/___ Check# _____ M/O# _____ Cash _____

\$ _____ Received ___/___/___ Check# _____ M/O# _____ Cash _____

(Please check one below)

- No goods or services were rendered in exchange for the donation.
- The donor received goods or services in consideration for said donation. If so, please describe the goods/services and a good-faith estimate of its value below. If the goods/services were of intangible religious benefit, please indicate that fact. It is however, not necessary to estimate the value. (*Quid Pro Quo Contributions*)

Prepared by _____

CORRESPONDENCE FOR NIGHT DEPOSIT

(Use Corporate Letterhead)

Date: _____

TO: **Provident Bank**
10600 Loveland Madeira Road
Loveland, Ohio

FR: Counting Committee for Church
Account Number 0000-000

Subject: Night Deposit

Dear Bank Teller:

Our organization is having special services this week (August 1 – 6) at True Holiness Covenant of Peace Assembly of Loveland, Ohio, one of our affiliate churches.

During these services, we will be making deposits of receipts in your bank each night. Please mail the receipt for the enclosed deposit to the above address.

If you need to contact someone by phone during the day, please call the following person:

Name

Phone #

The church office phone number is 697-0990 (answering machine).

Thank You,

Raymond Pye
Counting Committee Chair

RECEIPT FOR DONATION UNDER \$250

(Use Corporate Letterhead)

Date Deposited: _____

TO: _____

Reference Number _____

Dear _____,

Thank you for your financial contribution. Your generous giving helps this organization reach its mission goals.

This letter serves as a receipt for your following contributions:

\$ _____ Received ___/___/___ Check# _____ M/O# _____ Cash _____

\$ _____ Received ___/___/___ Check# _____ M/O# _____ Cash _____

Thank you,

Preparer

Revenue Talley Sheet

SUMMARY OF RECEIPTS DATE OF DEPOSIT: _____ BANK: _____ Prepared by: _____		
--	--	--

FUND DESIGNATION	Amount	COMMENTS
Tues. Night		
Wednes. Night		
Thurs. Night		
Friday Night		
Saturday Night		
Sun. School		
Sun Morning		
GRAND TOTAL		

TALLY SHEET	
Fund Description: _____	
Date of Receipt: _____	
COINS	AMOUNTS
Pennies	
Nickels	
Dimes	
Quarters	
½ Dollars	
TOTAL	
CURRENCY	
Ones	
Fives	
Tens	
Twenties	
Fifties	
Hundreds	
TOTAL	
Total Checks	
GRAND TOTAL	
<u>Signatures of Counters</u>	

TALLY SHEET	
Fund Description: _____	
Date of Receipt: _____	
COINS	AMOUNTS
Pennies	
Nickels	
Dimes	
Quarters	
½ Dollars	
TOTAL	
CURRENCY	
Ones	
Fives	
Tens	
Twenties	
Fifties	
Hundreds	
TOTAL	
Total Checks	
GRAND TOTAL	
<u>Signatures of Counters</u>	

Correspondence from Counting CMTE to Bank

Money Requisition Form

NO: _____

FILE _____

This form is used to request pre-approved and allocated monies. Please complete this form in its entirety.

YOU MUST BE A DIRECTOR OF THE DEPARTMENT/MINISTRY TO REQUEST FUNDING.

Today's Date: ____/____/____ Your Name: _____

Ministry/Department: _____ Division: _____

I confirm that the items (or services) listed on this form are to be used exclusively for True Holiness Assemblies and the Office of Finance has already allocated for this purchase.

I also confirm to keep all items in as good condition as possible at True Holiness Assemblies or at an approved location (if applicable).

Departmental Director's Signature: _____

Print Name: _____

Date: ____/____/____ Daytime Phone: _____

Email Address: _____

OFFICE OF FINANCE USE ONLY

Fund Acct: _____

Line-item Verified? _____ Funds Approved? _____

Approved in Financi Committee meeting on: ____/____/____

Total Reimbursement: _____ Check #: _____

Additional Comments:

True Holiness Assemblies of Truth United Intl, Inc.
Director of Funds & Recording, _____
President/CEO, Dr. Pamela A. Smith, DD

For what purpose is items (or services) purchased? _____

Where were will items/services be purchased? Merchant: _____

Address: _____ City: _____ State/ZIP: _____

Phone: _____

Please list all items to be purchased: [ATTACH ALL RECEIPTS TO THIS FORM.]

Item Description	Qty	Cost/Item

Where will the items(s) be stored (if tangible)? _____

Name of Requestor: _____

Phone: _____ Email: _____

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I will pick up check on: ____/____/____

Please make a payment with church credit card.

Reimbursement Form

NO: _____

FILE _____

Use when seeking reimbursement, with a receipt for all purchases. *Please complete this form in its entirety.*

YOU MUST BE A DIRECTOR OF THE DEPARTMENT/MINISTRY TO REQUEST EIMBURSEMENTS.

Today's Date: ____/____/____ Your Name: _____

Ministry/Department: _____ Division: _____

I confirm that the items (or services) listed on this form were purchased to be used exclusively for True Holiness Assemblies and the payee purchased all items.

I also confirm to keep all items in as good condition as possible at True Holiness Assemblies or at an approved location (if applicable).

Departmental Director's Signature:

Print Name: _____

Date: ____/____/____ Daytime Phone: _____

Email Address: _____

OFFICE OF FINANCE USE ONLY

Fund Acct: _____

Receipts Verified? _____ Funds Approved? _____

Total Reimbursement: _____ Check #: _____

Additional Comments:

True Holiness Assemblies of Truth United Intl, Inc.
Director of Funds & Recording, _____
President/CEO, Dr. Pamela A. Smith, DD

For what purpose was items (or services) purchased?

Where were the items/services purchased? Merchant: _____

Address: _____ City: _____ State/ZIP: _____

Phone: _____ PAID BY: Personal Check Personal Credit Card

Please list below all items to be purchased: **[ATTACH ALL RECEIPTS TO THIS FORM.]**

Item Description	Qty	Cost/item

Where will the items(s) be stored (if tangible)? _____

Payable to: _____

Payee Church Address: _____

City: _____ State/ZIP: _____

GLOSSARY OF ACCOUNTING TERMS

Accounting principles

The guidelines an organization follows in the measurement, classification and interpretation of its financial information.

Accounting system

The structure of records and procedures that record, classify, summarize and report information on the financial position and results of the operations of an organization.

Annual report

Interest provided annually by the board of directors of an organization about its operations. It usually includes financial statements.

Audit

A systematic investigation by a CPA of procedures or operations for the purpose of expressing an opinion on the fairness of an organization's financial statements.

Audit trial

The ability to trace each transaction forward from the source of documentation through all journals and ledgers to the summary statements and financial reports, or the reverse.

Balance sheet

The financial statement which shows the financial position of an organization by listing its assets, liabilities, and fund balances at a specified date.

Budget

A plan of financial operation that includes an estimate of proposed expenditures for a given period and the proposed means of financing them.

Cash flow

The increase or decrease in an organization's cash during a period of time.

Deficit

An excess of expenses over revenues over a measured period of time.

Designated funds

Restricted funds set aside by a board of directors for a specific purpose. Unlike —restricted funds, designated funds can be changed by the board of directors.

Disbursement

A payment in cash.

Expenditure

A disbursement for any purpose.

Expense

A cost, within a measured period of time, incurred to operate an organization.

Financial statements

The means by which the information accumulated in the financial accounting system is periodically communicated to those who use it.

Fiscal year

The year covered by the annual financial statements

Fund

A set of accounts separated by legal or other limitations, to carry on specific activities or attain certain objectives.

Internal control

The plan of organization and all the coordinated methods and measures adopted by the management to safeguard assets, ensure the accuracy and reliability of accounting data, and maintain adherence to prescribed policies.

Invoice

A bill for goods or services rendered

Liability

Debts or obligations owed by an organization

Long-term liability

Debts or obligations owed, but that are due in more than a year

Petty cash

A relatively small amount of cash kept on hand for minor disbursements

Prepaid expense

An expense paid in advance of the period that it will benefit, such as insurance or rent.

Restricted funds

Funds received by an organization that can only be used for the specific purpose indicated by the donor.

Unrestricted funds

Funds that are available for any purpose appropriate to the organization and approved by the board of directors.

Account

A record in the general ledger that is used to collect and store similar information. For example, a nonprofit organization will have a Cash account in which every transaction involving cash is recorded.

Accounting cycle

A term that describes the steps when processing transactions (analyzing, journalizing, posting, preparing trial balances, adjusting, preparing financial statements) in a manual accounting system. Today many of the steps occur simultaneously when using accounting software.

Accounting equation

Assets = Liabilities + Net Assets. Because of double-entry accounting this equation should be in balance at all times. The accounting equation is expressed in the financial statement known as the Statement of Financial Position. To learn more, see this page on [basic accounting concepts](#).

Assets

Things that are resources owned by a nonprofit organization and which have future economic value that can be measured and can be expressed in monetary value. Examples include cash, investments, supplies, land, buildings, equipment, and vehicles.

Bank reconciliation

The process of comparing the amounts in the Cash account in the general ledger to the amounts appearing on the bank statement. The objective is to be certain that there is consistency between the amounts and that the nonprofit organization's amounts are accurate and complete.

Chart of accounts

A listing of the accounts available in the accounting system in which to record entries. The chart of accounts consists of statement of financial position accounts (assets, liabilities, net assets) and statement of activities accounts (donations and expenses). The chart of accounts can be expanded and tailored to reflect the operations of the nonprofit organization.

Comparative financial statements

Financial statements that show more than the current year's amounts. For example, it is generally accepted that a nonprofit's statement of activities will show the most recent three years of results. This provides the reader with two years of past amounts as a frame of reference for the most recent year. Comparative nonprofit's statements of financial position typically show the most recent two years. See this page on [understanding financial statements](#).

Contributions

The revenue classification used by nonprofit organizations to account for the amounts received as donations. It is also an expense classification for the donations made to another nonprofit organization.

Contributions may be in the form of cash, securities, other property, as well as unconditional promises to give assets at a later date.

Contributions made by a donor without conditions attached are referred to as unrestricted contributions. Contributions with donor-imposed restrictions are either temporarily restricted or permanently restricted. You can learn more on this page about contributions.

Credit (as in debit and credit)

To enter an amount on the right side of an account. Normal entries to revenue accounts are credits. Liabilities normally have credit balances. To learn more, see this page on [Debits and Credits](#).

Current assets

Cash and other resources that are expected to turn to cash or to be used up within one year of the statements of financial position date.

Current assets are presented in the order of liquidity, i.e., cash, temporary investments, accounts receivable, supplies, prepaid insurance.

Current liabilities

Obligations due within one year of the statements of financial position date. Another condition is that the item will use cash or it will create another current liability.

Ebit

The accounting term that means an entry will be made on the left side of an account. To learn more, see this page on [Debits and Credits](#).

Donor

A person or organization that gives or donates money, property, services, etc.

Donor-imposed condition

A requirement that the receiving nonprofit organization must return an asset to the donor in the event that some future and uncertain event does or does not occur.

Donor-imposed restriction

Either a temporary restriction or a permanent restriction imposed by the donor of an asset when it is contributed to a nonprofit organization.

Double entry accounting

The 500 year-old accounting system where every transaction is recorded into at least two accounts. To learn more, see this page on [double entry bookkeeping](#).

Endowment fund

Usually a permanently restricted asset for which the principal portion must be retained indefinitely. The earnings from an endowment fund could be unrestricted or temporarily restricted.

FASB Statement 116

The statement of the Financial Accounting Standards Board with the title *Accounting for Contributions Received and Contributions Made*.

This statement was originally issued in June 1993 and applies to both nonprofit organizations and to for-profit businesses. This statement can be read at www.FASB.org.

FASB Statement 117

The statement of the Financial Accounting Standards Board entitled Financial Statements of Not-for-Profit Organizations. This statement was originally issued in June 1993 and can be read at www.FASB.org.

FICA

Federal Insurance Contribution Act. FICA indicates the payroll taxes for both Social Security taxes and Medicare taxes. Churches do not pay FICA on qualifying ministers. See this page for more details on [clergy taxes](#).

Financial statements of nonprofits

The financial statements of nonprofits include the statement of financial position, the statement of activities, the statement of cash flows, notes to the financial statements, and the statement of functional expenses. To learn more, see this page on [understanding financial statements for Nonprofits](#).

501(c)(3)

The section of the U.S. Internal Revenue Service (IRS) codes which includes public charities such as religious, scientific, educational, and certain other organizations.

Under section 501(c)(3) a nonprofit can be approved as tax exempt and its donors' contributions will qualify as income tax deductible. To learn more, see this page on [tax exempt status for](#)

churches.

Form 990

Form 990 is the Internal Revenue Service (IRS) form entitled *Return of Organization Exempt from Income Tax*. This federal form must be filed annually by tax exempt organizations. However, some organizations such as churches are exempt from filing, and small organizations are allowed to file Form 990-EZ.

The information provided on Form 990 is public information and is available from the website guidestar.org. You can learn more about Form 990 and Form 990-EZ at IRS.gov.

Long term assets

Noncurrent assets. Assets that are *not* intended to be turned into cash or be consumed within one year of the statement of financial position date. Long term assets include long term investments, property, equipment, intangible assets, etc.

Long term liabilities

Obligations of the nonprofit that are *not* payable within one year of the statement of financial position date. An example is long term notes payable.

Pass-through contributions

Contributions collected by Charity #1 who is merely acting as a collection agent for Charity #2. Also known as flow-through contributions.

Permanently restricted net assets

Assets with donor-imposed restrictions that do not expire. A common example is a permanent endowment fund.

Petty cash

A current asset account that represents an amount of cash for making small disbursements for postage due, supplies, etc. For more details, see this page on [setting up a petty cash account](#).

Semi-monthly

Occurring twice per month. For example, if salaried personnel are paid on the 15th and the last day of the month, we would say they are paid semimonthly.

People paid semimonthly will receive 24 paychecks during a year. (People paid every two weeks—such as every other Thursday—are said to be paid biweekly and will receive 26 paychecks during the year).

Separation of duties

One of the steps in effective internal control. An example of separation of duties is to have the money handling be performed by someone who does not update the records.

This means that the money counters at a church need to be different from the person who updates the church members' donation records. Requiring that two people be involved in a process instead of only one greatly reduces the odds of employee theft. See this page for more [internal controls](#).

Source document

An original record containing the details to substantiate a transaction entered in an accounting system.

For example, the source document for a purchase of merchandise is the supplier's invoice supported by the nonprofit's purchase order and a receiving ticket. See this page on [keeping track of receipts](#).

Statement of activities

One of the main financial statements of a nonprofit organization. This financial statement reports the revenues and expenses and the changes in the amounts of each of the classes of net assets during the period shown in its heading.

This statement is issued by a nonprofit instead of the income statement issued by a for-profit business. To learn more, see [understanding financial statements](#).

Statement of cash flows

One of the main financial statements. The statement of cash flows reports the sources and uses of cash by operating activities, investing activities, financing activities, and certain supplemental information for the period specified in the heading of the statement.

Statement of financial position

One of the main financial statements of a nonprofit organization. This financial statement reports the amounts of assets, liabilities, and net assets as of a specified date. This financial statement is similar to the balance sheet issued by a company.

Tax-exempt

A status granted by the U.S. Internal Revenue Service (IRS) to nonprofits applying and meeting certain conditions. This status means that the nonprofit organization is not subject to federal income taxes.

It also means the donors' contributions may be income tax deductible. See this page for more information on [tax exempt status for churches](#).

Temporarily restricted net assets

Net assets that have donor-imposed restrictions such as 1) fulfilling a specified purpose, and/or 2) the passage of a specified amount of time. For more information see this page on [fund accounting](#).

Unrelated business income tax

A tax imposed on income earned by a nonprofit that is unrelated to its exempt purpose.

Unrestricted contribution

A contribution by a donor that does not specify any restrictions. This type of contribution can be used by the nonprofit organization for anything within its exempt purpose.

Unrestricted net assets

Net assets without donor-imposed restrictions.

GLOSSARY OF NONPROFIT TERMS

501(c)(3)

The section of the tax code that defines nonprofit, charitable, tax-exempt organizations. 501(c)(3) organizations are further defined as public charities, private operating foundations, and private non-operating foundations. *See also:* [operating foundation](#); [private foundation](#); [public charity](#).

Annual report

A voluntary report issued by a foundation or corporation that provides financial data and descriptions of its grantmaking activities. Annual reports vary in format from simple typewritten

documents listing the year's grants to detailed publications that provide substantial information about the grantmaker's grantmaking programs.

Assets The amount of capital or principal — money, stocks, bonds, real estate, or other resources — controlled by a foundation or corporate giving program. Generally, assets are invested and the resulting income is used to make grants.

Beneficiary

In philanthropic terms, the donee or grantee receiving funds from a foundation or corporate giving program is the beneficiary, although society may benefit as well.

Capital support

Funds provided for endowment purposes, buildings, construction, or equipment.

Challenge grant

A grant that is paid only if the donee organization is able to raise additional funds from other sources. Challenge grants are often used to stimulate giving from other donors. *See also:* [matching grant](#).

Community foundation

A 501(c)(3) organization that makes grants for charitable purposes in a specific community or region. The funds available to a community foundation are usually derived from many donors and held in an endowment that is independently administered. Income earned by the endowment is then used to make grants. Although a community foundation may be classified by the IRS as a private foundation, most are public charities and are thus eligible for maximum tax-deductible contributions from the general public. *See also:* [501\(c\)\(3\)](#); [public charity](#).

Community fund

An organized community program which makes annual appeals to the general public for funds that are usually not retained in an endowment but are instead used for the ongoing operational support of local agencies. *See also:* [federated giving program](#).

Company-sponsored foundation

(Also known as a corporate foundation) A private foundation whose assets are derived primarily from the contributions of a for-profit business. While a company-sponsored foundation may maintain close ties with its parent company, it is an independent organization with its own

endowment and as such is subject to the same rules and regulations as other private foundations.
See also: [private foundation](#).

Cooperating Collection

A member of the Foundation Center's network of libraries, community foundations, and other nonprofit agencies that provides a core collection of Center publications in addition to a variety of supplementary materials and services in areas useful to grantseekers.

Corporate foundation *See* [company-sponsored foundation](#).

Cooperative venture

A joint effort between or among two or more grantmakers. Cooperative venture partners may share in funding responsibilities or contribute information and technical resources. Also known as a funder collaborative.

Corporate giving program

A grantmaking program established and administered within a for-profit corporation. Because corporate giving programs do not have separate endowments, their annual grant totals generally are directly related to company profits. Corporate giving programs are not subject to the same reporting requirements as corporate foundations.

DIALOG

An online database information service made available by the Thomson Corporation. The Foundation Center offers two large files on foundations and grants through DIALOG.

Distribution committee

The committee responsible for making grant decisions. For community foundations, the distribution committee is intended to be broadly representative of the community served by the foundation.

Donee

The recipient of a grant. Also known as a grantee or a beneficiary.

Donor

An individual or organization that makes a grant or contribution to a donee. Also known as the grantor or grantmaker.

Employee matching grant

A contribution to a charitable organization by an employee that is matched by a similar contribution from his or her employer. Many corporations have employee matching-gift programs in higher education that encourage their employees to give to the college or university of their choice.

Endowment

Funds intended to be invested in perpetuity to provide income for continued support of a not-for-profit organization.

Expenditure responsibility

In general, when a private foundation makes a grant to an organization that is not classified by the IRS as a "public charity," the foundation is required by law to provide some assurance that the funds will be used for the intended charitable purposes. Special reports on such grants must be filed with the IRS. Most grantee organizations are public charities and many foundations do not make "expenditure responsibility" grants.

Family foundation

An independent private foundation whose funds are derived from members of a single family. Family members often serve as officers or board members of family foundations and have a significant role in their grantmaking decisions.

Federated giving program

A joint fundraising effort usually administered by a nonprofit "umbrella" organization that in turn distributes the contributed funds to several nonprofit agencies. United Way and community chests or funds, the United Jewish Appeal and other religious appeals, the United Negro College Fund, and joint arts committees are examples of federated giving programs. *See also:* [community fund](#).

Fiscal sponsorship

Affiliation with an existing nonprofit organization for the purpose of receiving grants. Grantseekers may either apply for federal tax-exempt status or affiliate with a nonprofit sponsor.

Form 990-PF

The public information return that all private foundations are required by law to submit annually to the Internal Revenue Service (IRS).

Form 990

The public information return that public charities file with the Internal Revenue Service (IRS).

General/operating support

A grant made to further the general purpose or work of an organization, rather than for a specific purpose or project. Also called an unrestricted grant or basic support.

General purpose foundation

An independent private foundation that awards grants in many different fields of interest. *See also* [special purpose foundation](#).

Grantee financial report

A report detailing how grant funds were used by an organization. Many corporate grantmakers require this kind of report from grantees. A financial report generally includes a listing of all expenditures from grant funds as well as an overall organizational financial report covering revenue and expenses, assets and liabilities. Some funders may require an audited financial report.

Grassroots fundraising

Efforts to raise money from individuals or groups from the local community on a broad basis. Usually an organization's own constituents — people who live in the neighborhood served or clients of the agency's services — are the sources of these funds. Grassroots fundraising activities include membership drives, raffles, auctions, benefits, and a range of other activities.

Guidelines

Procedures set forth by a funder that grantseekers should follow when approaching a grantmaker.

Independent foundation

A grantmaking organization usually classified by the IRS as a private foundation. Independent foundations may also be known as family foundations, general purpose foundations, special purpose foundations, or private non-operating foundations. *See also:* [private foundation](#).

In-kind contribution

A contribution of equipment, supplies, or other tangible resource, as distinguished from a monetary grant. Some corporate contributors may also donate the use of space or staff time as an in-kind contribution.

Letter of inquiry

A brief letter outlining an organization's activities and its request for funding that is sent to a prospective donor in order to determine whether it would be appropriate to submit a full grant proposal. Many grantmakers prefer to be contacted in this way before receiving a full proposal.

Matching grant

A grant that is made to match funds provided by another donor. *See also:* [challenge grant](#); [employee matching gift](#).

Operating foundation

A 501(c)(3) organization classified by the IRS as a private foundation whose primary purpose is to conduct research, social welfare, or other programs determined by its governing body or establishment charter. An operating foundation may make grants, but the amount of grants awarded generally is small relative to the funds used for the foundation's own programs. *See also:* [501\(c\)\(3\)](#).

Payout requirement

The minimum amount that private foundations are required to expend for charitable purposes (including grants and, within certain limits, the administrative cost of making grants). In general,

a private foundation must meet or exceed an annual payout requirement of 5 percent of the average market value of its total assets.

Private foundation

A nongovernmental, nonprofit organization with funds (usually from a single source, such as an individual, family, or corporation) and program managed by its own trustees or directors. Private foundations are established to maintain or aid social, educational, religious, or other charitable activities serving the common welfare, primarily through the making of grants. *See also:* [501\(c\)\(3\)](#); [public charity](#).

Program amount

Funds that are used to support a particular program administered internally by a foundation or corporate giving program.

Program officer

A staff member of a foundation who reviews grant proposals and processes applications for the board of trustees. Only a small percentage of foundations have program officers.

Program-related investment (PRI)

A loan or other investment (as distinguished from a grant) made by a foundation to another organization for a project related to the foundation's philanthropic purposes and interests.

Proposal

A written application, often accompanied by supporting documents, submitted to a foundation or corporate giving program in requesting a grant. Most foundations and corporations do not use printed application forms but instead require written proposals; others prefer preliminary letters of inquiry prior to a formal proposal. Consult published guidelines.

Public charity

A nonprofit organization that qualifies for tax-exempt status under section 501(c)(3) of the IRS code. Public charities are the recipients of most foundation and corporate grants. Some public charities also make grants. *See also:* [501\(c\)\(3\)](#) [private foundation](#).

Qualifying distributions

Expenditures of a private foundation made to satisfy its annual payout requirement. These can include grants, reasonable administrative expenses, set-asides, loans and program-related investments, and amounts paid to acquire assets used directly in carrying out tax-exempt purposes.

RFP

Acronym for Request for Proposal. When the government issues a new contract or grant program, it sends out RFPs to agencies that might be qualified to participate. The RFP lists project specifications and application procedures. While an increasing number of foundations use RFPs in specific fields, most still prefer to consider proposals that are initiated by applicants. For a current listing of selected RFPs, see our [RFP Bulletin](#).

Seed money

A grant or contribution used to start a new project or organization. Seed grants may cover salaries and other operating expenses of a new project.

Set-asides

Funds set aside by a foundation for a specific purpose or project that are counted as qualifying distributions toward the foundation's annual payout requirement. Amounts for the project must be paid within five years of the first set-aside.

Special purpose foundation

A private foundation that focuses its grantmaking activities in one or a few areas of interest. *See also:* [general purpose foundation](#).

Tax-exempt

Refers to organizations that do not have to pay taxes such as federal or state corporate tax or state sales tax. Individuals who make donations to such organizations may be able to deduct these contributions from their income tax.

Technical assistance

Operational or management assistance given to nonprofit organizations. This type of help can include fundraising assistance, budgeting and financial planning, program planning, legal advice, marketing, and other aids to management. Assistance may be offered directly by the staff

of a foundation or corporation, or it may be provided in the form of a grant to pay for the services of an outside consultant. *See also:* [in-kind contributions](#).

Trustee

A foundation board member or officer who helps makes decisions about how grant monies are spent. Depending on whether the foundation has paid staff, trustees may take a more or less active role in running its affairs.

DRAFT

To motivate volunteers, The Office of Finance uses the acronym... *ACT!*

Assess...Concentrate...Train

Assess Growth ...

Within our organization as it relates to our department, auditing proper and accurate practice of financial policies and procedures mandated by the Board of Directors, researching new techniques and methods of accounting which would be beneficial to the organization, ensuring compliance with IRS regulations that govern non-profit religious institutions.

Concentrate Consistently ...

- On completing weekly, monthly and yearly directives summarized for the department.
- Improving functions within the department that may be deficient.
- Developing continuous and effective communication strategies between the department and the Board of Directors.

Train Volunteer Staff ...

To consistently and competently apply basic accounting methods, regulations, and procedures as established by the CEO in conjunction with the Board of Directors of THAT United and in accordance with recognized federal laws governing non-profit organizations.

Developed by Suffragan Bishop Brett Norman (2011)