

# **Fiscal Policy and Procedures Manual**

Adopted January 29, 2019

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## **INTRODUCTION**

**Administrative Summary:** The Presbytery of Newark offices are located at 192 Broad Street, Bloomfield, NJ. The Presbytery is staffed by the Director of Presbytery Ministries, the Stated Clerk, an Administrative Assistant, and an Outsourced Bookkeeper. Oversight is provided by volunteer members of the Vision Accountability Board and the Financial Management Committee.

The Vision Accountability Board (VAB) and the Financial Management Committee (FMC) provide general oversight for all procedural and fiscal functions. The Administrative Assistant is responsible for communicating the inflow and outflow of invoices and receipts and filing all relevant documents. The Outsourced Bookkeeper is responsible for the bookkeeping and monthly financial reporting for the Presbytery. The organization's fiscal year is from January 1<sup>st</sup> to December 31<sup>st</sup>.

The Presbytery of Newark maintains a comprehensive policy of avoiding conflicts of interest in all financial matters of the Presbytery and its member churches. See **Appendix I**.

### **Functional Responsibilities:**

#### **Vision Accountability Board (VAB) and Board of Trustees (BOT)**

Except as limited by the Standing Rules of the Presbytery of Newark, the Newark Presbytery delegates all authority to manage its work and resources to the VAB. The VAB is the Board Trustees (BOT) of the presbytery and has ultimate fiduciary responsibility for the management and use of all funds and properties of the Presbytery.

**Director of Presbytery Ministries** – Accountable to VAB for accomplishment of mission goals and collaboratively leading volunteer Ministry Leadership Team.

**Stated Clerk** – Officer of Presbytery with judicial and ecclesiastical/administrative duties.

**Treasurer** – The Treasurer of the Presbytery serves as the Treasurer of the Corporation and is accountable to the Presbytery through the VAB. The Treasurer will:

- Serve as an ex-officio member of the Capital Assets Committee (CAC) and the Financial Management Committee (FMC).
- Supervise the administration of all funds collected and invested for Presbytery purposes including authorized access to these accounts and funds.
- Review and present, with analysis, budgets and regular financial statements to the Board of Trustees, the VAB and the full Presbytery.
- Ensure that communication between the VAB/BOT and CAC flows to and from the FMC and the Outsourced Bookkeeper.
- It is the responsibility of the Treasurer to establish the operating bank account and manage funds in the investment accounts as directed by the CAC, including releasing payments.

**Financial Management Committee (FMC)** - The FMC is a standing committee of the VAB.

- Members of the FMC are appointed by the VAB. Moderator is elected by the Committee.
- Review all accounts monthly, quarterly or annually, as appropriate.
- Oversees the work of an Outsourced Bookkeeper employed to carry out required duties pertaining to the records and financial activity of the Presbytery.

- Responsible for general financial oversight of the Presbytery. The FMC monitors expenditures and income and develops the annual presbytery budget for adoption and recommendation by the VAB for approval by the Presbytery. The FMC has access to QuickBooks for reporting and queries.
- Responsible for the Review and Certification of an Annual Financial Review or Audit. Annually, the Financial Management Committee shall:
  - Gather quotes and select an outside auditor (CPA) to perform Financial Review to ensure accountability and transparency and to ensure that financial statements are free from material misstatement or internal control deficiencies.
  - Receive and review the audit firm's Financial Review report and forward it to the VAB, with recommendations as necessary.
  - Determine if a full audit is needed and recommend that the VAB authorize the FMC to select an outside auditor to complete a full audit.

Capital Assets Committee (CAC) – A standing committee of the VAB, the CAC advises the Board of Trustees regarding the stewardship and deployment of the Presbytery’s capital assets, including invested funds and real property owned directly by the Presbytery (but not including real property under the care of congregations). (As of fall, 2018, the CAC has not been formed.)

- Make recommendations to the Board of Trustees for the optimum utilization of the Presbytery’s assets, including recommendations to utilize particular banking and investment accounts.
  - Investments –Responsible for the stewardship and deployment of the presbytery’s invested funds and the Presbytery spending policy. Provides annual reports to the FMC, VAB and the presbytery. The CAC shall provide to the VAB, quarterly financial reports to show the overall financial position of the presbytery, including fund performance, real property valuations, etc.
  - Real Property – Advises the VAB regarding the stewardship, care and maintenance, use, insurance, security, sale of real property owned directly by the Presbytery including the Presbytery Center; but not including real property under the care of congregations.

Administrative Assistant – Responsible for handling the daily mail, collecting all invoices, preparing payment request forms, and collecting all deposits. The Administrative Assistant regularly uploads all deposits and payments to the Outsourced Bookkeeper and keeps a record of all donations and payments. He/she also provides administrative support to the Director of Presbytery Ministries and the Stated Clerk.

Outsourced Bookkeeper – Responsible for accounting and financial reporting of the organization. These tasks include receiving disbursement vouchers, preparing payments, reconciling bank and investment accounts, managing QuickBooks by entering all payments and receipts (donations), and preparing financial reports. The Outsourced Bookkeeper also advises the FMC on standard accounting principles and assists in determining the optimum approach to new situations.

**Accounting Software:** QuickBooks Online is the accounting software. One or more members of the FMC, the Administrative Assistant and the Outsourced Bookkeeper have specifically defined access to the database. The Outsourced Bookkeeper enters transactions into QuickBooks.

**Accounting Methodology:** The Presbytery of Newark uses the accrual method of accounting. The Outsourced Bookkeeper makes adjusting journal entries at year-end, where appropriate, to ensure all accounts reflect the accrual method of accounting. The organization's fiscal year end is December 31.

**General Procedures:**

- Transactions must be entered into the accounting system using the chart of accounts. All entries must indicate both the appropriate line item within the chart of accounts and the appropriate class or sub-class, and department (if applicable).
- The Outsourced Bookkeeper confers with a member of the FMC and/or Administrative Assistant, where appropriate, to ensure all transactions are properly booked within QuickBooks.
- All data must be entered into the accounting system by the Outsourced Bookkeeper by the 15<sup>th</sup> day of the following month.
- Financial Reports are due to the FMC early in the third week of the month.
- The FMC and Outsourced Bookkeeper meet monthly to review reports and communicate concerns or changes.
- Authorized Signatories and Transaction Authorization – A list will be maintained by the Treasurer noting the type of authorization for every Presbytery financial institution account and shall be kept current as organizational roles and responsibilities change.

**FINANCIAL INSTITUTION ACCOUNTS**

The Presbytery shall have one operating bank account. (Currently at TD Bank) Other accounts, such as money market funds, mutual funds, certificates of deposit, and investment accounts may be used to hold funds held in reserve for uses to be designated at a later time. The purpose of these accounts is to allow for appreciation, interest, and dividends while being held for future use. Income generated by these accounts may be reinvested in the account from which it arises. See **Appendix II.**

All revenues, except income from investments, must be deposited in the operating bank account. All funds in investment accounts must be deposited into the operating bank account prior to being disbursed, i.e., no expenses are paid from auxiliary accounts.

All disbursements of the Presbytery are paid from the operating bank account. Such disbursements include payroll, benefits and other operating expenses, and the transfer of funds between accounts to be held in reserve.

The Outsourced Bookkeeper has access to the Operating Bank account to create payments (via QuickBooks) but does not have authority to release the payments, which is a function of the Presbytery Treasurer.

The Outsourced Bookkeeper receives the Investment Accounts statements from FMC and makes journal entries in QuickBooks to record interest, dividends, transfers, purchases and sales. The Outsourced Bookkeeper performs monthly bank reconciliations.

### **PROCEDURE FOR PROCESSING RECEIPTS/REVENUE**

All funds received by the Presbytery, whether cash or checks, are to be deposited in the operating bank account. The Administrative Assistant prepares a deposit slip for all receipts and maintains a log. Photocopies are made of all checks, and supporting paperwork. The Administrative Assistant then deposits the money into the bank and files the deposit ticket with the deposit paperwork. The Administrative Assistant scans and emails the deposit tickets, copies of checks, and all other paperwork to the Outsourced Bookkeeper.

The Outsourced Bookkeeper enters all receipts into QuickBooks. The Outsourced Bookkeeper then files all scanned files in the appropriate folder on the ShareFile, which is accessible by both the Outsourced Bookkeeper and the appropriate Presbytery FMC members. The Outsourced Bookkeeper is responsible for maintaining back-up files with recovery capability for a period of 7 years.

### **POLICY FOR PROCESSING EXPENSES (See Appendix III for Procedure)**

All expenses must be paid from the main bank account.

At the beginning of each year, and as often during the year as is necessary to accommodate changes, a Transaction Authorization Form will be prepared by the Treasurer. (See **Appendix V**) This form will authorize the Bookkeeper to make routine disbursements on behalf of the Presbytery without a Disbursement/Payment Voucher. For example:

- Routine bills whose amounts are constant or nearly so.
- Scheduled grants from the Presbytery to churches or outside organizations and pass-through grants from the Synod and General Assembly, and
- Quarterly payments to the General Assembly and Synod for Per Capita Assessment and pass-through Mission payments.

All other disbursements require a completed Disbursement/Payment Voucher (See **Appendix IV**) with accompanying documentation and invoices. Approval must be by the authorized person from the FMC with a signed Voucher, email authorizing payment, or online approval via ShareFile.

Form 1099-MISC - Eligible parties must have a completed W-9 on file with the Presbytery. A copy of the W-9 should be scanned and uploaded into the ShareFile 'New Items' folder. Form 1099-MISC reports payments by the Presbytery of over \$600 in a calendar year to a service provider or contractor. Payments to a corporation (including an LLC) do not have to be reported.

Charge Cards: See **Appendix VI** for detail on payment of credit card bills. The Presbytery of Newark currently has two Credit Cards. One is issued to the Stated Clerk, the other is issued to the Director of Presbytery Ministries. Use of the card is for Presbytery Expenses only. Receipts must be submitted monthly to support all expenses. Undocumented expenses (no receipts) may be the responsibility of the employee cardholder. Late fees associated with late payment due to undocumented expenses may be the responsibility of the employee cardholder. Some expenses of

the Presbytery may be charged by the Administrative Assistant using the Stated Clerk's card/card number with the permission of the Stated Clerk.

No transaction authorization may be authorized by and no check may be signed by the person receiving funds as a result of that authorization or check.

No Presbytery officer or official may authorize payment or sign a check made payable to that officer or official's church or any related entity, or contractor/vendor.

Checks cannot be prepared prior to completion of the authorization process.

Employees Expense Reimbursement - Employees may receive expense reimbursements using the standard Disbursement/Payment Voucher form. See **Appendix VI** for detail.

Payroll transactions will be prepared by the Outsourced Bookkeeper and processed by ADP who is also responsible for paying payroll taxes and preparing W-2 forms. W-4, I-9, ADP's direct deposit forms, and a voided check will be collected as often as necessary by the Outsourced Bookkeeper with the resulting information passed on to the payroll company. The semi-monthly payroll must be approved by the VAB Personnel liaison. See **Appendix VII** for detail.

#### **PROCEDURE FOR LOAN OR GRANT PAYMENTS**

Checks drawn under a capital loan or grant to a church must be made payable to the contractor/vendor upon presentation of that contractor/vendor's invoice(s), as approved by an official of the church. Checks may be made payable to the church where an invoice from the contractor/vendor marked PAID is provided. Invoices must be the official invoice of that contractor/vendor. Payment may not be requested by email or form other than the official invoice.

#### **PROCEDURE FOR PROCESSING TRANSFERS BETWEEN ACCOUNTS**

All transfers between the main bank account and any auxiliary accounts must be documented with transaction receipts in the appropriate deposit or disbursement files. Since an investment account may consist of several funds, transfers may be made directly among those funds. These transfers will be documented with transaction receipts in the files for those accounts.

#### **REVIEW AND REPORTING OF TRANSACTIONS**

The Outsourced Bookkeeper generates the following financial reports, within QuickBooks, for the Finance Committee to review after each monthly close:

- Executive Summary
- Mortgage and Loans Receivable Status Report
- Statement of Financial Position
- Budget vs. Actuals
- Statement of Investment Activity
- Church Giving by Type
- Presbytery-Owned Properties Income/Expenses

The FMC subsequently provides the Outsourced Bookkeeper with a listing of any questions or open items. The Outsourced Bookkeeper responds to all inquiries within 2 business days.

The Outsourced Bookkeeper maintains an electronic copy of the following within the appropriate monthly bookkeeping folder of the following information:

- Monthly reporting package as described above.
- Narrative giving the highlights of revenues, expenses, church contributions to their per capita assessments, and church donations to mission programs
- Year-to-date statement of the sources and uses of Presbytery designated funds
- Year-to-date status of all reserve accounts.
- All relevant written correspondence.

The FMC maintains a paper copy and an electronic PDF of the Monthly Package provided by the Outsourced Bookkeeper and complies with Presbytery of Newark backup and recovery policies, which as of January 2019 are under construction.

### **RESERVE ACCOUNTS**

On occasion, it will be appropriate or necessary for the BOT to create reserve accounts for expenses to be incurred at some future date. Such accounts, when created, must be designated for a specific purpose and may be limited by an expiration date. Accounts must be created by action of the BOT. Once approved, the Treasurer informs the Outsourced Bookkeeper to create such a reserve.

When the specific purpose of a reserve account is no longer relevant, the reserve must be returned to the source of funds from which it was created. When the expiration date for a reserve account has passed, the funds must be returned to the source of funds from which it was created unless authorized for a new expiration date.

In cases in which expenses are covered by both a reserve account and a line item in the budget, the reserve account should be used before unreserved funds are charged against the budget item.

### **REVIEW OF ACCOUNT BALANCES AND QUALITY CONTROL**

**Bank Reconciliations:** Bank reconciliations on all accounts are performed within 10 business days after bank statements are received by the Outsourced Bookkeeper. The Outsourced Bookkeeper views the bank statements online.

The Outsourced Bookkeeper then compares the receipts and disbursements within QuickBooks to those recorded within the bank statements and marks QuickBooks accordingly. The Outsourced Bookkeeper investigates any unresolved items and makes any necessary journal entries. Each journal entry must have a detailed explanation. Upon completion, the Outsourced Bookkeeper finishes the bank reconciliation and keeps a copy within the appropriate bookkeeping file. The FMC may perform random, unannounced reviews of the bank statements at least 2 times per year.

**Review of Accounts:** The Outsourced Bookkeeper formally closes the books at the end of each month. To assist with the month-end close process, the Outsourced Bookkeeper reviews all reports to ensure the following accounts are correctly classified:

- All **asset accounts** are in debit or zero balance
- All **liability accounts** are in credit or zero balance
- All **revenue accounts** are in credit balance



- All **expense accounts** are in debit balance
- All **individual transactions** are briefly reviewed for data entry errors and major discrepancies versus budget

Any and all discrepancies are reviewed and fixed.

### **CHART OF ACCOUNTS**

The organization has a detailed chart of accounts, including numerous classes and sub-classes. All transactions entered within QuickBooks are booked to both a line item within the chart of accounts and the corresponding class and/or sub-class. The classes may be structured to appropriately capture all administrative and programmatic expenses.

The Outsourced Bookkeeper updates the chart of accounts at the beginning of every fiscal year, or on an as needed basis, after receiving written approval from the FMC. All changes are pre-approved, in writing, by the FMC. Any changes that necessitate a restatement of prior year data are also pre-approved, in writing, by the FMC.

Copies of minutes/actions of the FMC are sent to the Outsourced Bookkeeper, if appropriate. Copies of all written correspondence are kept within the bookkeeping folder. A detailed listing of the organization's current chart of accounts is available.

### **BUDGET**

The FMC creates an organizational budget on an annual basis. The budget process begins in July of the prior year and is finalized by mid-December. The FMC is responsible for managing the budget process, using an Excel budget template to create the draft budget and utilizing the prior year's actual figures as the starting point.

Input from the VAB, DPM, Stated Clerk, and Administrative Assistant, is required to complete the draft budget. The Stated Clerk provides updated list of churches and the number of members in each congregation for the determination of Per Capita for the new budget year. The FMC makes a Per Capita recommendation to the VAB in October. (See Section 14 for information on Per Capita.) Compensation and Benefits budget is provided by the HR liaison.

The FMC prepares the proposed budget for review by the VAB. The Vision Accountability Board must approve the proposed budget before it is deemed final. The budget is reviewed and received by the Presbytery. Once finalized, the FMC emails a copy to the Outsourced Bookkeeper who uploads the budget into QuickBooks.

The FMC and Outsourced Bookkeeper review the budget in mid-March of the new fiscal year, once prior year information is finalized. The FMC reviews any necessary budget updates. Once finalized, the FMC emails the Outsourced Bookkeeper any budget updates that were approved. The Outsourced Bookkeeper enters the budget changes into QuickBooks.

### **PROPERTY AND EQUIPMENT**

Capital equipment is equipment that is both durable (economic useful life greater than five years); and has a cost which equals or exceeds \$5,000. New acquisitions of equipment are capitalized

when the unit value is equal to or exceeds the capitalization threshold and the economic useful life is more than one year. A modification or addition to capital equipment that increases the life or capabilities of an existing item of equipment are capitalized in cases where the cost and useful life of the enhancement equals or exceeds the capitalization standards.

Expensed equipment is equipment that is not durable (economic useful life of five years or less) or has a cost below \$5,000. The valuation of equipment, whether purchased or fabricated, is based on unit cost. Only assets with a unit cost of \$5,000 or more and having a useful life of more than five years are capitalized. A group of assets that in total cost \$5,000 or more (e.g., 20 chairs costing \$250 each) are not capitalized. Parts and labor used to repair or maintain existing equipment should be expensed.

The Outsourced Bookkeeper maintains a detailed schedule of the organization's property and equipment. This schedule is updated on a monthly basis. Depreciation for all furniture, fixtures and equipment is calculated using the straight line method. Furniture and fixtures have a depreciable life of 7 years, whereas all other items have a depreciable life of 5 years. The Outsourced Bookkeeper records the depreciation expense and subsequent asset write-off within QuickBooks on a monthly basis.

The schedule of Property and Equipment is also updated on an as-needed basis to reflect the purchase or sale of any relevant assets. All purchased assets are booked at cost. All asset sales are booked at the appropriate sales price. The Outsourced Bookkeeper maintains records of all corresponding documentation within the appropriate bookkeeping folder.

### **PURCHASING**

All purchases over \$500.00 but less than \$2,500 must be approved by the DPM or the SC. Prior to any purchase over \$500.00 but less than \$2,500, a purchasing request must be submitted to the DPM or the SC via email with the following information: Vendor contact information; Description of the purchase and purchase cost; what line item will be charged for the purchase. The Administrative Assistant shall perform comparative pricing online for all items less than \$2,500.

The Administrative Assistant submits, in writing, all purchase requests greater than \$2,500 to the FMC within 5 business days of receipt of all bids. The Administrative Assistant must seek three written bids, for all items over \$2,500. The bids must include the following information:

- Vendor contact information
- Purchase description
- Purchase amount
- Date and time bid was provided

The Administrative Assistant makes the purchase, if appropriate, within 5 business days of receipt of FMC approval. The Administrative Assistant provides the requesting party with the purchasing status. The Administrative Assistant keeps a copy of relevant information regarding this purchase.

### **LOANS AND GRANTS**

Loans and Grants of Presbytery Funds are available for churches of the Presbytery. Application information for grants and loans is available on the Newark Presbytery website.

**Mission Grants** for projects that fit within the Mission and Vision of the Presbytery of Newark are evaluated and issued by the Service and Witness Team. See the Newark Presbytery website for Mission Grant Application.

**Mission Capital Grants** may be given to churches to do renovations or other capital expenditures that support the development or expansion of a new ministry project or program already approved for a Mission Grant by the Service and Witness Team. See **Appendix IX** for Mission Capital Grant Guidelines. See the Newark Presbytery website for the Mission Capital Grant Application.

**Capital Loans** may be given to churches that need to do significant building renovations such as boiler replacement or roof repairs. Loans are only given if churches can demonstrate the ability to repay the loan. The BOT is responsible for reviewing and approving a capital loan. See **Appendix X** for Presbytery of Newark Capital Loan Guidelines and Application Form.

**Emergency Capital Loans** may be given for emergency building repairs that must be accomplished in order for ministry to continue. See DRAFT **Appendix XI** for Wyoming Church Emergency Capital Loan guidelines. *Application forms will be developed by the CAC and will be available on the Newark Presbytery website when completed.*

#### **FUNDS OF THE PRESBYTERY OF NEWARK**

**Unrestricted Net Assets** – Net assets that are not subject to donor imposed restrictions.

**Temporarily Restricted Net Assets** – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the organization and/or the passage of time. When a restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets released from restriction.

- Synod Innovative Advocacy Grant
- Pastor Retooling – NJPPG Grant
- Income - Lusk Memorial Fund
- Income - Susan Poor Fund
- Income - Sarah K. Eldridge Fund
- Income - Edmund Hopper Memorial Fund

**Board Restricted Net Assets** – VAB/BOT Designated funds are set aside for specific purposes and are reflected on the statement of financial position.

**Permanently Restricted Assets** – Net assets subject to donor-imposed stipulations. Income earned on the principal amount may be used for the stated wishes of the donor(s).

- **Lusk Memorial Fund** – Donor restricted – Income from the fund to be used “in the furtherance of the extension of the Kingdom and the preaching of the Gospel for years to come.” Assets managed as a part of the whole investment at Fidelity.
- **Susan H. Poor Fund** – Donor Restricted – Income from the fund to be used to support “work in the city of Newark.” (Language liberalized by the Presbytery) Assets managed as part of the whole investment at Fidelity.

- **Edmund R. Hopper Fund** – Donor restricted – Income to be used for support of students who are studying for Ordination to the Ministry of the Gospel. Managed by the Presbyterian Foundation.
- **Sarah K Eldridge Endowment Fund** – Donor restricted – Income to be applied to the general endowment Fund of the Presbytery of Newark. The Sarah K. Eldridge Fund is managed by the Presbyterian Foundation.

**Wyoming Church Emergency Capital Loan Fund** – The purpose of this fund is to make short-term low interest loans available to member churches for emergency repairs. *Eligibility requirements, rates and terms of loans from this fund are being developed by the CAC together with the MLT and VAB/BOT.*

**Property Management Fund** – Funded from the sale of Presbytery property. This fund is the source of funds for Capital Loans and Grants. *The CAC is developing the specifics for creation and use of this fund together with the MLT and the VAB/BOT. Eligibility requirements, rates and terms of loans and grants from this fund are being developed.*

### **PER CAPITA**

Per Capita apportionment is collected by member congregations of the Presbytery of Newark and is forwarded to the Presbytery where the funds are used to pay for the operation and programs of the Presbytery. In addition, the Presbytery acts as agent for the Synod and General Assembly in collecting and forwarding the Per Capita apportionment to their respective operations. See **Appendix VIII** for the Per Capita/Mission/Special Offering Remittance Form.

The Financial Management Committee reviews the collection of the per capita from churches quarterly and send regular statements to the churches.

The Stated Clerk offers encouragement to those congregations falling behind so that a steady cash flow can be maintained and no church falls seriously behind.

The Presbytery remits any funds received on behalf of the Synod and/or General Assembly to them quarterly.

### **MISSION GIVING**

Mission Giving is the primary means by which our congregations financially partner with the Presbytery to nurture, develop, and empower new and existing ministries and missions. As congregations and individuals contribute to Presbytery Mission, the Service and Witness Team develops and supports mission opportunities in our churches, the communities in which we live and serve, and globally. The Service and Witness Team budget is supported by Mission Giving.

Through Special Offerings (e.g. One Great Hour of Sharing) and Directed Mission Giving (e.g. Disaster Relief) the Presbytery sends funds to the appropriate entity giving credit to the church which contributed. If a church gives undesignated mission dollars to the Presbytery, these funds are distributed 10% to General Assembly and 10% to Synod. Every dollar of what remains goes to Presbytery Mission. See **Appendix VIII** for the Per Capita/Mission/Special Offering Remittance Form.

## **APPENDIX I: FINANCIAL CONFLICT OF INTEREST POLICY**

**Purpose:** The Presbytery maintains a comprehensive policy of avoiding conflicts of interest in all financial matters of the Presbytery and its member churches. This policy is applicable to members of the VAB, BOT, MLT or member of any committee or appointed commission.

### **Requirements:**

**Duty to Disclose** - In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the committee.

**Recusal of Self** - Any committee/commission/Board member shall recuse himself or herself at any time from involvement in any decision or discussion in which the person believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

**Determining Whether a Conflict of Interest Exists** - After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the meeting of the committee/commission/Board while the determination of a conflict of interest is discussed and voted upon. The remaining committee/commission/Board members shall decide if a conflict of interest exists.

### **Procedure for Addressing the Conflict of Interest:**

An interested person may make a presentation at the meeting of the committee, commission, or Board, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The Moderator shall, if appropriate, appoint a disinterested person or committee/Board to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, members shall determine whether the Presbytery of Newark can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the committee/Board members shall determine by a majority vote of the disinterested committee members whether the transaction or arrangement is in the Presbytery's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

### **Violations of the Conflict of Interest Policy:**

If the committee/commission/Board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the committee/commission/Board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **APPENDIX II: BANK AND INVESTMENT ACCOUNTS**

### TD Bank (Checking)

### Presbyterian Foundation

Sarah K Eldridge Fund

Edmund Hopper Memorial Fund

### Fidelity Investments

Advisory Portfolio

Corporate Fund

Property Management Fund

### PCUSA Investment and Loan Fund

### New Covenant Fund

Wyoming Church Emergency Loan Fund

### Bank of America

Corporate Credit Cards

### **APPENDIX III: PROCEDURE FOR PROCESSING EXPENSES**

All mail is sorted and date stamped by the Administrative Assistant on a daily basis. The Administrative Assistant prepares a Disbursement/Payment Voucher and attaches the invoice to it. See **Appendix IV** for Disbursement/Payment Voucher form.

The Administrative Assistant provides Disbursement/Payment Voucher and invoice to a member of the FMC for approval and to confirm the appropriate expense line, and class. The Administrative Assistant scans and uploads approved disbursement/payment vouchers and invoices to the Outsourced Bookkeeper's Citrix share drive on a regular or weekly basis. Or, the Administrative Assistant scans and uploads disbursement/payment vouchers and invoices that have not been approved, to the Outsourced Bookkeeper where they are filed in a "NEW ITEMS" folder. A member of the FMC is notified of ShareFile activity and reviews new items. If approved, the new items are moved into an "APPROVED FOR PAYMENT" folder.

The Outsourced Bookkeeper enters all approved voucher into QuickBooks. Payments are then made in one of four ways:

- Payments are made through QuickBooks. The Outsourced Bookkeeper logs on to the Presbytery bank account (currently TD Bank) and sets the bills to be paid through online bill pay. This requires approval from a member of the FMC, who is notified of pending payments and then logs in and approves the payments. The checks are then sent out directly from TD Bank bill pay. A copy of the transaction log is sent by the Outsourced Bookkeeper to the Presbytery Administrative Assistant for filing with the original invoices.
- Payments are through QuickBooks and checks are readied to be printed remotely at the Presbytery office. (A supply of QuickBooks checks is kept in locked cabinet at the Presbytery Office.) The Outsourced Bookkeeper notifies the Administrative Assistant that checks are ready to print, and they are then printed and mailed from the Presbytery office.
- Checks may be printed by the Outsourced Bookkeeper and mailed to a member of the FMC for signature and mailing to the vendor. (A supply of QuickBooks checks is kept in a locked cabinet at the Outsourced Bookkeeper's office.)
- The Outsourced Bookkeeper pays the Credit Card bill online and the Staples bills by phone. An ACH (Automated Clearing House for electronic payments) withdrawal from the operating account is created. The Administrative Assistant receives a record of these payments.

When printing checks at the Presbytery Office, the Administrative Assistant communicates any voided checks to the Outsourced Bookkeeper as necessary. The Administrative Assistant marks all invoices as "paid" and files appropriately.

**APPENDIX IV: DISBURSEMENT/PAYMENT VOUCHER**

Date: \_\_\_\_\_

Payee:

\_\_\_\_\_

Address:

\_\_\_\_\_

Account Title	Account Number	Designated Fund	Amount

Payment By:     Bank Bill Pay     QuickBooks Check

Invoice(s) Attached:     Yes                       No (If no, an explanation and copy of transmittal letter must be attached.)

Explanation:

Prepared by:

Signature:

Date:

\_\_\_\_\_

\_\_\_\_\_

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Approved by:

Signature:

Date:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



**APPENDIX V: TRANSACTION AUTHORIZATION FORM**

**(Pre-Authorized Routine Disbursements)**

The Vendors below are approved by the FMC annually. The authorization permits the Presbytery's outsourced bookkeeper to pay the vendor each month or as bills are received without individual approval by FMC. Upload invoice only, no voucher is necessary.

If the bill is for a separate service other than normally billed, e.g special project, replacement of equipment, or the amount is greater than \$2,500, the bill must follow normal bill payment processes with voucher prepared and approval by FMC.

**Payee:**

- AT&T
- DeLage Landen (copier lease)
- Interstate Waste
- Nicosia Landscaping
- Paramount Exterminators
- PSE&G
- Ready Refresh (water cooler)
- Shred It
- Stratus Building Solutions (cleaning)
- Township of Bloomfield Water
- Township of Bloomfield Sewer
- Township of Bloomfield – Fire (annual)
- United Business Systems (copier service and usage)
- Verizon
- Worship Times

Prepared by: \_\_\_\_\_  
Name/Signature Date

Treasurer Approval: \_\_\_\_\_  
Name/Signature Date

Other Account Signatory Approval: \_\_\_\_\_  
Name/Signature Date

## APPENDIX VI: EXPENSE REIMBURSEMENT

**Corporate Credit Card:** The Presbytery has two corporate credit cards which must be paid on a monthly basis. One card is held by the Director of Presbytery Ministries and the other by the Stated Clerk. The card holder must keep copies of all credit card receipts.

Receipts and appropriate account coding are given to Administrative Assistant at the end of each billing cycle. The Administrative Assistant attaches these to the bill. The Administrative Assistant reconciles the credit card statement against the credit card receipts. The Administrative Assistant prepares a payment request form and attaches the credit card bill. Upon approval, the Administrative Assistant scans approved payment request form and credit card statement to the Outsourced Bookkeeper for payment processing.

The Outsourced Bookkeeper processes an online payment via the credit card company's website. The Outsourced Bookkeeper communicates the payment date and amount to FMC. The Outsourced Bookkeeper enters each individual transaction within the credit card statement into QuickBooks.

**Other Expense Reimbursements:** Employees, Committee Members and other authorized Presbyters may receive expense reimbursements. The following information must be provided using a Disbursement Payment Voucher outlining each reimbursable expense.

- Date of expense
- Summary of expense
- Amount of expense
- Class/sub-class within chart of accounts

Employees must submit the above form, along with all receipts, to the Administrative Assistant within 5 business days after the end of each month. Non-employees should submit it within 30 days. The Administrative Assistant reviews all requests for reimbursements within 5 business days of receipt. The Administrative Assistant follows-up as necessary regarding missing information. The Requester must provide copies of all receipts to be reimbursed. The Administrative Assistant provides a copy of the payment request forms to the FMC for approval.

Upon approval, the Administrative Assistant scans and uploads to the share file a copy of the payment request form to the Outsourced Bookkeeper for payment processing. The Outsourced Bookkeeper processes and enters each individual transaction within the payment request form into QuickBooks. The Administrative Assistant marks the payment request forms as "paid". The Administrative Assistant and Outsourced Bookkeeper keep all paid, coded and approved payment request forms within the appropriate folder.

## **APPENDIX VII: PAYROLL**

The Presbytery of Newark outsources its payroll function to ADP Payroll Services. All employees of the Presbytery of Newark receive semi-monthly paychecks on the 15<sup>th</sup> and 30<sup>th</sup> of each month. All new employees are required to complete W-4, I-9, ADP's direct deposit forms, and supply a voided check.

Hourly employees (if any) submit their hours monthly for the end of the pay period to the HR Liaison of the VAB. The hours and any other changes to the payroll are submitted to the Outsourced Bookkeeper.

The Outsourced Bookkeeper enters the payroll and submits the Payroll Preview report to the HR Liaison for approval. A summary of the total payroll expenses is sent to the Treasurer. The Outsourced Bookkeeper books all entries to the appropriate QuickBooks accounts, ensures sufficient funds are available for the payroll withdrawals. If additional funds are required, the Outsourced Bookkeeper notifies the Treasurer.

Once approval is received, the Outsourced Bookkeeper finalizes the payroll online with ADP and then emails copies of the Payroll Liability Report and the Payroll Detail Report to the HR Liaison. The HR Liaison and Outsourced Bookkeeper maintain copies of all payroll reports, employee time allocation sheets and other relevant information within the appropriate folder.

**APPENDIX VIII: PER CAPITA/MISSION/SPECIAL OFFERING REMITTANCE FORM**



**NEWARK PRESBYTERY**

192 Broad Street  
Bloomfield, NJ 07003  
973-429-2500

Email: [Finance@newarkpresbytery.org](mailto:Finance@newarkpresbytery.org)

**Per Capita/Mission/Special Offerings Remittance Form**      Date: \_\_\_\_\_

Church \_\_\_\_\_ PIN # \_\_\_\_\_

Address \_\_\_\_\_ Telephone \_\_\_\_\_

\_\_\_\_\_ Email \_\_\_\_\_

Contact \_\_\_\_\_ Email \_\_\_\_\_

**Enclosed is our contribution to be allocated as follows: (PCUSA Giving Codes in parentheses)**

**Per Capita** (Specify year if not current year.)      \$ \_\_\_\_\_

**Mission** (80% Presbytery, 10% Synod, 10% General Assembly)      \$ \_\_\_\_\_

**Special Offerings:**

One Great Hour of Sharing (OG999999)      \$ \_\_\_\_\_

Pentecost Offering (PC999999)      \$ \_\_\_\_\_

Peace and Global Witness Offering (PG999999)      \$ \_\_\_\_\_

Christmas Joy Offering (CJ999999)      \$ \_\_\_\_\_

**Directed Mission Giving:**

Theological Education (TE999999)      \$ \_\_\_\_\_

Disaster Relief (Specify Project Name and/or Number)      \$ \_\_\_\_\_

\_\_\_\_\_

Other (Specify)      \$ \_\_\_\_\_

\_\_\_\_\_

**TOTAL AMOUNT OF CHECK**      \$ \_\_\_\_\_

PLEASE MAKE YOUR CHECK PAYABLE TO NEWARK PRESBYTERY. MAIL THIS FORM AND YOUR CHECK TO:

Newark Presbytery  
192 Broad Street, Bloomfield, NJ 07003  
THANK YOU

## **APPENDIX IX: CAPITAL GRANT GUIDELINES**

**Eligibility:** Churches in the Presbytery of Newark may be eligible for a capital grant from the Presbytery of Newark if they have already been approved for and received a Mission Grant from the Service and Witness Team of the Presbytery and if certain capital improvements to the building are deemed necessary to support the mission or new ministry.

The VAB (BOT) recognizes that a detailed application for the Mission Grant has been submitted to the Service and Witness Team and approved by that body, therefore, to apply for a Capital Grant, a copy of the approved Mission Grant Application is required, together with detailed quotes for the building renovations from three contractors.

Application is submitted first to the MLT, then to the CAC for recommendation to the VAB/BOT. Application forms can be found on the Newark Presbytery website.

**Grant Amount:** Grants are available up to \$5,000.

## **APPENDIX X: CAPITAL LOAN GUIDELINES**

**Eligibility:** Churches in the Presbytery of Newark may be eligible for a loan from the Presbytery of Newark if they meet the following requirements:

- The loan is for a capital project for building repair or renovation; not mission or operating expenses.
- The church will provide demonstrable assurance of repayment. Copies of the last three years of financial reports are required.

**Types of Loans:** All loans shall be considered as General Loans secured by a promissory note. The maximum Presbytery loan to congregations shall be \$40,000. The maximum term of the Loan shall be 7 years.

**Interest Rates and Repayment:** The actual rate of interest for an approved loan will be 2% below the prime rate of interest, at the time of the approval of the loan by the BOT, for up to 7 years. There shall be no penalty for prepayment of principal. In no case shall the interest rate be below 2%.

If the capital project requires a loan greater than \$40,000, the church should first apply to the Presbyterian Investment and Loan Program (PILP). PILP provides low-cost loans to churches in a partnership between the church, the Presbytery, and the PILP. Visit the PILP website: <http://pilp.pcusa.org/>. There you will find information about their types of loans including their special incentive loans. Special Incentive Loans include The Accessibility Loan (to help churches make their facilities more accessible and inclusive) and the Restoring Creation Loan (to help make churches more energy efficient).

Loan Applications are available on the Presbytery of Newark website. Completed applications should be sent to the Capital Assts Committee, 192 Broad Street, Bloomfield, NJ 07003, or submitted online via the website. The application will be reviewed by the CAC and forwarded to the MLT for their review and input based on knowledge of the church and its ministry and mission, as well as their evaluation on how the project for which the loan has been requested meets the [7 Marks of Vital Congregations](#) and the [vision of the Presbytery](#). Upon satisfactory review by the CAC and MLT, loan applications will be sent to the BOT for final consideration and approval.

Checks drawn under a capital loan to a church must be made payable to the contractor/vendor upon presentation of that contractor/vendor's invoice(s), as approved by an official of the church. Checks may be made payable to the church where an invoice from the contractor/vendor marked PAID is provided. Invoices must be the official invoice of that contractor/vendor. Payment may not be requested by email or form other than the official invoice.

**Exceptions:** Exceptions to the guidelines may be authorized by Presbytery upon recommendation from the VAB/Board of Trustees in conjunction with the MLT and CAC.

**PRESBYTERY OF NEWARK CAPITAL LOAN APPLICATION FORM**

COMPLETE AND SEND TO:

Capital Assets Committee, Presbytery of Newark, 192 Broad Street, Bloomfield, NJ 07003

1) Name of your Church \_\_\_\_\_

2) Address \_\_\_\_\_

3) Contact person representing your church in this matter:

\_\_\_\_\_ Phone # \_\_\_\_\_

4) Amount of loan requested: \_\_\_\_\_ Terms \_\_\_\_\_ mos./yrs.

(max. \$40,000)

(max. 7 years)

5) Purpose for which the loan is requested. (Please be specific and see the guidelines to make certain that your request qualifies.)

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a. How does this loan request meet one or more of the 7 Marks of Congregational Vitality? (Please attach additional sheet if necessary to answer this question.)

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b. How does this project meet the vision and goals of the Presbytery of Newark? (Please attach additional sheet if necessary to answer this question.)

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6) Plans for repayment of this loan by the congregation. Describe how the money will be raised or any other way in which the loan can be repaid. (Please attach additional sheet if necessary to answer this question.)

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7) List present Capital indebtedness:

Lenders \_\_\_\_\_

Principle Balance \_\_\_\_\_ Monthly Payment \_\_\_\_\_ Final Payment Date \_\_\_\_\_

Total Cost of the Project \_\_\_\_\_

Funds now on hand \_\_\_\_\_

Funds to be raised before the project is completed \_\_\_\_\_

Loans from other sources \_\_\_\_\_

Loan from Presbytery requested \_\_\_\_\_

Total funds available \_\_\_\_\_

(Should equal cost of the project)

Name & Address of Church's Attorney \_\_\_\_\_

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- Please enclose:
- \* Letter from Clerk of Session re: Congregational Approval
  - \* Current Year's Budget
  - \* Most recent audited Treasurer's Report
  - \* Last three years of financial reports
  - \* Three Competitive Bids if over \$5,000
  - \* Resolution of the Corporation to enter this indebtedness.



## **APPENDIX XI: WYOMING CHURCH EMERGENCY CAPITAL LOAN GUIDELINES (DRAFT)**

**Purpose:** To provide emergency capital funds for churches within the Presbytery of Newark for the purpose of repairing property that needs immediate attention. This could include boiler, furnace, plumbing, roof or other area that must be repaired in order for ministry to continue. Church Session contacts the Moderator of the Presbytery Property Management and Support Team of the MLT.

**Eligibility:** All churches in the Presbytery of Newark are eligible if they meet the following requirements:

- The repair is immediate and ministry cannot continue without repair taking place.
- The congregation demonstrates that they are able to repay the loan.
- If time allows, all required forms and requested information are made available to the MLT Property Management and Support Team for approval by the BOT.
- Copy of the most recent financial report.
- Three bids from reputable contractors.

**Types of Loans:** All emergency capital loans shall be considered as General Loans secured by either a promissory note or a mortgage. The maximum Presbytery emergency loan to congregations shall be \$10,000.

**Interest Rates and Repayment:** After completion of the emergency repairs, the CAC will create the loan repayment schedule with terms as follows:

- The actual rate of interest for an approved loan will be 2% below the prime rate of interest, at the time of the loan, for up to 5 years and 1% below the prime rate after 5 years.
- Deferment of interest and principal payments (silent periods) on projects that do not have the immediate ability to repay shall be available.
- The maximum term of the loan shall be 7 years unless specifically approve for a longer term because of extenuating circumstances.
- There shall be no penalty for prepayment of principal.

*Application forms will be developed by the CAC and will be available on the Newark Presbytery website when completed.*