

LLC Trust – Finance Policy

The financial responsibility of the church is to be a wise steward of the resources God has entrusted to us. The church finances should be handled with the highest level of trust and integrity as possible. Ultimately, the church is responsible to God for the stewardship of its funds.

1. DELEGATED AUTHORITIES

The Delegated Authorities Policy stipulates the roles and responsibilities for the purchasing and payment process.

2. ANNUAL BUDGET

A budget must be prepared on an annual basis. This must be approved by the Oversight Committee and the Trustees. Subsequent adjustments to the budget are to be approved by the Trustees.

3. INSURANCE

Insurance is to be maintained for church property. All insurance placements or renewals require majority Trustee approval.

4. DISBURSEMENT OF FUNDS

The Treasurer and other designated individuals shall be responsible for the disbursement of church funds according to the budget and Delegated Authorities policy. Approval from two signatories is required for the disbursement of funds.

Funds shall not be disbursed without an adequate receipt of invoice being provided.

5. REIMBURSEMENT POLICY

Refer Delegated Authorities Policy.

6. COLLECTION OF FUNDS

Each church will have an appropriate locked container for the receipt of tithes and donations. Envelopes will be provided to assist in recording the givers details.

The tithes and donations should be counted by two authorised individuals. A record of the cash should be kept, signed by each of the counters. This cash should then be provided to the relevant person for banking.

On a periodic basis, the Treasurer shall review the deposits against the cash register to ensure the full amount has been banked.

7. DONATIONS

Unrestricted

Members are encouraged to support the ministry of the church through regular gifts and offerings to the general operating budget of the church. The general operating budget is a comprehensive spending plan for the church's ministries.

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Designated

Members can give designated gifts for the ministry of the church. However, the designated fund must be established before the church receives the cash or gift. The process of establishing a fund is as follows:

- Purpose of the fund and how it furthers the mission of the church to be documented;
- Procedure on how the fund will be spent to be documented;
- Determine period for which the fund should be open, and how to disperse any remaining money afterwards;
- Fund approved by the Treasurer and Senior Pastor.

It should be made clear whether the fund will be in addition to current missions' expenditure, or whether this will, in effect, fund the current missions' expenditure.

Any funds to be distributed overseas, or for an overseas purpose, must be considered first by the Trustees. (Note the IRD website states "A New Zealand charity with mainly overseas purposes must be specifically named in tax legislation before its New Zealand donors can qualify for tax benefits on donations".)

If the designated gift is a gift of property, the church will try to honour the intention of the donor. However the church reserves the authority to use or dispose of the property in a manner that best fosters the church's ministry.

8. FINANCIAL RECORDS & REPORTS

The Treasurer will be responsible for maintaining adequate financial records. Any request to see the financial records of the church must be approved by the Trustees prior to release.

Bank reconciliations shall be completed on a monthly basis. This may be completed utilising appropriate functionality within the accounting software package.

The Treasurer must report the month's financial performance, including a comparison to budget, to the Trustees.

An annual report must be prepared and reviewed by an independent, qualified person. The annual report must be made available to members of the church.

9. TAX RETURNS

All tax returns, including GST and PAYE, shall be approved by the Treasurer prior to filing and payment.

Records of tithes and donations should be kept by giver, and a receipt provided at the end of the year to enable a tax credit to be obtained. Receipts should be signed by the Treasurer or delegate. Information regarding tithes and donations by giver should be kept confidential.

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10. INVESTMENT POLICY

Readily accessible funds should be maintained at a level of no less than two months forecast expenditure. Surplus funds should be invested in order to attract a reasonable return to the Church.

All investment decisions require approval of the Treasurer and one other Trustee.