



# **FINANCIAL PROCEDURES MANUAL**

Approved by the Vestry April 27, 2020

THE EPISCOPAL CHURCH OF THE EPIPHANY  
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Atlanta, GA 30307

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## INTRODUCTION

The canons of the church give exclusive authority over the fiscal affairs of the Parish to the Vestry. Additionally, as the elected governing board of a non-profit organization incorporated in the State of Georgia, the Vestry is liable, both legally and ethically, for the proper financial management of the Parish. It is therefore the intention of the Vestry that the finances of the Episcopal Church of the Epiphany be managed in accordance with principles of good Christian stewardship, standard business procedures for a non-profit organization, the canons and policies of the Episcopal Church and the Diocese of Atlanta, the Episcopal Church *Manual of Business Methods in Church Affairs*, the bylaws of the Episcopal Church of the Epiphany, and this Parish Financial Policy.

The purpose of this Financial Procedures Manual is to provide written procedures and instructions to ensure that financial and accounting transactions are treated consistently, recorded on a timely basis, and recorded in accordance with proper accounting principles.

This policy was adopted by the Vestry on April 27, 2020. Changes to the policy must be approved by the Rector and a two-thirds majority of the Vestry. In any instance where this policy seems to conflict with other policies, the Rector and the Wardens will resolve the immediate issue by consensus and initiate policy amendments to achieve long-term resolution.

## FINANCIAL ROLES AND RESPONSIBILITIES

### FINANCE COMMITTEE

The Vestry shall designate a Finance Committee, which shall consist of (a) at least one Vestry member who serves as liaison to the Vestry, (b) the Treasurer, (c) at least one member of the Parish who is not a Vestry member, and (d) the Bookkeeper. The Rector shall appoint the Chair of the Finance Committee, who shall be a person other than the Treasurer.

The duties of the Finance Committee shall be as follows:

1. Prepare the annual budget of the Parish and oversee lay ministry budgets and expenditures;
2. Oversee cash control and review monthly expenditures;
3. Review and recommend to the Vestry, by majority vote, all nonrecurring financial matters of the Parish, such as investments, portfolio management, real and personal property agreements, and insurance matters;
4. Review the monthly financial statements of the Parish;
5. Prepare the annual financial statement of the Parish and the financial portion of the annual parochial report to the Diocese;
6. Ensure adequate insurance coverage is maintained on all Parish buildings and their contents;
7. Ensure that an annual audit of church finances is conducted consistent with Audit Guidelines for Congregations in the *Manual of Business Methods in Church Affairs*. The Finance Committee shall receive and review the auditors' reports, and investigate and resolve any questions, concerns, inconsistencies, or irregularities the auditors identify.
8. Perform other financial duties as assigned by the Vestry.

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The Finance Committee shall act by majority vote of the whole committee. The Finance Committee shall keep regular minutes of its proceedings and shall make regular reports to the Vestry through the Vestry liaison. The minutes shall be passed on to succeeding Finance Committees. The Finance Committee shall meet as needed but at least once during each calendar quarter.

## **TREASURER**

The Vestry shall appoint a Treasurer of the Parish at the annual Vestry retreat. The Treasurer need not be an elected Vestry member and, if not an elected Vestry member, the Treasurer shall be an *ex-officio*, nonvoting Vestry member and shall serve for a term of three years. The Treasurer may serve consecutive terms at the recommendation of the Rector with the approval of the Vestry.

The duties of the Treasurer shall be as follows:

1. Serve as the financial officer of the Parish;
2. Have charge and custody of and be responsible for all funds of the Parish and all securities owned by the Parish;
3. Oversee disbursement of the Parish funds as the Vestry may order, taking proper vouchers for such disbursements;
4. Render to the Vestry at its regular meeting, or when the Vestry so requires, an account of all of his or her transactions as Treasurer and of the financial condition of the Parish;
5. With the approval of the Vestry, the Treasurer may delegate performance of some or all of the foregoing duties to the Bookkeeper and/or one or more other clerical employees of the Parish.

## **BOOKKEEPER**

The Rector shall hire or appoint a Bookkeeper, on a part-time or full-time basis, on such terms as the Vestry determines appropriate.

The duties of the Bookkeeper include but are not limited to:

1. Maintaining books of account for Parish income, expenses, and assets;
2. Handling banking matters, including reconciling Parish bank account statements;
3. Preparing drafts of monthly operating statements;
4. Preparing a draft of the annual financial statement;
5. Preparing checks for signature for appropriate signatories with respect to Parish payables and maintaining appropriate documentation concerning same;
6. Preparing and maintaining pledge reports and statements;
7. Coordinating and assisting with the annual audit of the Parish's financial records;
8. Assisting with preparing the annual budget for the Parish;
9. Processing the Parish payroll;
10. Filing reports as required with the Internal Revenue Service (IRS) and other entities to whom the Parish is required to submit forms, reports, or documents;
11. Performing such other day-to-day financial tasks as the Vestry may require.

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## **ACCOUNTING PROCEDURES**

### **FUND DESCRIPTIONS**

The financial books of The Church of the Epiphany are maintained on the modified cash basis of accounting, which provides for recognizing revenue when it is received and expenses when they are paid. The accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources are classified for internal accounting and reporting into funds according to their purposes. Each fund is a separate accounting entity with a self-balancing set of accounts.

Presently, the finances of Epiphany comprise the following funds:

#### **OPERATING FUND**

The Operating Fund represents the regular, unrestricted, annual budget activity.

#### **DESIGNATED & TEMPORARILY RESTRICTED FUNDS**

Designated funds are monies set aside from the general fund for a specific purpose. For example, the Vestry could decide to set aside a certain percentage of the general fund for property improvements; these funds become designated funds. Restricted funds are monies given, collected, or donated for a specific purpose and must be used for the purpose in which they were given or raised. Restricted funds may not be reallocated except with the written permission of the donor, by court order, or with the permission of the state Attorney General.

On occasion, designated funds are no longer needed for the purpose for which they were designated by the Parish. The Vestry may reallocate the funds to the new purpose upon determining that the purpose for which the funds were designated has ceased to be an appropriate Parish purpose, no longer represents a need of the Parish, or is incapable of being fulfilled, that an urgent need of the Parish requires reallocation of the funds, or that other important reasons exist for reallocating the funds. The Vestry must document the reasons for the reallocation in the Vestry minutes.

#### **CAPITAL CAMPAIGN FUND**

The Capital Campaign Fund is the result of a targeted fundraising effort that takes place over a specified period and raises a significant amount of money for large projects or purchases.

#### **ENDOWMENT FUND**

The Endowment Fund may generally be described as assets (usually cash accounts that are invested in equities or bonds, or other investment vehicles) set aside so that the original assets grow over time because of income earned from interest on the underlying invested funds. Further details of this Fund are contained in the Endowment Fund Policies of the Episcopal the Church of the Epiphany.

#### **CATHERINE HARVEY FUND**

The Catherine D. Harvey Legacy Fund was established to provide direct support to assist with meeting the basic needs of individuals and families and to expand their opportunities to reach their full potential for self-sufficiency. Income from this Fund shall be administered by Episcopal Church Women (ECW) of The Episcopal Church of the Epiphany, Diocese of Atlanta. Guidelines of this fund and the grant application are attached in the appendix.

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## **CLERGY DISCRETIONARY FUND**

These funds are temporarily restricted funds, supported through a line item on the Operating Budget and supplemented by direct gifts from parishioners. These funds are traditionally used to relieve the poor of the Parish church and the larger Parish community and shall be disbursed at the discretion of the clergy in accordance with all guidelines contained in the *Manual of Business Methods in Church Affairs*. In addition, these funds may also be used for expenses related to the exercise of ministry not otherwise provided in the church budget. However, these funds may not be used to sustain the ongoing operations of the church or to pay for anything that personally benefits the authorized clergy. These funds are subject to the Diocesan full disclosure policy and the annual Parish audit except for the names of the individuals helped. All gifts to these funds from any source must be deposited and recorded in the General Fund and transferred by the Bookkeeper to the appropriate Clergy Discretionary Fund account. Gifts to these funds shall be fully accountable to the Vestry so that they are tax deductible by donors as charitable contributions. Contributions for the direct benefit (pass through) of a named individual paid through the fund are not tax deductible and therefore will not be reported on giving statements.

## **GIFT ACCEPTANCE POLICY**

### **PURPOSE**

This gift acceptance policy will provide guidelines to representatives of the Church of the Epiphany who may be involved in the acceptance of gifts, to outside advisors who may assist in the gift planning process, and to prospective donors who may wish to make gifts to the Church of the Epiphany. This policy is intended only as a guide and allows for some flexibility on a case-by-case basis. The gift review process outlined here, however, is intended to be followed closely.

All non-pledge gifts valued at \$100 or more are evaluated and approved by the Vestry.

### **CASH**

1. All gifts by check shall be accepted by the Church of the Epiphany regardless of amount.
2. Checks shall be made payable to the Church of the Epiphany. In no event shall a check be made payable to an individual who represents the Church of the Epiphany or the church in any capacity.

### **PUBLICLY TRADED SECURITIES**

1. Readily marketable securities, such as those traded on a stock exchange, can be accepted by the Church of the Epiphany.
2. For gift crediting and accounting purposes, the value of the gift of securities is the average of the high and low prices on the date of the gift.
3. A gift of securities to the Church of the Epiphany will be liquidated immediately.

### **CLOSELY HELD SECURITIES**

1. Non-publicly traded securities may be accepted after consultation with the Vestry.
2. Prior to acceptance, the Vestry will explore methods and timing of liquidation of the securities through redemption or sale. The Vestry will try to determine:

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- a. An estimate of fair market value
  - b. Any restrictions on transfer
  - c. Whether and when an initial public offering might be anticipated
3. No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

### **REAL ESTATE**

1. Any gift of real estate must be reviewed by the Vestry.
2. The donor normally is responsible for obtaining and paying for an appraisal of the property. The appraisal will be performed by an independent, licensed agent.
3. The appraisal must be based upon a personal visitation and internal inspection of the property by the appraiser. Also, whenever possible, it must show documented valuation of comparable properties located in the same area.
4. The formal appraisal should contain photographs of the property, the tax map number, the assessed value, the current asking price, a legal description of the property, the zoning status, and complete information regarding all mortgages, liens, litigation or title disputes.
5. The Church of the Epiphany reserves the right to require an environmental assessment of any potential real estate gift.
6. The property must be transferred to the Church of the Epiphany prior to any formal offer or purchase is made.
7. The donor may be asked to pay for all or a portion of the following:
  - a. Maintenance costs
  - b. Real estate taxes
  - c. Insurance
  - d. Real estate broker's commission and other costs of sale
  - e. Appraisal costs
8. For gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate; however, this value may be reduced by costs of maintenance, insurance, real estate taxes, broker's commission, and other expenses of sale.

### **LIFE INSURANCE**

1. A gift of a life insurance policy must be referred to the Vestry.
2. The Vestry will only accept a life insurance policy as a gift if it is fully funded and the Church of the Epiphany is named as the owner and beneficiary of 100% of the policy.
3. If the gift is a paid-up policy, the value for gift crediting and accounting purposes is the policy's replacement cost.
4. If the policy is partially paid-up, the value for gift crediting and accounting purposes is the policy's cash surrender value. (Note: For IRS purposes, the donor's charitable income tax

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deduction is equal to the interpolated terminal reserve, which is an amount slightly in excess of the cash surrender value.)

### **TANGIBLE PERSONAL PROPERTY**

5. Any gift of tangible personal property shall be referred to the Vestry prior to acceptance.
6. A gift of jewelry, artwork, collections, equipment, and software shall be assessed for its value to the Church of the Epiphany, which may be realized either through sale or through use in connection with the Parish's exempt purpose.
7. Depending upon the anticipated value of the gift, a qualified outside appraiser may be asked to determine its value.
8. The Church of the Epiphany shall adhere to all IRS requirements relating to disposing of gifts of tangible personal property and will provide appropriate forms to the donor and IRS.

### **DEFERRED GIFTS**

1. The Church of the Epiphany encourages deferred gifts in its favor through any of a variety of mechanisms:
  - a. Charitable Gift Annuity (or Deferred Gift Annuity)
  - b. Pooled Income Fund
  - c. Charitable Remainder Trust
  - d. Charitable Lead Trust
  - e. Bequest
  - f. Retained Life Estate
2. The Church of the Epiphany (or its agent) shall not act as an executor (personal representative) for a donor's estate. A member of the Parish staff shall not serve as personal representative for a member of the Parish without approval of the Vestry.
3. The Church of the Epiphany (or its agent) shall not act as trustee of a charitable remainder trust.
4. When appropriate, the Church of the Epiphany may invite prospective donors to consider the gift vehicles offered by The Episcopal Church Foundation (specifically, Charitable Remainder Trusts, Charitable Gift Annuities and the Pooled Income Fund) as well as its investment services.
5. When donors are provided planned gift illustrations or form documents, these will be provided free of charge. For any planned gift related documents, materials, illustrations, letters, or other correspondence, the following disclaimer should be included:

*We strongly urge that you consult with your attorney, financial and/or tax advisor to review and approve this information provided to you without charge or obligation. This information in no way constitutes advice. We will gladly work with your independent advisors to assist in any way.*
6. All information obtained from or about donors/prospects shall be held in the strictest confidence by the Church of the Epiphany, its staff, and volunteers. Neither the name, the amount, nor the conditions of any gift shall be published without the express written or oral approval of the donor and/or beneficiary.



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7. The Church of the Epiphany will seek qualified professional counsel in the exploration and execution of all planned gift agreements. The Parish recognizes the right of fair and just remuneration for professional services.
  8. The Vestry reserves the right to decline any gift that does not further the mission or goals of the Parish. Also, any gifts that would create an administrative burden or cause the Parish to incur excessive expenses may be declined.

## **CASH RECEIPTS PROCEDURES**

### **INSTRUCTIONS FOR DEPOSIT COUNTERS**

All funds on hand are to be deposited in the Operating Account weekly. Two Counters are assigned for each week to prepare the deposit on Monday following each church service. Church collections, mail receipts and other receipts turned into the Parish office are placed into the drop safe located in the Parish office. The Counters will retrieve all funds in the drop safe. Counters will be advised of the combination, which may change from time to time. All funds are combined for one deposit.

Persons responsible for activities where funds are collected (event sales, Wednesday Night Supper, etc.) should place proceeds in an envelope that identifies the activity and the amount of checks and cash included and place the envelope in the drop safe. All checks should be marked with the activity name.

Counters are to prepare a Deposit Report. An Excel document template is saved in the Contribution Spreadsheet folder accessible from the Vestry login on the financial computer. Supplies are in the top two drawers of the left side of the financial desk.

There is a checklist on the Deposit Report and posted above the financial desk. Deposit Counters must follow all the steps on the checklist.

### **IMPORTANT**

Any notes on an envelope or accompanying a check must also be noted on the check. A memo can be added to the check as needed and the notes included with the deposit materials.

Funds submitted in envelopes for activities (event sales, Wednesday Night Supper, etc.) should be counted and verified and total checks and cash noted on the envelope.

All checks must be marked with the activity name.

Cash contributions in envelopes with names must also include the amount of cash enclosed.

### **DEPOSIT REPORT**

Deposit Counters must open the Excel Deposit Report Template and save a copy using the Sunday date for the file name. No entries should be made in the template.

The date and Deposit Counter names should be entered. If one of the assigned persons is not available for the count, every effort should be made to recruit a second person to assist.

Deposit Counters must endorse all checks with the Church endorsement stamp and copy all checks. The copier includes a diagram for how to place checks for copies. Multiple checks should be copied per page but the entire check must show on the copy, including memo fields with contributor notes.

Coins and currency are counted and details entered in the Deposit Report. Totals should be verified by both Counters.

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Check amounts are entered twice in the Deposit Report:

Check List 1—one Counter enters check amounts from the physical checks to be deposited;

Check List 2—second Counter enters check amounts from the check copies.

Deposit Counters must follow this procedure to insure all checks are copied and deposited.

A Check List Difference amount shows at the bottom of Page 1 of the Deposit Report. This must be -0-. If a difference shows, the checks and lists must be reconciled until both Check Lists are equal. The Deposit Report will show a warning “OUT OF BALANCE—Verify Checks” until the two lists are in balance.

When both Counters are satisfied that the deposit amounts are correct and entered properly, print the Deposit Report. Two pages will print out:

Page 1 has the details of cash and checks and is kept at the church for the deposit report. Each Counter should initial the printed Page 1 beside his or her name.

Page 2 lists the check amounts and has a summary of the total deposit at the bottom. Page 2 is included with the bank deposit.

### **BANK DEPOSIT**

When the Deposit Report is complete, Deposit Counters must prepare a bank deposit ticket and include Page 2 of the Deposit Report as the list of checks. One Counter will take the deposit to the bank (currently Truist). The deposit receipt should be placed in the Bookkeeper’s mailbox—this can be done when the Counter is next at the church.

### **NIGHT DEPOSIT**

If a deposit must be taken to the bank after hours, the deposit should be placed in the bank-provided deposit bag—there are two pouches, one for cash and one for checks and deposit documents. One Counter should tear off and retain the top tab of the deposit bag, showing the bag number. One Counter takes the deposit to the bank branch Night Depository.

### **CHURCH REPORT**

Counters must put together Page 1 of the Deposit Report, a copy of the bank deposit ticket form, the tab from a deposit bag (if a night deposit), check copies, and any documents, envelopes, check stubs, etc. that were with the collections and place them in the financial office, which must be locked to secure these documents. The Bookkeeper will post the deposit to the member and maintain accounting records using this report.

## **CASH DISBURSEMENT PROCEDURES**

1. All non-employee expense recipients who are not parishioners are required to have a Federal ID or Social Security Number (SSN) on file prior to payment. This is a government regulation and cannot be circumvented. No payments of this type will be made without this information.
2. Parishioners who are being paid for services, e.g. musicians, janitors, clergy, must also have an SSN on file. No payments of this type will be made without this information.
3. All employee (clergy and staff) expenses must be submitted (with itemized receipts) for approval on a timely basis (within 30 days) for reimbursement. All employees should utilize the Church

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of the Epiphany Employee Expense Reimbursement Form. Employee reimbursements are approved by the Rector.

4. Parishioner expenses should be submitted within 30 days of the date incurred. Documentation (itemized receipts) and approval by the appropriate Vestry member is required. Expenses anticipated to be over \$250 should be approved by the appropriate Vestry liaison in advance. Email approval is satisfactory and a hard copy of the email must accompany the reimbursement form. All parishioners shall utilize the Church of the Epiphany Parishioner Expense Reimbursement Form.
5. Any individual expense or recurring expenses that will be (parishioner or employee or outside vendor) in excess of \$500 must be approved in advance by the Rector. If the Rector is unavailable, approval by either the Senior or Junior Warden is acceptable. Approval by email is satisfactory, but a hard copy of the email should accompany the expense form. Recurring expenses must be approved annually.
6. Any individual expense or recurring expenses that will be (parishioner or employee or outside vendor) in excess of \$1,000 must be approved in advance by the Rector and the Senior or Junior Warden. A recurring expense needs to be approved only once each year. Email approval is satisfactory, and a hard copy of the email must accompany the expense form.
7. Any individual expense or recurring expenses that will be (parishioner or employee or outside vendor) in excess of \$2500 must be approved IN ADVANCE by the Vestry. A recurring expense needs to be approved only once each year. Email approval is satisfactory, and a hard copy of the email must accompany the expense form.
8. For reimbursements to be charged against the current year budget, the Expense Reimbursement Form and accompanying receipts must be received by the Parish office by no later than December 15. Any expense reimbursement request received *after* December 15, even for expenses incurred in the current year, will be reimbursed the following January and will be charged against the new year's budget. The same applies to staff credit card charges made after December 1. They will also be charged against the new year's budget.
9. Expenses being charged to a Restricted or Designated Fund, must have the Rector's and the Treasurer's approval with a verification of availability of funds prior to a commitment of the expenditure.
10. Any Designated Fund that has exceeded its annual budget (as determined by the monthly financial statement reviewed by the Finance Committee and Vestry) must have the responsible Vestry member AND Rector's approval PRIOR to ANY additional expenditure. The Vestry must be notified at the next regular Vestry meeting with a recommendation on source of funds to cover the Fund in deficit.
11. In recognition of emergency situations relating to the building and grounds, any emergency expense that exceeds \$2500, the expense may be incurred upon approval by the Rector and the Senior or Junior Warden. The Vestry shall be notified of the emergency expense at the earliest opportunity by email with an indication of the budget account to be debited.
12. Certain recurring or annual expenses are considered to be pre-approved as a consequence of the Vestry approving the annual budget, assuming available resources. These expenses are as follows:
  - a. Mortgage payments
  - b. Utility payments

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- c. Diocesan contribution
  - d. Payroll and benefits
  - e. Equipment leases
  - f. Service contracts
  - g. Outreach expenses that have been approved by the Outreach Committee and Vestry at the beginning of the budget year
  - h. Normally required supplies such as cleaning supplies, building supplies (e.g. light bulbs, supplies for minor repairs), office supplies, and supplies for the grounds so long as the associated expenses remain within budget. If the expenses for these areas exceed the budget, then #9 of this policy will apply.

### **CHECK WRITING INTERNAL CONTROLS**

- Use accounting software to print checks.
- Keep all unused checks in a locked cabinet or closet.
- Limit the number of people with access to the checks.
- Pay only from invoices.
- Never pay a vendor without a valid invoice or contract.
- The person who authorized the purchase or service should approve it on the Expense form and/or the invoice.
- Follow the same procedures for Electronic Funds Transfers (EFTs) as for checks.
- The designated check signers will sign checks on behalf of the Church of Epiphany.
- The Treasurer, Bookkeeper, or any other person who prepares church checks is not authorized to sign them.
- In the event that a hand written check is required, the check will not be written and signed by the same individual.
- Two signatures are required on check disbursements over \$5,000.
- The check number shall be written on the invoice prior to filing.
- Wire transfers must be approved by the Vestry and executed by a designated check signer.

### **CREDIT CARD POLICY**

- Parish staff members who are issued credit cards in their own name (with their credit limit) include the Rector (\$7,000), Associate Rector (\$3,000), Parish Administrator (\$8,000), Youth Director (\$1,000), Children's Director (\$1,000), and Organist (\$3,000).
- These individual limits may be temporarily raised for a specific purpose such as a youth pilgrimage or other special event.
- The collective credit limit for these church credit cards is \$23,000.

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- Any Parish employee issued a Parish credit card must maintain clear and complete expense reports concerning all uses of the card, including each instance of usage, a record of the date, the amount of the charge, and the specific Parish purpose of the charge.
  - Once a month, the employee shall (1) reconcile the charges to the credit card statement within 10 days after receiving a copy of the statement and (2) submit to the Bookkeeper a list of charges accompanied by the Clergy/Staff Check Request and Reimbursement Form and supporting documentation, including an itemized receipt for each expenditure. If a receipt for a particular expenditure is unavailable or has been lost, the employee shall create a record as a replacement for the missing receipt.
  - Preparing and maintaining the expense reports, documentation, and reconciliation shall be the responsibility of the employee who uses the credit card and not of the Parish Administrator or Bookkeeper.
  - Newly hired lay staff will be subject to a thirty-day waiting period before being issued a credit card.
  - Failure to adhere to this policy could result in forfeiture of the Parish credit card.

## **CONTRACTS**

All contracts entered into on behalf of the Church of the Epiphany must be approved by Vestry and signed by either the Rector, the Senior or Junior Warden, or the Treasurer.

## **BANK ACCOUNT RECONCILIATION PROCEDURES**

The accounts of the church should be reconciled monthly. The reconciliation should be reviewed and approved by an individual who does not have authority to make banking transactions and make entries in the accounting system of the church.

1. The Bookkeeper prints out the bank statements from online banking. The statements are usually ready by the third day of the month.
2. The Bookkeeper reconciles the bank statements monthly in ACS.
3. After comparing deposits and disbursements on the bank statement with those recorded on the General Ledger, an Un-cleared (Outstanding) Transaction List is generated as well as a Cleared Transaction List.
4. The Bookkeeper posts any necessary journal entries arising from the bank account reconciliation to the General Ledger. The ending balance per reconciliation should always agree to the period end balance to the General Ledger.
5. The system will generate a Reconciliation summary that the Bookkeeper will attach to the Bank Statement and the General Ledger detail.
6. The Bookkeeper scans the reconciliation and supporting documentation and emails them to the Treasurer or mails to the Parish office. The Treasurer, or their designee will review and approve the reconciliations. The Bookkeeper files the approved reconciliations in the Finance Office.
7. Stale dated checks—Quarterly, the Bookkeeper will review the list of outstanding checks to determine if any items have become stale dated. Stale dated items are defined as checks or

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other payments that have been outstanding for more than twelve (12) months from the date of issue. The Bookkeeper, along with assistance from the Parish Administrator, will research each stale dated item(s) and if considered appropriate, the item(s) will be voided or written off. A list of stale dated items voided or written off will be provided to the Treasurer each quarter for review.

## **FINANCIAL REPORTING PROCEDURES**

Each month, the Bookkeeper will:

1. Prepare bank reconciliations and standard journal entries (payroll, breakout of employee insurance coverages, release of Prepaid Expenses, for example).
2. Record changes in the investment accounts.
3. Reconcile Prepaid Expense account.
4. Record amortization of loans.
5. Review monthly detailed General Ledger for coding errors and correct any errors.
6. Review draft financial statements for unusual changes in account balances.
7. Research reasons for them; if transactions were correctly recorded, note reasons for unusual changes. If transactions were not correctly recorded, correct them.
8. Prepare a list of donations \$100+ to funds for Vestry approval from the ACS Contributions Module. The list will include: donor name, method of donation (check, cash, online), date of donation, fund to be credited, and any donor notations.
9. Update the Excel spreadsheet "Cash Position" maintained on the "Finance" directory for the current month.

Each month, the Bookkeeper will:

1. Publish financial statements and the "Cash Position" spreadsheet to Dropbox for Finance Committee, Rector, Associate Rector, and Treasurer. Currently required financial statements are:
  - a. Detail P&L, Summary P&L, Monthly Summary P&L, Balance Sheet, Statement of Funds.
  - b. Additional reports as required.
2. Publish statements to Dropbox for Vestry. Currently, Vestry receives:
  - a. Summary P&L, Balance Sheet, Statement of Funds, list of fund donations.
  - b. Additional reports as required.
3. Prepare and email to Committee chairs YTD General Ledger detail of activity and abbreviated financial statements with relevant comparisons. Templates for these reports are stored in ACS Financial Module.

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## RECORD RETENTION

This Parish shall maintain financial records for general legal purposes, for studying the Parish's history, and for analyzing trends. The recommended retention period for financial and related records is shown below.

To be kept permanently:

- Audit reports
- Annual financial statements
- Bylaws and other governing documents
- Finance committee minutes
- IRS examinations, rulings, comments
- Annual general ledger
- Journal of cash receipts and disbursements
- Deeds and easements zoning variances or rulings (as long as property is held)

To be kept for seven years:

- Canceled checks
- Individual donor records
- Payroll records
- Tax-Related reports (Forms 990, W-2, 1099, etc.)
- Annual report to congregation
- Insurance policies
- Contracts and agreements (seven years after completion of performance)

To be kept for three years:

- Bank statements and reconciliations
- Deposit slips
- Monthly financial statements
- Invoices, including expense reports
- Fire or accident reports
- Asset/Liability records (three years after final disposition)

On a periodic basis, but at least every five years, the Finance Committee, with the help of Parish volunteers if necessary shall perform an inventory of the Parish's assets using a method such as video recording that allows capital assets to be catalogued.

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## **INSURANCE**

When the church insurance policy is subject to renewal, the Finance Committee will consult with the Church Insurance Companies through the Church Pension Group of the Episcopal Church to review coverage.

## **BUDGET PROCESS**

1. The Finance Committee will send out budget request to program heads and committee chairs in September with a deadline for submission of October 1. These requests will be used to draft a proposed budget for the following year. The draft budget will be sent to the Rector, Senior Warden, and Treasurer.
2. The budget process will coincide with the annual pledge drive.
3. The Treasurer shall present the proposed budget to the Vestry at the December Vestry meeting. Upon consultation with the Vestry and the Rector, the Finance Committee shall finalize the budget, and the Vestry shall approve the budget for presentation at the Annual Parish meeting in January of the year for which the budget applies.

## **STEWARDSHIP**

1. Upon appointment the stewardship chair shall meet with his/her/their predecessor to obtain files, discuss lessons learned from the previous year, “do’s and don’ts” etc.
2. Utilize outside resources (including the Episcopal Church website) for ideas on advancing stewardship. Significant resources are available from many Christian sources.
3. Discover and determine ways to keep stewardship visible to the entire congregation for the whole year, not just the annual stewardship campaign.
4. Attend and participate in local stewardship conferences to learn more from the experts on how to best conduct this ministry (e.g., Diocese of Atlanta).
5. Periodically write and submit articles on stewardship themes for the Parish newsletter. These should discuss other stewardship topics (e.g., time and talent) in addition to fundraising.
6. Assist the Rector and Vestry in conducting the annual stewardship campaign:
  - a. Draft the stewardship letter in cooperation with the Rector.
  - b. Designate, in coordination with clergy and Vestry, a Sunday in November as “Consecration Sunday” to conclude the annual stewardship campaign.
  - c. Work with the Parish Administrator to have the letter and the pledge card sent to all Parish members as soon as possible after the October Vestry meeting.
  - d. Begin to announce and urge support for stewardship Sunday during the 8:45 and 11:15 a.m. Sunday services until Consecration Sunday.
  - e. On 1 Advent, announce results of stewardship drive; invite those who have not pledged to make an annual pledge before 3 Advent.
  - f. On the first Sunday after Christmas, announce the final results of the annual stewardship drive to the congregation.









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## HARVEY FUND POLICIES

### **Policies of The Catherine D. Harvey Legacy Fund of The Church of the Epiphany**

#### 1. ESTABLISHMENT OF FUND

The Fund was established in 2010 by Nancy Baer in memory of Catherine Harvey. Income from the Fund shall be administered by The Episcopal Church Women (ECW) of The Church of the Epiphany. The fund was created by the donor with the following stated intent, "to provide direct support to assist with meeting the basic needs of individuals and families and to expand their opportunities to reach their full potential for self-sufficiency."

#### 2. HARVEY FUND ADVISORY BOARD

The Board shall consist of five members, all of whom shall be confirmed adult communicants in good standing. Membership shall be comprised of the current ECW President, ECW immediate past president, an at-large ECW member, the vestry outreach liaison, and an at-large member of the parish. Terms of service for the current and past ECW presidents will coincide with their tenure in ECW. The at-large ECW representative will be chosen annually by the ECW. The Vestry liaison will correspond with the area of vestry responsibility. The at-large congregational representative will serve a three-year term. Members of the Board are to be approved by the Vestry. The Board shall meet at least *semi-annually*. It can meet more frequently as deemed in the best interest of the Fund.

A recording secretary shall be selected and shall maintain complete and accurate minutes of all meetings of the Board and supply a copy thereof to each member of the Board and to the Vestry. The board shall make a report each year in the annual parish report as part of the report of the ECW.

#### 3. FUND DISTRIBUTIONS

The interest from the Fund is to be paid each year on September 10. The Advisory Board shall receive grant applications and make recommendations to the ECW about distribution of the Fund. In accordance with the guidelines of the donor, the ECW shall make decisions about those distributions. Expenditures of more than \$2500 shall be approved by the Vestry. The attached Grant Application shall be the means by which funds are requested.

The ECW shall maintain a full and complete account of the administration of the Fund, additions to the Fund, Fund performance, expenditures during each fiscal year and it shall be subject to annual audit at the time of the parish annual audit.

Adopted by the ECW and by the Vestry on February 11, 2020.

## HARVEY FUND GUIDELINES



### The Episcopal Church of the Epiphany

#### CATHERINE D. HARVEY FUND GRANT GUIDELINES AND 2020 APPLICATION FORM

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#### Epiphany Mission

**Mission Statement:** The Episcopal Church of the Epiphany is an inclusive community called to seek and follow Jesus Christ. We welcome all people in the Eucharistic fellowship of Christ's Body. We receive strength and encouragement at the common table to carry out Christ's work of reconciliation in our broken world. Nourished by worship and witness, learning and teaching, fellowship and service, we strive to live out the Gospel's radical values with gladness of heart.

#### Catherine D. Harvey Fund Mission:

The Catherine D. Harvey Legacy Fund was created to assist with meeting the basic needs of individuals and families and to expand their opportunities to reach their full potential for self-sufficiency. Basic needs are defined as food, water, clothing, and shelter. Self-sufficiency is defined as the ability to provide for one's own basic needs. Support for education and training shall be limited to primary, secondary and vocational training. Vocational training is defined as training for a specific career or trade that does not require more than two years of post-high school education. The Fund is administered by the Episcopal Church Women of the Church of the Epiphany.

#### Criteria for Grants:

1. Requests should help fulfill the above stated mission of the Harvey Fund.
2. For the 2020 grant cycle, requests should not exceed \$5,000.

#### Grant Cycle:

3. The application cycle opens on February 1, 2020. There will two grant cycles in 2020. Applications must be received by April 1, 2020 for distribution by June 1, 2020 grant, or August 1 for distribution by October 30, 2020.
4. All applications will be reviewed by the Harvey Fund Advisory Board.
5. A member of the Harvey Fund Advisory Board may reach out with questions or for additional information.
6. The Fund Advisory Board will make recommendations to the ECW, which will make the final decision on funding. Funding decisions will be announced no later than May 1, 2020 for the first cycle and October 1, 2020 for the second cycle.
7. Funds will be dispersed in May and October of 2020.

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8. One interim report explaining how your organization is using the funds will be due 60 days after receiving the grant.
  9. A final report is due at completion of the funded project.

If you have any questions about the grant process or whether your organization qualifies, please contact the board at [harveyfundadvisory@epiphany.org](mailto:harveyfundadvisory@epiphany.org).

Applications may be submitted by email no later than April 1, 2020, for grants to be made by June 1, 2020 or August 1, 2020 for grants to be made by October 30, 2020:

The Episcopal Church of the Epiphany  
Attn: ECW  
2089 Ponce de Leon Avenue, NE  
Atlanta, GA 30307

Email: [harveyfundadvisory@epiphany.org](mailto:harveyfundadvisory@epiphany.org)

Please submit the following information electronically, preferably as a single PDF file:

1. Proposal Summary Form, attached
2. Description of the programs and persons that would be the recipient of this grant, including a discussion of how this grant will fulfill the Harvey Fund's mission. (one page)
3. As needed, please attach brochures, agendas, class schedules, logistical details, or any other pertinent information.

HARVEY FUND GRANT APPLICATION



The Episcopal Church of the Epiphany  
HARVEY FUND GRANT APPLICATION  
PROPOSAL SUMMARY

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

Organization: \_\_\_\_\_

Project Name *if different*: \_\_\_\_\_

Address: \_\_\_\_\_

Contact person and title: \_\_\_\_\_

Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

Board Chair: \_\_\_\_\_

Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

Circle one: The organization does / does not have a 501 (c) (3) tax-exemption.

Amount Requested: \_\_\_\_\_

Organization's Annual Operating Budget: \_\_\_\_\_

Project Budget: \_\_\_\_\_

Have you received funding from Epiphany or the Harvey Fund before? \_\_\_\_\_

If so, when? \_\_\_\_\_

Please attach a brief description of the programs and persons that would be the recipient of this grant, including a discussion of how this grant will fulfill the Harvey Fund's mission. (one page)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date