GoodTree Church Society
Finance Policy

Policy Owner: Treasurer

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1. Definitions

Board of Elders – The Directors of GoodTree Church
GTC – Refers to GoodTree Church Society
Elder – A member of the Board of Elders
Member – As defined in the bylaws
Treasurer – The Elder holding the role of Treasurer on the Board of Elders
Finance Team – The group of individuals who have signed the Finance Team covenant
Deacon - leader appointed by the Elders for a specific leadership role at GTC

2. Policy Overview

The purpose of this policy is to provide a framework for how GTC shall manage its finances. This financial policy is to ensure that all donations and expenses are handled in a manner which aligns with the guidelines within the Charities Directorate and the values of GTC.

The purpose of this policy is to enable the ministry while protecting the church. Though there are specific examples included in this policy, the spirit of the policy should drive appropriate handling and use of church finances.

The Board of Elders, being the corporate directors of the church, are the owner and sole authority for the financial policy. The Board of Elders alone have complete financial authority within GTC. The signing authority of GTC, the registered charity, belongs to the Board of Elders. This authority extends to all bank accounts, financial transactions, and any matter involving the management of GTC monies. At their discretion, the Board of Elders may assign responsible persons to represent GTC on a corporate level.

All Deacons, being responsible for the day-to-day operation of the church, are expected to operate within this framework. The Deacons shall be the stewards of church finances and are responsible for deciding how church funds are collected and dispensed.

The Deacons on the Finance Team, along with the Elders and Church Administrator, will have financial signing authority of GTC. This signing authority is limited to the management and operation of the bank account and any other day-to-day financial transactions.

This policy shall be reviewed by the Board of Elders annually or upon request by the Deacons. The Board of Elders shall engage the Deacons with any policy revision and, in the spirit of the policy, consider the comments before approving the revisions. The Board of Elders are responsible for approving any policy changes.

The GTC Bylaws shall govern if there is a contradiction with them and this policy or common practice. The Treasurer and/or the Board of Elders should be consulted in all cases of uncertainty, “grey areas”, or possible contravention of the policy. CRA charity guidelines must be followed and will ultimately govern in all cases.

3. Expenses

This section provides the framework in which monies may be dispensed. Expenses should be processed as soon as possible, and reimbursements distributed within 30 days. All expenses,

unless otherwise approved per Section 3.1.1, must fall into a line item in the approved budget and within the approved dollar amount.

There is an understanding that individuals use their own money to front the cost of an expense for the church. It is the responsibility of the individual to retain the necessary documents to be reimbursed. There is a place for grace and understanding for those unfamiliar with church expenses, and the Finance Team will work with individuals to clarify the purpose and details of the process.

3.1 Allowable Expenses

Before incurring an expense, individuals must use good judgment and follow the values and mission of GTC.

Expenses are permitted as long as they align with the following:

1. Abide by this policy
2. Abide by CRA guidelines for registered charities
3. Support the ministries at GTC

3.1.1 Budget Overspending

Any overspend of a budget item shall be discussed between the Board of Elders and Finance Team before proceeding. Authority for approving overspending are as follows:

1. Congregational Approval: If greater than 10% of the total budget
2. Finance Team: If less than 10% of a particular budget category (i.e. Ministries, Community, Core, Personnel)
3. Board of Elders & Finance Team: Any case other than those listed above.

3.2 Disallowed Expenses

There are cases where expenses will be disallowed. The following is a list of specifically prohibited expenses (this is not an exhaustive list):

1. Alcohol (i.e. Beverages)
2. Tobacco and marijuana (i.e. Cigarettes, cigars, paraphernalia)
3. Other drugs (Including all illegal and prescribed)
4. Bribes, kickbacks, and like payments
5. Weapons (i.e. Guns, swords, pepper spray)
6. Anything illegal
7. Personal expenses
8. Non-ministry expenses
9. Any expense with a conflict of interest

In general, if there is any “grey area” or reason to semantically justify the expense, the individual is encouraged to ask for clarification or not incur the expense. The Board of Elders and/or Finance Team should be consulted for guidance if there is uncertainty.

3.3 Expense Approval

All expenses require approval before reimbursement as outlined below. The purpose of expense approvals is to be compliant with CRA charity guidelines, values of GTC, and to

protect the church from a single individual with financial autonomy. The following details the approval requirements and should be considered along with the details in Section 5.

3.3.1 Expense Approval Process

The following are required for an expense reimbursement:

1. Acceptable proof of expense (Detailed receipt showing the expense, tax, and GST registration)
2. Completed expense form signed by the individual submitting the expense and the Deacon, Elder, or Pastoral Staff responsible for the particular ministry for which the expense occurred, and submitted along with the proof of expense to the Finance Team. If the individual submitting the expense is responsible for that particular ministry, another Elder or Pastoral staff should approve the expense.
3. The Finance Team shall evaluate the expense to ensure it aligns with the Finance Policy and sign off on the expense.
4. Reimbursement will be issued as per Section 3.3.5

3.3.2 Lost Receipts

If an expense is submitted without a receipt, the individual submitting the expense may complete a missing receipt form if the value of the expense is below $100CAD. For any expense $100CAD or higher, the individual must obtain a receipt from the vendor. If this is not possible, the individual may proceed into a dispute process as described in section 7.2.

The missing receipt form must include a description of the expense, the amount of the expense, and a declaration that the expense adheres to this policy. The Finance Team or Treasurer may deny missing receipt claims for individuals who continually utilize this form – this is at the sole discretion of the Finance Team and/or the Treasurer.

3.3.3 Reimbursement

These are the acceptable methods of reimbursement:

1. Cheque – The stub containing the cheque number shall be affixed to the expense form and filed.
2. E-Transfer - to be executed by the Finance Team by:
    a. One person sets up the e-transfer
    b. Another person approves the e-transfer (ie. to ensure that amounts and the receiver is correct)
    c. Details of expense included e-transfer memo
    d. E-transfer number included on expense form
3. Cash is not an acceptable method of reimbursement. If a cash reimbursement is required, it must be approved by the Board of Elders, and the Board of Elders will determine appropriate documentation.

3.4 Financial Signing Requirements

In addition to the requirements outlined in Section 5.5, an individual with financial signing authority shall not sign off on an expense being reimbursed to themselves, unless it falls

into one of the categories below:

1. Recurring expense already approved for the fiscal year
2. Payroll

3.5 Church Credit Card Policy

Proof of expense and approvals must be included as described in sections 3.1, and 3.3. The church's credit card should only be used for the following types of expenses:

1. Subscription payments (i.e. Sunday school subscription, accounting software, licensing, etc)
2. One-time expenses where a cheque is not feasible (i.e. online store)

4. Income Policy

Good accounting practice shall be adopted in addition to the details below. Any practice that may appear to be unethical or appear to be a conflict of interest, even if it is not, shall be avoided. The Finance Team shall be the only individuals who manage the income of the church.

4.1 Donor Protection & Privacy

The information collected from every donor must be protected and remain confidential. The information must be kept in a password-protected document/software and only available to the Finance Team. Complete donor summaries should be restricted to only the Finance Deacon and the Treasurer. The Finance Team must put donor confidentiality as a priority.

The information collected and compiled regarding each donor shall only be used for GTC purposes, such as income forecasting and tax receipting.

4.2 Donation Collection Methods

Monies may be collected in any manner as outlined in section 4.3, where the following information must be collected and tracked:

1. Donor’s full name
2. Donor’s full mailing address
3. Date of donation
4. Amount of donation
5. Method of payment for the donation
6. Amount of advantage to the donor

Recurring donations from a single donor over a calendar year shall be assigned a donor number unique for that year. The donor may continue to donate funds using that number as a reference. The purpose of this is to avoid confusion of similar names.

4.3 Donation Handling

An individual shall not handle money alone – the only exception is when a deposit is given to an individual to drop off at the bank after two or more individuals have counted and logged the money.

4.3.1 Donation Boxes and Collection Plates

Donation boxes and collection plates must be protected such that no individual can access the contents alone. This may be accomplished by using physical controls, process controls, or other controls which will provide the required security.

4.3.2 Cash Donations

All cash donations shall be counted by two individuals assigned for teller duty every Sunday and deposited within one business day.

4.3.3 Digital Donations

All donations received via digital methods (i.e. credit cards, debit cards, bank transfers, online donation tools) shall be deposited directly into the GTC bank account. Donations collected in this manner shall not come from an unapproved intermediary account.

4.3.4 Service Fees

Often, payment collection services charge a fee to use the service. Examples of this are Square, Canada Helps, and Tithely. These service fees shall be treated like a bank fee and should be reflected in the cost of operation. Service fees are a cost to GTC, not to a donor.

4.4 Tax Receipting

Tax receipts shall be issued to all donors following the CRA charity guidelines. The tax receipts shall be issued according to the schedule in Section 6.1. If the tax receipts are prepared by one member of the Finance Team, a second member must review the documents before they are issued. They should be checked for adherence to the CRA Charities requirement and accuracy to GTC's financial records. The final tax receipts shall be signed by a Director of the Church (i.e. any member of the Board of Elders).

With any discrepancy between this policy and the CRA Charities regulations, the CRA Charities regulations shall govern. The following points are highlighted:

1. Tax receipts shall only be issued by one organization (i.e. donations GTC receives via Canada Helps are NOT receipted by GTC as Canada Helps issues a donation receipt
2. Tax receipts shall include any advantage to the donor (i.e. if a donor pays $100 for a silent auction item and the fair market value is $20, the eligible tax receipt amount is $80 as the advantage to the donor is $20).
3. The full amount of a donation should be receipted to the donor in cases where there is a service fee charged to GTC from the collection method. (i.e. $100 donation was made by a donor and should be receipted as such, even though the online service charged GTC $2 for processing the payment).

4.5 Restricted Donations

All donations designated as restricted based on donor stipulation or intended for a specific time frame, ministry or initiative, shall be used for that purpose. If there are residual funds

after the restriction expires (either the stipulated time frame ends or the ministry/initiative is successfully completed) or the intended purpose is no longer applicable, the remaining funds can be reclassified as general funds at the discretion of the Board of Elders.

5. Bank Accounts, Credit, Debt, and Finance Signing Authority

All of GTC's finance facilities (i.e. bank accounts, credit cards, leases) shall have more than 1 individual as the signing authority whenever possible.

5.1 Bank Account(s) Balance

The day to day operations shall continue as normal if and only if:

1. Spending is within the boundaries of the approved budget; and
2. The bank account(s) balance is above the Minimum Bank Account balance as described below.

5.2 Minimum Bank Account Balance

The Minimum Bank Account Balance shall be two months of the fixed costs of GTC, plus any restricted or preassigned funds. A dollar figure for the fixed costs must be declared on the approved annual budget.

5.3 Account Maintenance

The Finance Team is responsible for maintaining all accounts on behalf of GTC. Accounts shall always be in good standing and up to date. If an account cannot be kept in good standing, the Finance Team and the Board of Elders shall discuss and determine a strategy to manage the account.

5.4 Credit Facilities

Credit facilities may be obtained to support the day-to-day operations of GTC. All attempts to obtain credit facilities for GTC must be approved per the GTC Bylaws.

5.5 Finance Signing Authority

Financial Signing Authority refers specifically to the facilities which hold assets or debt on behalf of GTC – this may reside in both the Board of Elders and the Finance Team.

5.5.1 Bank Accounts

There shall be at least 4 individuals who are signing authorities on the bank accounts. This shall include at least 2 members of the Board of Elders and at least 2 members of the Finance Team.

5.5.2 Credit Facilities

All credit facilities shall be treated like bank accounts unless it is not feasible. If it is not feasible, the options shall be discussed between the Board of Elders and the Finance Team.

5.5.3 Credit Cards

Credit cards are a special case, as transactions are handled by an individual at the time of purchase (see Section 3.5). Each transaction outside the approved annual budget shall require pre-approval from two Financial Signing Authorities before incurring the charge.

5.5.4 Single Signatory

In cases where there is a single signatory for a payment method (i.e. credit card), that signatory shall not be one of the two Financial Signing Authorities approving the expense.

5.6 Real Property

All Real Property shall be purchased in accordance with the GTC Bylaws.

In the case where GTC moves ahead to acquire real property (i.e. a building), this policy shall be revised by the Board of Elders within 6 months of approval to acquire property. The purpose of the revision is to enhance the guidance on building management and debt/mortgage servicing. The Board of Elders shall also provide a guidance document on how the fundraising, financing, and operation will be managed.

6. Financial Reporting and Deadlines

The Finance Team, being responsible for the day-to-day financial activities, shall produce the following reports annually. All documentation shall be reviewed by the Board of Elders before distribution unless noted below.

6.1 Corporate Documentation & Deadlines

All documents required for corporate reporting must be completed and submitted prior to the due date. The Finance Team shall prepare the documents as per the schedule below, unless the reporting requirements and/or dates are changed by the organization requiring the documentation.

Report	Elder Review	GTC Distribution	Submission Due Date (per CRA Guidelines)
T4/T4A Slips	January 15	February 1	Last Day of February
CRA T4 Summary Return	January 15	N/A	Last Day of February
Donation Tax Receipts	February 1	February 15	Reported with Charity Return
Annual Financial Statements	October 1	Fall AGM	Reported with Charity Return
CRA Charity Return	April 1	N/A	Last Day of June

6.2 Periodic Reporting

The Finance Team shall produce regular financial updates regarding the financial health of the church. The period of reporting shall be at least once every 3 months, but may be more frequent if required by the Board of Elders.

6.3 Appointing Authorized Persons

The Board of Elders may authorize an individual to approve specific documents if allowed by the CRA. For example, the Treasurer may authorize the Finance Team to approve donation tax receipts for a given year if allowed by the CRA.

7. Exceptions and Disputes

In general, exceptions will not be granted, and disputes will be resolved at the time of the dispute. Often in these situations, there is a misunderstanding of the policy where clarity is required. If it is not possible to resolve immediately, the following processes will address the concerns.

7.1 Exception Process

Unless otherwise stated in this policy, exceptions to this policy must be approved by the Board of Elders. In all cases, the Board of Elders must produce a decision record, and it is to be filed. If the exception affects the church as a whole, the Board of Elders will notify the church of the exception.

7.2 Disputes

A specific expense/donation may be disputed by an individual – this may be the individual who submitted the expense/donation or someone with knowledge of the expense/donation. On a case-by-case basis, the Treasurer will evaluate the dispute and provide a decision on the matter. If the Treasurer is unable to come to a conclusion, the Board of Elders will be consulted.

8. Gross Misconduct

An accusation of gross misconduct of funds will be escalated to the Evaluation Committee, comprised of the Board of Elders, immediately for investigation. If a member of the Board of Elders is accused of gross misconduct, the Elder shall be excluded from the Evaluation Committee. The Evaluation Committee shall have no fewer than 3 members, and the Board of Elders may draw upon the Deacons or other Church Members as committee members. It is suggested, but not mandatory, that a lay person (member) be a part of the committee. Gross misconduct includes any and the like of the following:

1. Any criminal activity (i.e. Fraud, money laundering)
2. Bribery
3. Conflicts of interest
4. Unethical conduct

Individuals who intentionally contravene this policy may be subject to GTC's discipline policy as outlined in the Bylaws.

Appendix A - Finance Team Covenant

All members of the Finance Team must agree to the conditions in the Finance Team Covenant. The covenant must be renewed annually before the start of the next fiscal year.

Qualifications

All members of the Finance Team must:

1. Sign the GTC Membership Covenant Agreement; and
2. Demonstrate maturity, responsibility, and competence in finances; and
3. Complete an interview and be vetted by the Treasurer.

Members and Roles

The main role of the Finance Team is to manage all the income of the church (Section 4) and validate expenses as they align with this policy (Section 3). The Finance Team will be comprised of at least two members (a Deacon and at least one member in good standing); they shall lead the day-to-day activities, reporting to the Treasurer who shall provide direction, policy, and decisions as required.

For example, the Finance Team is responsible for (not limited to):

- Overseeing the counting, logging, and depositing the offering
- Overseeing the counting, logging, and depositing funds collected at fundraising events
- Expense approvals (i.e. receiving completed expense forms, then checking the expense and ensuring it aligns with this policy, then approving the expense, then handing it off for payment)
- Report preparation (periodic and CRA)

Covenant Statement

I, _____, promise to abide by the Finance Policy. I will fulfill this role ethically with integrity and honesty. I commit to helping enable ministry through financial responsibility. I confirm that I fulfill the requirements of Appendix A of the Finance Policy and commit to the agreements listed.

_____	_____
Name	Treasurer
_____	_____
Signature	Signature
_____	_____
Fiscal Year	Date signed

A copy of this signed covenant shall be filed.