

FISCAL POLICY FOR DISBURSEMENT OF FUNDS FROM BUDGETED LINE ITEMS AND DESIGNATED ACCOUNTS

SECTION 1

This policy shall provide direction for committees, organizational heads, and staff members as they administer church funds for which they are responsible. Committees, organizational heads and staff members are authorized to expend church funds or funds in designated accounts which have been allocated to their organization, position, or committee in the budget or designated account subject to the requirements of the following sections.

(Budgeted line items are reviewed annually by the Stewardship Committee then recommended by the Deacons to the Church and approved by the membership at large. Detailed budget worksheets shall be completed by the individuals responsible for budget line items to justify the amounts requested before recommendation to the Church. Prior expenditures and offering receipts will determine amounts recommended to the Church. The Church has final authority in the annually prepared budget.)

SECTION 2

No expenditure of budgeted funds or funds in designated accounts in excess of \$1,000 shall be made by any committee, organizational head or staff member until the purpose of the expenditure and the anticipated cost has been published in the newsletter at least seven days prior to the church conference at which the request will be presented to the church for approval. The chairman of the committee, the organizational head or the staff member shall contact the Financial Secretary or Chairman of the Stewardship committee to determine that the necessary funds are available in the budget and the bank.

No expenditure for any purpose or in any amount shall be made until it has been ascertained that funds are available in the budget and the bank.

SECTION 3

Certain budget line items are fixed and reoccurring expenses already approved by the church in the adoption of the budget and are exempted from the \$1,000 limitation in Section 2 above. The exempt items are generally salaries and benefits for staff members and employees, office supplies, literature, postage, utilities, convention expenses to Baptist State Convention and Raleigh Baptist Association, etc. which are reoccurring expenses.

Some designated accounts are also exempted from the \$1,000 limitation. Exempt items would include Cooperative Program, Associational Missions, love offerings, mission offerings, and missionary offerings. The individually sponsored portion of retreats or activities would be exempt and an example of this would be where several individuals pay in \$1,100 toward a retreat and the church portion is \$1,050. The \$1,050 portion would need church approval while the \$1,100 portion would be exempt.

SECTION 4

In case of an emergency which may arise creating danger to the health, safety and welfare of the members of this church, or danger to church property, the \$1,000 limitation in Section 2 shall be waived. The Pastor, Chairman of the Deacons, and Chairman of the appropriate committee shall determine:

1. That an emergency exists.
2. That it must be dealt with immediately and that there is not time to call a church conference.

The finding shall be put in writing by the responsible committee and the church advised as soon as possible as to what action and expenditures have been made to deal with the emergency.

For purpose of this section an emergency shall be defined as a sudden, unexpected occurrence or set of circumstances requiring immediate action in order to prevent damage or eminent danger to property or persons or to preserve property which has been damaged or is in peril. Emergency also includes circumstances which present sudden, unexpected and immediate danger to the health, safety and welfare of the members of this church by the use of church property.

SECTION 5

Use of designated giving to budgeted line items:

Designated giving to a budgeted line item (i.e. Youth Ministries) will be consumed by the ministry before any budgeted general funding is consumed. Designated giving includes monies from fund raising activities to support budgeted activities for the year. The net effect is that the designated gift will displace church general funds budgeted to support that activity. These designated funds will not be additive to the approved budgeted spend for that activity in the current budget year. If at the end of the budget year, the total designated giving for a budgeted line item exceeds the lessor of expenditures or the budgeted limit for that line item, the excess will carry over to the next year to honor the designated intent of the funds. However, if the designated giving is equal to or less than the lessor of expenditures or the approved budget for the line item, the designated giving will be fully consumed. Expenditure of budgeted or designated funds are subject to the same financial policies of the church as other expenditures. **An exception for use of funds raised with the intent to offset the expense for participation in ministry activities (i.e. youth trips) is allowed. In this case, total spending from the line item can exceed the budgeted limit by the amount of fund raising monies distributed to participants or given as scholarships to offset family expenses.**

SECTION 6

Policy for use of Mission Committee support dollars:

The spirit of mission work is to go out and spread the good news as an act of obedience to Jesus' command to make disciples of men. The Church's primary mechanism to fund these activities is through the Missions committee. The church budgets additional monies to support incidental expenses incurred on these mission trips in line item 5122. These funds represent the church's support for gas expenses for vehicles, leadership expenses, or other materials to support the mission trip. The remaining funding for materials and other related expenses should be requested from the Missions committee. It is expected that those that participate in missions do so as a sacrificial act and will cover their personal expenses for food and housing through personal funds or funding from personally acquired sponsorship. If additional funding is required for overages, the mission group should appeal to the Missions committee or use personal funds.

SECTION 7

Guidelines for budgeting for revenue producing groups such as MMO, Softball commission, Upward, etc.:

These guidelines are based on a philosophy that Pleasant Grove Baptist is a body of Christ, with Jesus as its head and with the purpose of promoting and building relationships with Christ, worshiping, ministering and spreading the gospel. All church resources are to support this purpose. The church body shall work together to direct and apply those resources accordingly.

To that end, the revenues of ministries as mentioned above are to be budgeted to provide full support to the operation of the ministry including operating, accumulating funds for specified projects, and reserves to ensure continued operation through reasonable periods of lower demand. Excess revenues will be consolidated with Pleasant Grove's general funds to do God's work according to the direction of God, and the will of the church. Use of the consolidated funds from revenue producing ministries will be subject to church bylaws, and the financial policies of the church.

SECTION 8

Committees, organizational heads, and staff members are responsible to the congregation for the wise and prudent use of resources committed to their ministries. The congregation in church conference is the final authority in authorizing expenditure of funds in settling disputes or controversies concerning the use of church resources.

SECTION 9

No committee, person, organizational head or staff member shall divide or split any contract, purchase, or expenditure for the purpose of evading the requirement of this policy.

SECTION 10

Mothers Morning Out is not exempt from this policy.

FISCAL POLICY

Revised: February 12, 2017