

Broadmoor Baptist Church **Accounting Policies and Procedures Manual**

Table of Contents

I. INTRODUCTION.....	2
II. DIVISION OF RESPONSIBILITIES.....	3
III. CHART OF ACCOUNTS AND GENERAL LEDGER.....	6
IV. REVENUES AND GIFT RECEIPTS.....	7
V. CASH MANAGEMENT.....	13
VI. PURCHASING, EXPENDITURES, CONTRACTS AND PAYABLES.....	15
VII. BENEVOLENCE AND GIFT CARDS.....	24
VIII. FIXED ASSET MANAGEMENT.....	30
IX. BUDGETING.....	31
X. PAYROLL PROCESSING.....	32
XI. YEAR END CLOSE AND AUDIT.....	33
XII. FINANCIAL REPORTING.....	34
XIII. ANNUAL REPORTS.....	35

I. INTRODUCTION

The purpose of this Accounting Policies and Procedure Manual is to describe the existing accounting and business policies and procedures that have been established as the norm for Broadmoor Baptist Church of the Metro Baptist Association, Inc. and to serve as a valuable reference guide for the Church. These policies and procedures have been designed to help safeguard the Broadmoor's assets and to promote accuracy, efficiency and consistency in accounting and business operations throughout the Church.

It is hoped that a written manual will both contribute to these objectives as well as to assist Broadmoor's staff in complying with the prescribed accounting and business operations of the Church.

The accounting policies and procedures contained in this Manual may only be modified, altered, waived or amended in writing by the Church Council. No individual employee or officer of the Church shall have any authority to modify, alter, waive or amend the accounting policies and procedures contained in this Manual.

Point of interpretation:

It should be noted that prior approval or consent as may be required or contemplated in this Manual must in each case be in writing from the proper authority or person and may be evidenced by either email, resolution or other written confirmation. Except in the case of an emergency, the Church Council or Finance Team, as applicable, shall be given at least five (5) business days in order to review any request for approval or consent.

II. DIVISION OF RESPONSIBILITIES

The following terms are used in this Manual and are defined below and include a brief description of certain responsibilities of designated positions.

- 1. Bookkeeper** - The Bookkeeper(s) is responsible for counting and posting contributions and other deposits, processing check and expense requests and vendor invoices in accounts payable, processing and mailing payables checks, maintaining fixed asset records, processing purchase/expenditure requests, monthly cash to income reconciliation, maintaining stock donation records, reconciling credit card accounts. If more than one (1) Bookkeeper, one shall be designated as Accounting Department Head, otherwise if only one Bookkeeper then Accounting Department Head shall mean the Bookkeeper. The Bookkeeper shall be designated or listed on the Church website.
- 2. Check Signer Team** – as defined under Check Writing, Wires and Other Withdrawals.
- 3. Church or Broadmoor** - shall mean Broadmoor Baptist Church of the Metro Baptist Association, Inc.
- 4. Church Council** – The Church Council is currently designated as the governance body that is responsible for the monitoring and overseeing the Church from an overall spiritual, business administration and stewardship perspective. The Church Council currently serves the function as the Board of the Church. The Church Council shall consist of the individuals comprising lay leadership elected from time to time by the Congregation and shall also include the Lead Pastor, the Executive Pastors and a one at-large member of the Senior Lead Team. The Church Council members shall be designated or listed on the Church website.
- 5. Congregation** – shall mean the members of the Church who are in good standing at any point in time.
- 6. Deacons** – shall mean the lay leadership elected by the Congregation from time to time to serve as the then active Deacons of the Church. A list of Deacons shall be available from Human Resources or an Executive Pastor.
- 7. department head** – shall mean the individual who is designated from time to time by the Executive Pastors as a department head of a ministry or service department within the Church. The department heads shall be designated or listed on the Church website.

- 8. Director of Communications** - shall mean the person designated by the Executive Pastor of Business Administration as the Director of Communications. The Director of Communications shall be designated or listed on the Church website.
- 9. Executive Pastor** - An Executive Pastor shall mean either the Executive Pastor of Business Administration or the Executive Pastor of Ministry. The Executive Pastors shall mean the Executive Pastor of Business Administration and the Executive Pastor of Ministry jointly.
- 10. Executive Pastor of Business Administration (“CFO”)** - The CFO supervises the Accounting and Human Resources office and is responsible for all accounting and financial reporting and related internal controls, financial services, cash management, audit supervision, annual financial report to the Congregation, maintaining the General Ledger, approving certain purchases as described in this Manual, approving any and all purchases and expenditures which are outside of the approved budget, and approving all check requests. He is responsible for managing, coordinating and maintaining all facets of the payroll and benefit programs. The CFO shall be designated or listed on the Church website.
- 11. Executive Pastor of Ministry** - the lead ministry pastor who in conjunction with the Church Council and the Lead Pastor is responsible for the monitoring and overseeing the Church from an overall ministry, discipleship and stewardship perspective. The Executive Pastor of Ministry shall be designated or listed on the Church website.
- 12. Finance Team** – The Finance Team shall be comprised of lay leadership appointed by the Church Council to assist and support both the Church Council and the Executive Pastors. The Finance Team has various responsibilities and duties as outlined in this Manual and as may be granted from time to time in writing by the Church Council. The Finance Team shall be designated or listed on the Church website.
- 13. Human Resources** – shall mean the Human Resources Coordinator as designated by the Executive Pastor of Business Administration.
- 14. Human Resources Coordinator** - The Human Resources Coordinator is responsible for coordinating the hiring process and completing all applicable documentation and verification (including e-verify), administering pre-employment screening and test, coordinating employee benefits, maintaining personnel records, coordinating all health insurance and related benefit programs or other applicable medical benefits, and terminating benefits for persons leaving the Church’s employment and shall have such other duties and responsibilities as set forth in this Manual. The Human Resource Coordinator shall be designated or listed on the Church website.

- 15. Lead Pastor** – the lead ministry pastor who in conjunction with the Church Council is responsible for the monitoring and overseeing the Church from an overall ministry and stewardship perspective. The Lead Pastor shall be designated or listed on the Church website.

- 16. Manual** – shall mean this Accounting Policies and Procedure Manual and any amendments or modifications to this Manual which are properly approved by the Church Council from time to time.

- 17. Operations Manager** - shall mean the person designated by the Executive Pastor of Business Administration as the Operations Manager. The Operations Manager shall be designated or listed on the Church website.

- 18. Personnel Team** - The Personnel Team shall be comprised of lay leadership appointed by the Church Council to assist and support both the Church Council and the Executive Pastors. The Personnel Team has various responsibilities and duties as outlined in this Manual and as may be granted from time to time in writing by the Church Council. The Personnel Team shall be designated or listed on the Church website.

- 19. Senior Lead Team** – a team of ministers who are appointed by the Church Council to support assist and lead in all aspects of the ministry of the Church. The Senior Lead Team shall be designated or listed on the Church website.

- 20. Shelby** shall refer to the Church’s current accounting software, ShelbyNext or any successor software program utilized by the Church accounting department. All references in this Manual to Shelby shall also be deemed to refer to any future successor software program of a similar nature or scope.

III. CHART OF ACCOUNTS AND GENERAL LEDGER

Broadmoor has designated a Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured so that financial statements can be shown by expense type. The CFO is responsible for maintaining the Chart of Accounts and revising as necessary with notice to and approval of the Finance Team.

The general ledger is automated and maintained using our accounting software, ShelbyNext.

General journal entries are made as needed by members of the accounting staff. General journal entries can be created in all modules of ShelbyNext. These entries sit as unposted journal entries until reviewed by the Accounting Department Head for accuracy of coding, period and reason for entry. Journal entries are posted by the Accounting Department Head or CFO after final review and approval by the CFO.

The CFO and Finance Team shall review the general ledger on a monthly basis for any unusual transactions.

IV. REVENUES AND GIFT RECEIPTS

Sources of Revenues

The Church's revenues are derived from various sources including gifts of tithes and offerings, gifts designated to buildings and property, gifts of securities, gifts to designated ministries, interest income, and other miscellaneous income.

Any cash received in the amount of \$10,000 or more must be reported to the federal government using IRS Form 8300.

The main source of revenue for the Church is received in the form of tithes and offerings during regular church services. The procedures noted on the following pages should be used to secure the regular tithes and offerings from services.

Tithes, offerings and gifts may be received via the U. S. mail. All mail is to be removed from the mailbox by an employee designated by the CFO and is to be date stamped and sorted. Any mail not specifically addressed to an individual employee of the Church will be opened by the Human Resource Coordinator. Checks will be placed in the Church's safe after review for deposit with the next bank deposit by the Church.

Gifts of marketable securities, including mutual funds, to the Church are processed by the accounting office and reviewed by the CFO. The CFO coordinates the gift with the donor or donor's broker. The Bookkeeper records the gift and coordinates the sale of the security. The Church's policy is to promptly sell all gifts of securities within three (3) trading days after clearing of receipt of the gift, unless the donor specifically requests otherwise in writing. If the donor requires conditions to selling the securities, such conditions must be approved by the Church Council prior to accepting the gift. All securities transactions are reviewed by the CFO and Finance Team on a regular and timely basis.

Gifts of personal property (tangible or intangible) with a value in excess of \$500 must be approved by the CFO and the Finance Team before acceptance. Gifts of personal property in excess of \$3,000 must also be approved by the Church Council. Gifts of any real property must be approved by the Church Council. All gifts of personal or real property may be subject to verification of value based on appraisal or other reasonable third party verification procedures. Determination of value must be in compliance with any applicable state and federal governmental regulations and requirements. The Church Council may also establish from time to time other pre-receipt requirements relating to real property such as a clean environmental report addressed to Broadmoor from a company approved by CFO, recent survey and clear title certifications.

Approved
January 3, 2018
Revised October 2019

Broadmoor may accept designated, restricted or conditional gifts to its various ministries. Unless a donor expressly and specifically prohibits such application, the Church may apply designated funds to the specific ministry being designated either for budget needs, additional ministry needs and opportunities, or specific ministry projects being undertaken within the designated ministry. The Church may elect to hold designated or restricted funds in either its normal operating bank account or in a separate bank account used for holding designated or restricted gifts. Donors desiring to make designated, restricted or conditional gifts of more than \$20,000 either individually or in a series to a specific ministry or need will be asked to discuss the expectations and desires of the donor with respect to the gift and its potential impact to Broadmoor's ministries with the CFO prior to the gift. For purpose of this paragraph, designated gifts shall not include gifts given to an established capital campaign program or international, national or regional mission emphasis cooperative program designations such as Lottie Moon, Annie Armstrong or Margaret Lackey.

Approved
January 3, 2018
Revised October 2019

Collecting Offerings

[Redacted for security purposes – available upon request by contacting the Executive Pastor of Business Administration]

Posting Revenues

Offerings

[Redacted for security purposes – available upon request by contacting the Executive Pastor of Business Administration]

Missions Trip Giving

The principal means of funding Broadmoor Sponsored Missions trips is through direct donations to Broadmoor or the Broadmoor website. Gifts are posted through the website into the Broadmoor bank account and are reconciled monthly. Once the monthly reconciliation is complete, gifts are posted to individual giving records through Shelby Contributions.

Gifts given by checks or cash should be directed to the accounting department for intake, recording and processing with a list of donors, designations and amounts being distributed to the Missions Department to be recorded on the individual's trip record. Checks and cash that are given toward missions trips are posted through Shelby Contributions where credit is given to each individual contributor to the extent permitted.

The lead pastor of the Mission ministry shall establish written policies and procedures for establishing mission trip pricing and the amount and allocation of any funds for mission trip scholarships. All such mission related policies and procedures and any changes thereto are subject to the prior approval of the Church Council.

Individual contributors shall have the ultimate responsibility of determining if any mission trip giving is deductible as a charitable gift for purposes of state or federal income tax regulations and requirements.

Other Funds

Non contribution checks and reimbursements should be processed through the ShelbyNext Bank Account Management module. Money should be categorized by purpose and a deposit detail completed for each category of money. The deposit detail should be assigned a sequential batch number and all information completed on the face of the sheet. Using the unique batch number, record the funds in Shelby in the Check Express Module using the appropriate general ledger coding and description.

The deposit detail, final register generated by Shelby and a photo copy of any checks included in the deposit should be filed in the Broadmoor accounting office in a secure manner. A deposit slip using the batch number should be completed for each deposit.

Bank Deposits

Bank deposits are made each ----- **[Redacted]** and should include all contributions from the previous weekend and all "other" deposits made for the week. A member of the accounting team will remote deposit the checks via the bank portal or take cash deposits to the nearest Church bank location accompanied by a police officer or security team member. Upon returning from the bank, each encoded deposit slip should be attached to the corresponding Deposit Detail report and filed in the accounting office.

Statement of Contributions Policy

In accordance with IRS guidelines, for a contribution to be included on a given year's *Statement of Contributions*, the contribution must be received by December 31, or if mailed, the envelope must be post-marked no later than December 31.

A *Statement of Contributions* will be mailed by January 31 of each year.

A *Statement of Contributions* is not mailed for contributions less than \$250 unless requested by the contributor. In accordance with IRS guidelines, any single contribution less than \$250 may be substantiated by a cancelled check.

Goods or services provided in exchange for a contribution are not reflected on the *Statement of Contributions*. Examples are: (1) tuition paid to the Church for specific identified students, (2) money paid to the Church for a specific individual to attend a retreat, mission trip, etc., and (3) a donor advised or designated gift to a specific individual as designated by the donor. General gifts in support of retreats, mission trips, etc. will be reflected on the *Statement of Contributions* provided the donor does not make reference to a specific named recipient. The donor must acknowledge and allow the Church full discretion to administer, control and apply the funds in furtherance of the purpose of the Church. Individual donors shall have the ultimate responsibility of determining if any such giving is deductible as a charitable gift for purposes of state or federal income tax regulations and requirements.

Broadmoor may accept most types of non-cash gifts such as stock, mutual funds, vehicles, land, etc. in accordance with the applicable gift receipt provisions contained in this Manual. A *Letter of Acknowledgement* is sent to the donor by Broadmoor stating a brief description of the non-cash gift(s) and the date the gift(s) was received.

The value of time or services by an individual to the church is not reflected on the *Statement of Contributions* and generally is not tax deductible.

V. CASH MANAGEMENT

Petty Cash

Broadmoor may maintain an Administrative Petty Cash fund of \$300. This fund will be kept in a locked cash box in the accounting office safe. Receipts may be reimbursed from petty cash for amounts up to \$25.00. Any person requesting a reimbursement from the petty cash fund should turn in a receipt to the petty cash custodian that contains the department and expense codes as well as the reason for the purchase. The petty cash fund is reconciled monthly.

Broadmoor will maintain a Broadmoor Book Store change fund of \$500. This fund will be kept in a safe location in the Broadmoor Book Store or the accounting office. This fund is to be used solely for the purpose of providing change for the Broadmoor Book Store and is the responsibility of the Broadmoor Book Store manager. This fund together with any and all book store related transaction should be recorded and balanced at the close of every service day and reconciled monthly. The Book Store manager shall keep complete and accurate records of all transactions, including credit card transaction, and report them to the accounting department on a regular basis and no less often than monthly.

Reimbursement Account

The reimbursement account will be maintained on the General Ledger of Broadmoor. The purpose of this account is to track pass through items. These items are items that are purchased for use in the normal day to day operation of Broadmoor and used to complete various events hosted by Broadmoor, such as, but not limited to, conferences, Upwards events, youth events and other events hosted by Broadmoor and approved by the Senior Lead Team. This account is strictly used as an accounting tool to follow items for which Broadmoor expects to be reimbursed. This account is reconciled monthly.

Sweep Account

A money market account is maintained by Broadmoor at an approved bank or financial institution. The Broadmoor line of credit may be linked to the money market account for sweep purposes. The purpose of the money market account and any related sweep is to earn the maximum amount interest possible on funds not needed for immediate use and to maintain the minimum amount advanced on the line of credit at any point in time based on available funds. Fund transfers may be automatic with the sweep process or may be initiated by the CFO based on cash flow needs. A reconciliation of the money market account shall be completed monthly.

Other Fund Accounts

Other accounts may be established by the CFO and approved by the Finance Team. The primary purpose of any such account is to segregate designated or restricted funds. A reconciliation of any and all such accounts shall be done monthly.

All Bank and Brokerage Accounts

Any and all bank and brokerage accounts of the Church may only be opened after written authorization and approval by the Church Council, including written resolutions certified by a member of Church Council other than the CFO. The CFO shall at all times maintain a complete and accurate listing of any and all bank and brokerage accounts of the Church. This listing shall be delivered to the Finance Team and Church Council on a regular basis and upon any change in any bank or brokerage account(s). Accounts may be established and maintained at banks selected by the CFO and approved by the Church Council. A reconciliation of any and all such accounts shall be done monthly and delivered to the Finance Team for review.

Bank Reconciliations

Bank reconciliations will be completed each month for each open bank or brokerage account maintained by Broadmoor.

Bank statements are received via mail, date stamped and sent to the CFO. The bank statement shall remain sealed for the Chair of the Finance Team to review. Once reviewed by the Chair, the bank statements are initialed indicating the review and returned to the CFO to distribute to the designated accounting or outside contractor to be reconciled. At the request of the Church Council, Finance Team or the CFO, Broadmoor shall retain an independent third party to either prepare or review the bank reconciliations together with the reconciling entries on a month basis.

Upon completion of the reconciliation the designate shall provide the CFO the detail of the reconciliation and any proposed journal entries needed to ensure the proper recording of activities. The CFO shall review the reconciliation and approve journal entries for posting. The CFO will indicate by initial his approval of the reconciliation.

The completed bank reconciliation shall be delivered to the Finance Team together with the reconciling entries for review on a monthly basis.

VI. PURCHASING, EXPENDITURES, CONTRACTS AND PAYABLES

Purchasing, Expenditures:

Approval Limits

Budgeted expenditures and contractual obligations shall require the following approvals:

\$0-\$500: Staff members

\$500 - \$3,000: Senior Staff

\$3,000 - \$20,000: Executive Pastors

\$20,000 - \$50,000: Church Council Contract Subcommittee

\$50,000 and above: Church Council

Such purchases include invoices provided by vendor, credit card transactions or transactions that are paid for personally, by members of the Broadmoor staff, for which reimbursement will be sought. Two signatures are required for personal reimbursements regardless of dollar amount. Expenses shall be reimbursed by completing the approved check request form and shall be completed in accordance to the accounts payable terms and policies, see next section.

Pre-Expenditure Approval Policy

Prior approval of the Executive Pastor of Ministry and the CFO shall be required for all purchase requests in the amount of \$3,000 or more and for all purchase requests which are outside of the then approved Church budget. Purchase Request in the amount of \$3,000 or more should include two or more competitive quotes, unless expressly waived in writing by the Church Council. Prior approval of the Church Council Contract Subcommittee shall be required for all budgeted purchase requests in the amount of more than \$20,000 but less than \$50,000. Prior approval of the Church Council shall be required for budgeted items \$50,000 or more and for all purchase requests which are outside of the then approved Church budget.

A request for a purchase or expenditure is initiated through the use of a purchase/spending requisition request form and submitted to the applicable department head and then to the Bookkeeper. Purchase requisitions are to be completely filled out by the person requesting the materials or services. Purchase request should include, vendor name, address, phone number, payment method, signature of person requesting items, quantity of items requested, item number if applicable, item description, unit price and extended line total if applicable, subtotal, freight and handling cost, total cost, department and expense codes and a description of how the items will be used.

Once the requisition is completed by the requestor, the requisition must be submitted to the department head for review. When the requisition is reviewed, the department head

should sign the request and forward to the Executive Pastor of Ministry. Once the Executive Pastor of Ministry has reviewed the request, if approved, should sign the request and forward to the accounting department. When the accounting department has reviewed the request for accuracy, they will forward to the CFO for his review and approval. When the CFO has approved and signed the Purchase Request, he will return the request to the accounting department who will issue a written authorization to the requestor.

Once a written authorization is issued, the purchaser may then proceed to order the items in accordance with the terms of the authorization.

Items purchased for the Church and its programs should preferably be billed to the Church by the vendor. Payment will be made in accordance to the Vendor's terms.

If the vendor does not offer billing, items should be paid for using the Church credit card. The Church credit card is kept in the accounting office along with a credit card log. When the card is needed, the accounting personnel will write in the credit card log: the person's name that will be using the credit card, the time the card is checked out, the vendor the person is purchasing from, and items to be purchased. When the card is returned to the accounting office, the time returned is noted along with the amount of the purchase. A vendor receipt should always be turned in to the accounting office when returning the credit card.

If the Church credit card is unavailable for use or if a purchase is made outside of normal business hours, purchases may be made using personal funds. Reimbursements of funds used to purchase items for Church business will be made in accordance to the accounts payable terms and policies, see next section.

Items Under \$500

Items purchased for use by the Church in its ministry or outreach under the dollar amount of \$500 including taxes and shipping may be purchased without prior approval provided the expenditure is within the then approved budget for the applicable ministry.

Items purchased for the normal day to day operation of the Church and its programs should preferably be purchased using the Church credit card. The Church credit card is kept in the accounting office along with a credit card log. When the card is needed, the accounting personnel will write in the credit card log: the person's name that will be using the credit card, the time the card is checked out, the vendor the person is purchasing from, and items to be purchased. When the card is returned to the accounting office, the time returned is noted along with the amount of the purchase. A vendor receipt should always be turned in to the accounting office when returning the credit card.

If the Church credit card is unavailable for use or if a purchase is made outside of normal business hours, purchases may be made using personal funds. Reimbursements of funds

used to purchase items for Church business will be made in accordance to the accounts payable terms and policies, see next section.

Credit Cards

The CFO shall monitor and use commercially reasonable efforts to maximize any rebate or other benefit associated with the use of Church credit cards for the benefit of Broadmoor. CFO shall also monitor the use of credit cards in accordance and compliance with these Accounting Policies and Procedures. At all times CFO shall maintain a complete and accurate listing of all Church credit cards and who has current possession of any and all such cards. Any and all outstanding credit card balances shall be paid in full in accordance with their terms by the applicable monthly due date.

Ministry Development Fund

The CFO may establish a ministry development fund for designated ministers in set annual amounts pursuant to an annual budget. The purpose and intent of the fund is to allow ministers the discretion to use these funds in any manner they determine appropriate to support and develop Broadmoor's ministry, including, without limitation, food and beverage purchases with members or prospective members of Broadmoor. Each plan must be pre-approved by the Church Council and shall be a line item within the then approved applicable ministry budget. These accounts shall be reconciled on a monthly basis with a report sent to each individual minister who is entitled to use such an account. No prior approval is required for the use of these funds. Such expenses shall be reimbursed to the minister in accordance with normal reimbursement policies. However, these funds are not available for personal use or for internal meetings of ministry staff.

Contracts

All contracts must be reviewed and approved by the contract subcommittee as appointed by the Church Council. Contracts with an obligation of more than \$50,000 and all related party contracts with their Church employees, members of the Church or their immediate family members shall require prior approval of the Church Council. The Church Council may condition acceptance of certain contracts on obtaining comparison quotes or bids from alternate vendors or suppliers. Contracts for capital projects that require outside funding require prior approval by the Church Council.

Debt & Borrowing

Prior approval by Church Council is required for incurring any and all debt for borrowed money and/or establishment of a credit line -- regardless of amount or type of debt vehicle. No officer or member of the Church staff shall have any authority to borrow money including making a draw on any Church line of credit without the prior written approval of the Church Council evidenced by a written resolution certified by another

officer of the Church. Draws on the Church line of credit relating to the normal operation of the sweep account are not governed by this restriction.

Check Requests

Check requests are submitted by individuals requesting reimbursement of expenses for purchases made on behalf of Broadmoor. A check request form shall be utilized and include information about the requestor such as name and address, date of the request, person filling out the check request, designation of fund, space for the requestor's signature, department head signature, accounting accuracy review check off, and Bookkeeper's or CFO's check off, as applicable. In addition there is space provided to record the appropriate department and expense codes, description of items purchased, space to describe how the items will be used, record the purchase order number and give the amount of the receipt, along with the total of all receipts on that page. The requestor shall include receipt (evidences of expenditure) and write the date of the purchase.

Check requests should be submitted on a timely basis with receipts more than thirty (30) days old not being considered for reimbursement unless extraordinary circumstances as determined by the CFO. Check requests completed and turned in by 5:00 P.M. on Tuesday will be reimbursed by the following Tuesday. Check requests should be turned in to the accounting office for review and approval. Once checked for accuracy by the accounting staff, check requests will then be forwarded to the CFO's office for review and approval. Once approved, the check request will be returned to the accounting office for processing.

Check requests should contain as much information as possible in order to provide an explanation of the expense, verification of the expense and a reason that the expense was incurred. Check request containing insufficient information, or missing information or signatures will be returned to the requestor for completion. Check request approvals shall be subject to the approval limits defined in the beginning of this section.

Vendor Invoices

Vendor invoices are received either through mail or with the delivery of goods. Vendor invoices are subject to the approval limits set forth in the beginning of this section. After the department head has reviewed and approved the invoice against the item received or services rendered to verify accuracy and receipt and coded, the invoice along with the check request is and forwarded to the accounting department. Vendor invoices will then be processed through the accounting office. A member of the accounting team will review the invoice for appropriate authorizations and signature. The invoice if not signed will be taken to the appropriate person for a signature as proof of receipt of merchandise and then processed. The invoice shall be completed in accordance to the accounts payable terms and policies, see check writing, wires and other withdrawals section.

Travel, Lodging and Meals

The purpose of this policy is to provide greater detail in the administration of travel, entertainment and meal expenses. Prudence, reasonableness and ministry necessity should serve as guidelines in following this policy. Travel, lodging, entertainment and meal payments are not fringe benefits; rather they are necessary ministry related expenses. No expenses should be approved that do not directly relate to the ministries of Broadmoor. All travel, entertainment, meal and similar expenses must be either within approved budget guidelines or be approved in advance by the CFO. If such expense is greater than \$750, then it must also be approved by the Finance Team. If such expense is greater than \$1,500 or relates to the Lead Pastor, Executive Pastor of Ministries or the CFO, then it must also be approved by the Church Council. Scheduling and booking of travel and lodging are the responsibility of the employee.

Travel

- 1) Ministers and employees are encouraged to use Church owned vehicles for travel whenever possible.
- 2) Ministers and employees that use their personal vehicles for direct Church purposes will be reimbursed at a preset mileage rate. This rate may be less than the maximum rate allowed by the Internal Revenue Service. The reimbursable rate will be set by the Finance Team after receiving a recommendation from the CFO.
- 3) Appropriate mileage logs must be maintained and turned in with reimbursement requests.
- 4) Mileage will not be paid for commute time to and from the Church. Examples of reimbursable mileage include:
 - Travel to conventions, seminars and meetings that are ministry related.
 - Travel outside of ten (10) miles from Broadmoor to visit members or their families while in the direct scope of one's ministry, e.g. hospital visits and funerals. For purposes of the ten (10) mile determination, a trip with multiple destinations which totals more than ten (10) miles round-trip will be considered as reimbursable.
- 5) Travel to speak, lecture or preach apart from Church sponsored or supported functions will normally not be reimbursed. It is assumed that the inviting organization will cover travel cost. However, if the inviting organization is unable to fund travel, the minister can request consideration for payment.
- 6) Any out of town travel of approximately 425 miles or less should normally be by automobile. If a reliable Church vehicle isn't available, the cost of a rental verses mileage reimbursement should be considered.
- 7) Any air travel should be planned as economically as possible and booked at coach or lower fares. The Church will pay for one checked bag but will not pay for excess baggage fees, upgrades or other unnecessary charges.

- 8) Travel in connection with mission or camp opportunities must be pre-approved by CFO and Finance Team and must be within the approved budget for such activities.

Lodging

- 1) Ministers and employees should use standard accommodations at reasonably priced hotels and motels. Accommodations should be safe and comfortable but not lavish or extravagant.
- 2) The added costs of in-room meals, movies or other amenities are the responsibility of the minister or employee.
- 3) Trips of less than 125 miles are not normally eligible for overnight stay unless the attended activity covers multiple days. Exceptions can be made if circumstances warrant and if pre-approved by the Executive Pastor of Ministry or the CFO.

Meals during travel

- 1) The payment of meals applies to the following situations: overnight stays, day trips of more than 6 hours.
- 2) Meals for overnight stays are only covered if alternate meals are not provided at an attended event. If no alternate meal is provided the following limits apply: breakfast \$10, lunch \$15 and dinner \$25.
- 3) Day trip meals are limited to one meal not to exceed \$15.

Meals outside of travel

- 1) Meals for the support of others can vary widely and could range from helping a homeless individual to feeding a family at Christmas. Other examples might include purchasing food for a family attending to a hospitalized relative or taking a grieving spouse to lunch. Care and compassion are the guidelines. CFO may set appropriate guidelines as needed.
- 2) Meals can serve as a reward and motivator especially if used in connection with performance reviews or in recognition of a task completed well. Gathering co-workers and volunteer team members for lunch can also be a great morale builder. These types of expenditures are encouraged but should be used judiciously. CFO approval should be obtained in advance and kept within approved budget limits.

Travel Expense Advance. In certain situations including mission trips and seminars as may be approved from time to time by the CFO, Broadmoor may provide a Travel Expense Advance of up to \$3,000. Any travel expense advance of more than \$3,000 shall also require the prior approval of the Finance Team. No travel expense request of more than \$10,000 shall be permitted. Requests for a travel expense advance should be submitted to the CFO via e-mail at least ten (10) days prior to the travel date. Upon approval, the CFO will forward the approved request to the Bookkeeper who will

advance the approved amount of funds to the requestor by check. The requestor must sign for the funds at the time funds are received. Upon return from travel, the requestor must return all unused cash along with receipts and a check request for any expenditure in excess of the travel expense advance amount to the Bookkeeper. The CFO must approve the check request for reimbursement of receipts.

Check Writing, Wires and other Withdrawals

Accounts payable checks will routinely be written each Thursday. It is the responsibility of the accounting staff to gather, process and enter vendor invoices and check requests into the accounts payable system. Vendor invoices will be paid in accordance with the terms outlined by the vendor and if approved by the CFO in such a manner to maximize any available early payment discounts. Checks for check requests will be available by the Tuesday following their final approval by the CFO.

Once all invoices and check requests have been entered into the accounts payable module, a check edit printout will be generated for all requests and invoices to be paid. The check edit is reviewed for accuracy by a member of the accounting staff. Once the review has been completed, checks are printed along with the check register. The check register is reviewed by the CFO. Once approved the CFO signs and returns the check register to the accounting department. Any necessary changes are communicated to the Accounting Staff and are corrected accordingly.

Once the checks and the check register have been printed, the accounting staff member will log in the beginning and ending check numbers, the total of the check run. The CFO will review the check register and the checks for accuracy.

All checks shall be required to be signed by two approved signers. If available, the CFO shall be the first signer and a member of the Church's Check Signer Team shall be the second signer. If the CFO is not available, the check may be signed by two members of the Check Signer Team. The Check Signer Team shall be appointed annually by the Church Council to serve up to three year terms. The check signers shall rotate check signing on a periodic basis from time to time as determined by the CFO and Finance Team.

Any wire transfer must first be requested in writing on the then approved form and signed by a department head or member of the Senior Lead Team who is making the request. Any wire transfer from a Church bank account shall only be authorized after the CFO has reviewed and confirmed the request verbally with the person making the request and evidencing such approval and verification by CFO signing the written authorization form and obtaining the written approval of at least one member of the Finance Team and one member of Church Council. CFO shall develop a written wire authorization form to be approved by the Finance Team. The written authorization form shall include all of the applicable authorizations, amount and detail back-up as required for Accounts Payable pursuant to this Manual and shall also include the recipient's name and address, bank account, bank identification, contact information and applicable routing numbers and

SWIFT numbers, if international. Only the CFO shall have authority to initiate a wire transfer request with the bank after proper authorization as outlined above. The approval procedures with the bank shall, to the extent reasonably possible, require separate verification calls to the CFO and to at least one independent person from a group of individuals designated by Church Council prior to the bank initiating the actual wire transfer. Any and all wire transfers including applicable fees and costs shall be timely and properly recorded in the Check Register and in the accounts payable system and applied to the proper ministry budget as applicable.

Any ACH transfer or series of ACH transfers must first be requested in writing on the then approved form and signed by a department head, member of the Senior Lead Team or the Bookkeeper, who is making the request. Any ACH transfer from a Church bank account shall only be authorized after the CFO has reviewed and confirmed the request verbally with the person making the request and evidencing such approval and verification by CFO signing the written authorization form and obtaining the written approval of at least one member of the Finance Team and one member of Church Council. CFO shall develop a written ACH authorization form to be approved by the Finance Team. The written authorization form shall include all of the applicable authorizations, amount and detail back-up as required for Accounts Payable pursuant to this Manual and shall also include the recipient's name and address and applicable routing information. Only the CFO and Bookkeeper shall have authority to initiate an ACH transfer after proper authorization as outlined above. Any and all ACH transfers including applicable fees and costs shall be timely and properly recorded in the Check Register and in the accounts payable system and applied to the proper ministry budget as applicable.

The Bookkeeper and CFO shall use reasonable efforts to require all Church banks to use "Positive Pay" or a similar cash management service to assist in deterring check fraud.

No member of the Church accounting staff, CFO, Check Signer Team or any other member of the Church staff shall have authority to approve or undertake any type of cash withdrawal from a Church bank account or authorize any internal bank transfers from a Church bank account to any account that is not directly owned and controlled by Broadmoor. Any and all internal bank transfers between or among Church accounts (including brokerage) shall be reported to the Finance Team and the Church Council and properly reflected in the Check Registry, the monthly account reconciliations and the financial statements.

The CFO shall cause the check register to be delivered to the entire Check Signer Team and to the Finance Team for review no less often than monthly. The Bookkeeper shall ensure that the check stubs along with the supporting documentation is held on file under the applicable document retention guidelines. The check register shall be delivered together with a cumulative list by recipient of all checks received by the recipient within the applicable budget year or trailing twelve (12) months as requested by the CFO or the Finance Team.

Sales Tax

If permitted by applicable law, Broadmoor shall use commercially reasonable efforts to obtain and use any available sales tax exemption for the State of Mississippi. To the extent applicable and available, every reasonable effort should be made by the accounting office to have the exemption on file at companies that the Church has accounts with and that we use on a regular basis. Employees should be prepared to present any applicable sales tax exemption when purchasing items for the Church.

No Church sales tax exemption should ever be used when purchasing personal items.

VII. BENEVOLENCE AND GIFT CARDS

Benevolence Fund

The Benevolence Fund of Broadmoor Baptist Church is intended as a resource of last resort, to be used only after individuals requesting assistance have explored all other known avenues of help from family, friends, savings, or investments. The Fund is intended to be utilized as a temporary help during times of crisis.

The Fund is administered in two parts: 1) Non-Connected Assistance (NCA) and, 2) Relationally Connected Assistance (RCA).

Non-Connected Assistance refers to requests from individuals that have no direct contact with Broadmoor while RCA requests refer to individuals that have a primary relationship with Broadmoor. A primary relationship can be a Church member, a person whom a particular Life Group is supporting, or a person a staff member is working with and, as such, is familiar with the individual's needs. In all cases, the objective is to minister to the individual and move him or her from a point of need to self-sufficiency or normalcy.

STRUCTURE AND PROCESS

Administration and oversight of the Benevolence Fund is the direct responsibility of the Benevolence Team under the auspices of the Finance Team. The Team is comprised of six members: one standing member and five alternating lay members. The standing member is a Broadmoor Pastoral Minister, herein referred to as Standing Member. The Standing Member is annually nominated by the Finance Team and approved by the Church Council. The five alternating members are Broadmoor members who are likewise nominated by the Finance Team and approved by the Church Council. The Benevolence Team will annually appoint a Team Leader. Two of the five nominated will be current members of the Finance Team. The five lay members have voting authority. The members should strive to make decisions by consensus but may take action by majority vote if needed. The Standing Member serves in an advisory and administrative role and does not have voting authority and may not serve as Team Leader.

The five lay members serve staggered terms. The two Finance Team representatives serve two-year terms, and the three at large Broadmoor members serve three-year terms. Team Leaders serve one year terms. One Finance Team representative and one at-large member are appointed every year. Terms are served on a calendar year basis.

The Standing Member presents all requests for assistance that are above his or her authority as defined herein. The Standing Member also has the responsibility for maintaining records of all Benevolence activity. The Standing Member may create a

support team of other Broadmoor staff to assist him or her in receiving assistance requests and in discharging various tasks in his or her capacity as Standing Member.

However, support team members have no authority to approve benevolence requests. All benevolence requests must flow through the Standing Member for approval. The CFO may fulfill the responsibilities and duties of the Standing Member in his or her absence.

The Benevolence Team will meet on an as needed basis but will routinely hold meetings on at least a quarterly basis. When expediency dictates, the Benevolence Team may conduct routine affairs, including voting, via telephone. Details regarding benevolence requests can be shared by email. However, any such correspondence must redact names and information such as home address or work information that could potentially identify the applicant. Notwithstanding the foregoing, all discussion and voting must be conducted via telephone conference call. When absolutely necessary, the Benevolence Team Leader may poll individual members for approval. In all matters, a quorum shall consist of at least three (3) of the five (5) lay members.

FORMS OF ASSISTANCE

Relationally Connected Assistance

1. The form of assistance for RCA individuals varies with the need and may involve multiple staff and lay personnel. The intent is to minister to the whole person, both physically and spiritually.
2. The key staff contact involved in the process is the Standing Member. The Standing Member may assemble a support team of other Broadmoor staff who can assist in receiving assistance requests and in discharging various tasks. However, all assistance requests must be coordinated through the Standing Member or the CFO in his or her absence.
3. The Standing Member has a spending authority of up to \$300 for RCA assistance. Assistance request over \$300 up to \$2,000 must be referred to the Benevolence Team for approval. Request over \$2,000 up to \$3,500 must be referred to the Financial Team for vetting and approval and, and if more than \$3,500 it must be approved by Finance Team then be forwarded to Church Council for final approval.
4. Requests or referrals for financial assistance may be received from multiple sources such as Life Groups, Staff, Deacons, and individual members. All requests should be referred to the Standing Member or the CFO.
5. Financial support for RCA persons can include food, emergency fuel, medical assistance including bills, utilities, and housing related expenses. However, regardless of the need, the intent is to provide help and assistance in whatever manner is deemed healthy and redemptive.
6. Assistance should normally be limited to one-time occurrences but, when deemed appropriate, can last for an extended period of time. Extended period assistance or multiple occurrences must be approved by the Benevolence Team and in accordance with monetary approval limits, with final approval by the Finance

- Team and by Church Council to the extent required. All total dollar expenditures of \$2,500 or more in a single year, whether single or multiple disbursement, must be properly approved by the Finance Team and Church Council. Total expenditures exceeding \$5,000 over a three-year period must be approved by the Finance Team and Church Council.
7. An opportunity for financial counseling is offered through the Center for Hope and Healing. The Center does not offer additional financial resources but can provide basic financial management skills for those truly desirous. As appropriate, the Benevolence Team, Finance Team, or Church Council may require financial counseling as a condition of approval.

Non-Connected Assistance

Requests for NCA assistance must be directed to the Standing Member or CFO in his or her absence. The Standing Member has a spending authority of up to \$100 for NCA assistance. Assistance request over \$100 up to \$500 must be referred to the Benevolence Team for approval. Requests over \$500 up to \$2,000 must be referred to the Financial Team for vetting and approval, and if approved and more than \$2,000, it must then be forwarded to Church Council for final approval.

1. HOUSING EXPENSES - Requests of this nature are referred to agencies such as Madison County Citizens Service Agency or other similar agencies listed in Broadmoor's Assistance Information pamphlet. These agencies are better equipped to provide meaningful long-term solutions. If for any reason the agencies are unable to assist the individual, a request may be submitted to the Benevolence Team for review and action. In the case of unusual or extraordinary needs, the Benevolence Team may waive the requirement to first go to the local agency(ies).
2. UTILITY EXPENSES – Utility assistance requests should normally be referred to Low Income Home Energy Assistance agencies as outlined in the Assistance Information pamphlet. These agencies work directly with utility companies and offer a broader array of alternatives. If for any reason the agencies are unable to assist the individual, a request may be submitted to the Benevolence Team for review and action. In the case of unusual or extraordinary needs, the Benevolence Team may waive the requirement to first go to the local agency(ies).
3. MEDICAL ASSISTANCE – Most medical requests are for the payment of past due bills and, as such, are not initially covered under the Benevolence Fund. All requests for direct medical care are referred to agencies such as Jackson First or Caring Hands. If the agencies are unable to assist the individual, a request may be submitted to the Benevolence Team for review and action. In the case of unusual or extraordinary needs, the Benevolence Team may waive the requirement to first go to the local agency(ies).
4. EMERGENCY FUEL – Assistance with fuel is permissible but is limited to \$30 for local residents and \$40 for transients. Recipients must be at least 21 years of age and possess a valid state issued driver's license. Fuel will be purchased either

- by issuing a prepaid gas card or through a voucher redeemable at a participating retail fuel outlet.
5. **FOOD** – Requests for food are granted on a regular basis. Immediate help can be provided through the issuance of pre-paid grocery store cards. The normal limit for such assistance is \$30 for individuals and \$150 for a family. Applicants are also given the contact information for agencies such as Madcaap, Crestwood, Stewpot and Good Samaritan. These organizations operate food pantries and can provide up to a week’s worth of food for needy families.
 6. **FINANCIAL COUNSELING** – An opportunity for financial counseling is offered through the Center for Hope and Healing. The Center does not offer additional financial resources but can provide basic financial management skills for those truly desirous.
 7. **LIMITATIONS** - Broadmoor does not wish to create an environment of dependency. Assistance to NCA individuals is limited to once every twelve months unless otherwise approved in writing by the Finance Team and Church Council in the case of unusual or extraordinary needs.

Broadmoor maintains an active relationship and provides financial support to most if not all of the agencies to which it refers.

ACCOUNTABILITY

All benevolent financial transactions are to be properly documented and approved before issuing any funds. The Standing Member is to ensure that all expenses are properly approved, correctly coded, and ready for entry into the Church financial accounting system. The Church accounting office will review all requests for proper approval, accuracy, completeness, and proper coding before entering for payment.

The Church Accounting Office will be responsible for purchasing pre-paid cards and issuing same to the Standing Member. The Standing Member will keep an inventory of cards on hand and cards issued. The Accounting Office will perform a monthly reconciliation. In keeping with this policy, only two types of pre-paid cards should be kept in inventory: gas cards and grocery store cards. The maximum value per card must not exceed \$40 for gas cards and \$75 for grocery cards.

Cash should never be given except in extreme and extraordinary circumstances and then only with the prior written authorization of the Finance Team, within Finance Team authority.

A record of all Benevolence activity will be maintained by the Standing Member. A monthly report of all activity will be submitted by the Standing Member to the Benevolence Team at large. The monthly report will include:

- A summary log of all activity both approved and denied
- A “Benevolence Assistance Request” fact sheet for all approved applicants

- A copy of the driver's licenses for all approved applicants
- Any other pertinent documentation regarding an approved applicant

The Finance Team will receive a copy of the summary log on a monthly basis. The Church Council will receive a copy of the summary log on a quarterly basis.

OTHER MATTERS

- Any request that requires approval of the Benevolence Team, Finance Team or Church Council, must include a clear written explanation of the need and proposed plan. The plan must include a dollar limit and definitive time frame. All approvals of each Team must be in writing.
- Any approved gift that requires issuance of a check will be processed in the ordinary check writing procedures for accounts payable, including timing of issuance.
- A benevolence event may involve multiple payments and/or extend over a protracted period of time; however, all individuals, both RCA and NCA, are eligible for assistance, up to approval limits.
- Application of this policy treats a recipient and his immediate family as one person. Multiple members of the same family cannot simultaneously, or within a three year period, receive multiple benefits unless otherwise approved in writing by the Finance Team and Church Council in the case of unusual or extraordinary needs.
- Designated gifts can be made to the Benevolence Fund, however, donors cannot specify, designate, direct, or otherwise restrict or control disbursements. All disbursements shall be made in accordance with provisions stated within this policy.
- Church employees and their immediate family members are not eligible to apply for Benevolence Fund consideration. Any employee assistance must be in keeping with established personnel policies and is beyond the ambit of the Benevolence Team and this Policy.
- Any deviations from the Benevolence Policy, regardless of size or scope, can only be approved by Church Council. Church Council is the final arbiter of any and all matters related to the Benevolence Policy.

Gift Cards

The CFO shall monitor and use reasonable efforts to control the use of gift cards, including any type of pre-paid cards. These should generally only be used for non-employees in a benevolence manner subject to the benevolence fund guidelines. Gift cards may be used for providing a source of appreciation for guest speakers, but the amount provided to speaker shall not exceed \$250 annually, unless approved by the Church Council Contract Subcommittee. Gift cards should not be used to reward or compensate any employees or volunteers of Broadmoor. CFO shall keep an inventory of all unissued gift cards and shall cause a record to be kept reflecting the grant of gift cards including the name of the recipient, the amount of the card and the reason for the gift. Gift cards shall not be given to any individual or related family members in an amount in excess of \$250 either individually or in the cumulative aggregate without prior approval of the Benevolence Team.

VIII. FIXED ASSET MANAGEMENT

Definition

Fixed assets are assets whose future economic benefit is probable to flow into the entity and whose cost can be measured reliably

Capitalization Policy

Beginning in 2018, any item purchased with a value of \$3,000 or greater including land, buildings, office equipment, music equipment, furniture and fixtures, automobiles, video equipment, audio equipment and leasehold improvements was considered a fixed asset. Cost is the cost of the item including taxes, shipping and installation.

Fixed assets are depreciated using the straight-line method over an estimated useful life of 5 years to 40 years.

Disposal of Fixed Assets

Assets may be disposed of when they are no longer in use, not repairable or obsolete. Fixed assets may be donated to other churches or charitable organizations at the discretion of the department head with the approval of the CFO. Otherwise, if the asset is still operational, said asset should be sold at the fair market value and the proceeds of the sale recorded as other income on the Broadmoor income statement.

Prior to the disposal of any asset by any means, the department head should discuss said disposal with and obtain approval from the CFO, and once disposed, notify the fixed asset custodian.

Recording Fixed Assets

The following procedures are used to record a fixed asset.

Broadmoor will provide the Certified Public Accounting firm with asset purchase information and they will record fixed assets and create depreciation schedules.

IX. BUDGETING

Budget Cycle

Budgets for all departments of Broadmoor are based on a calendar year, which is the physical year of Broadmoor.

The CFO will send prior year information and budget forms to each department head in the month of October. Each department head is responsible for formulating a line item budget for their department and returning the request to the CFO by the end of November for review. The CFO in conjunction with the Senior Lead Team and the Finance Team will review all budget requests and formulate the master budget. In formulating the master budget, the CFO and Finance Team shall first consider any goals or guidelines for budget determination purposes as may be set by the Church Council, including, without limitation, overall parameters for personnel, benefits, mission and other specific ministry areas. Once the master budget is formulated, then the CFO shall submit the master budget together with any underlying assumptions or detail as necessary or requested to the Church Council for final review and approval. Once approved the master budget shall be submitted to Deacons and then to the Churchy body for final approval prior to January 31st. Approved department budgets will be returned to the department heads no later than February 10th.

The CFO shall endeavor to create a zero based budget analysis and process on at least a five (5) year cycle.

The CFO, Finance Team and the Church Council are charged with both short and long-term financial planning and oversight. As a component of the budget process a five year projected spending and budget forecast shall be maintained. Attention should be given to trends in membership, attendance and giving. Debt levels and debt structure should be reviewed on both a current and forward looking basis.

X. PAYROLL PROCESSING

At the end of each pay period, an email is sent to managers/supervisors to prompt them to approve all time. A report is then run to determine if there is any unapproved time. Once time is approved and all changes and new hires have been made, the payroll is downloaded from the timekeeping side to the payroll side. Any additional earnings (pay for weddings, overtime, etc.) are added to the payroll grid. The Human Resources Coordinator shall be responsible for verifying the accuracy of the payroll inputs (including verifying base compensation amounts against each employee's employment memo or offer letter, as applicable) and the Bookkeeper shall be responsible for processing the payroll in a proper manner. The CFO and the Finance Team shall periodically review the payroll inputs including direct deposits against the compensation data. To the extent that any checks are issued as part of the payroll process, the issuance of the checks shall be subject to the dual signatory requirement for checks as stated herein.

All payrolls shall be processed, paid and reported in a consistent manner and in accordance with all applicable state and federal governmental regulations and requirements. The Finance Team shall independently verify the timely payment and deposit of all payroll related taxes and withholdings.

XI. YEAR END CLOSE AND AUDIT

Fiscal Year Closing Procedures

The fiscal year of Broadmoor runs from January through December and is on a modified cash basis.

The accounting department will attempt to have all invoices, check requests and any other payables for the year entered into the system and paid by December 31st.

Outside Audit

Broadmoor will engage a Certified Public Accounting firm to conduct an annual audit of the financial statements of the Church. The audit firm selected must be totally autonomous and have no significant connection with the Church. No member of the audit team who is conducting the actual audit shall be a member of Broadmoor.

The selected audit firm will conduct the annual audit in accordance with Generally Accepted Auditing Standards and prepare an audit report including a management letter and any related documents that will be presented to and reviewed by the CFO, the Chair of the Personnel Team, at least two members of the Finance Team, and at least two members of the Church Council. The audit firm shall endeavor to have the audit completed and delivered to Broadmoor no later than May 31 of the following year.

CFO shall issue a request for proposals for audit services to at least three (3) qualified firms no less than once every five (5) years. The Church Council may require a change of the audit firm at any reasonable time at its sole discretion.

XII. FINANCIAL REPORTING

CFO shall cause a financial report to be prepared for and distributed to the Finance Team for review on a regular basis. This report is used in the day to day management of Broadmoor as well as budget management. The Finance Team and/or the Church Council may require additional materials to be included in the financial report as may be requested from time to time.

Reports included in the weekly financial report are:

- Weekly Giving
- Sweep account and cash balances
- Attendance Statistics
- Salvations & Visitors

Reports included in the monthly financial report are:

- Operating Statement and Balance Sheet
- Budget Variance report
- Monthly bank and other account reconciliations
- Checks Register
- Detail of ACH transactions
- Year to date General Ledger Detail
- Year to date Vendor Files
- Year to date Journal Entries
- Contract Updates
- Construction Project Expenses, if any
- Construction Project Updates, if any
- Hiring and Departure Updates

A monthly summary of the financial report shall be presented to the Church Council by the CFO or a member of the Finance Team.

Approved
January 3, 2018
Revised October 2019

XIII. ANNUAL REPORTS

The Annual Audit and approved budget is available to all Church members in good standing. Copies of the Audit and the approved budget are available at the Church office.