

[LOCAL WESLEYAN CHURCH]
Financial Policy

This policy applies to all funds handled by the [LOCAL WESLEYAN CHURCH] whether the funds are processed through the Local Church Treasurer or through some other treasurer. The underlying bases for the requirements of this policy are:

- Accurate record keeping and reporting.
- Protection of those handling the finances.
- Accountability to the local church congregation and to the District.
- Compliance with governmental regulations.

All entities that handle funds must have a clearly defined leadership team. Financial practices determined by this policy are enumerated below.

Budgeting

- Per *Discipline* 655:12; 782:30, annual operating budgets shall be approved by the Local Church Conference or by the Local Board of Administration.
- All other budgets shall be approved by the Local Board of Administration.
- All compensation of local persons shall be provided for in the annual operating budget of the Local Church or shall be approved by action of the Local Board of Administration.

Income and Expense

- Procedures for handling income must include duly recorded and retained written records that start at the point of receipt.
- All cash must be counted by at least 2 unrelated persons.
- Major offerings shall be counted by at least 2 unrelated persons at the time of receipt.
- All checks must be promptly endorsed and deposited in the intended accounts.
- All expenses must be authorized either by budget line item or by action of the governing entity (or by action of the Local Board of Administration).
- Contributions to the Wesleyan Pension Fund shall be made for all guest ministers who are participants in the Fund and who have received \$600 or more in honoraria.

Governmental regulations

- W2's shall be issued for the pastor and for all paid staff.
- Deposit of payroll taxes shall be made as required by the IRS and the state revenue department.
- Guest speakers and local persons receiving compensation shall be issued the appropriate 1099 MISC forms when their compensation exceeds the threshold established by the IRS (currently \$600 per year).

Accountability

- Duly recorded records shall be maintained for both income and expenses.
- Monthly and annual financial reports should be of sufficient detail to clearly show the reason and categorization of all income and expense.
- Per *Discipline* 782:4; 842:3, monthly reports for all funds shall be made to the Local Board of Administration, and annual reports shall be made to the Local Church Conference.
- Per *Discipline* 863, all financial records shall be audited annually. The report of the auditor(s) will be provided to the Local Board of Administration.