



CROSSROADS CHURCH

FINANCE PROCEDURES

AS ADOPTED 2024

TABLE OF CONTENTS

Procedures Defined	2
Fiscal Year	2
Records	2
Contributions	2
Expenditures	2
Audit	3
Appointments	4
Elders	4
Administrator	4
Counting Team Volunteers	4
Additional Volunteers	5
Budget	5
Budget Presentation	5
Additional Expenses	6
Line Item Transfers	7
Shortfalls	7
Restricted (Designated Funds)	7
Special, Love, or Designated Offerings	7
Expenditure of Designated Gifts	8
Payments and Management	8
Staff Member Management Responsibility	8
Returned Checks	9
Payment of Salaries and Benefits	9

Procedures Defined

A procedure defines and states the church's standard operating practice as approved by the elders and affirmed by church vote. It is an expression of a course of action that protects the church and its assets.

Fiscal Year

- Crossroads Church's fiscal year shall begin January 1st and end December 31st.
- To change the fiscal year would require a 75% majority vote (ballot vote not required) at a Crossroads Church Family meeting.
- The meeting for the adoption of the Budget by Crossroads Church shall occur at the annual winter family meeting.

Records

Crossroads Church shall maintain concise, accurate records for all funds received and dispersed. Crossroads shall maintain records for all of the following for a minimum of 7 years. Records shall be kept electronically, in an encrypted, password protected location and/or physically in a locked location that only the Elders and Administrator have key access.

Contributions

- The administrator is responsible for ensuring all contributions are recorded appropriately.
- The Administrator and/or the Elders should make sure all gifts are received in accordance with IRS law in relation to 501(c)3 non-profits.
- All contributors will receive an annual giving statement (either electronically or via mail) for contributions made in accordance with IRS law.

Expenditures

- Expenditures incurred should be recorded by payee in the form of receipt when available. We recognize that when traveling, specifically internationally, there are places that do not issue receipts. Payees should do their due diligence to record the expense in the most professional manner available.
- Receipt should be submitted to the administrator in a timely manner (within a week)
- The submission should include all warranted information. (Budget line to be charged to, in case of meetings, names of those participating in the meeting should be included, etc.)

If the charge is going to a budget line the individual is not responsible for overseeing, the overseer of said budget should be notified. For example, if the worship director turns in a receipt to be charged to discipleship, the discipleship pastor should be notified by the administrator and/or the worship director.

- The administrator and/or the Finance team are responsible for providing a month end profit/loss report for the staff.

Emergency Expenditures

Crossroads Church recognizes that sometimes emergency expenditures can occur. In the case of emergency expenses occur, the following procedure shall be followed.

- Within 24 hours, the expense should be reported to the Finance Team Lead
- The Finance Team is then responsible for determining the next steps.

Travel Expenditures

- Staff members wishing to travel on church business, it must be submitted to their supervisor for approval. If expenses are to be incurred, those expenses must be approved according to the budget process of Crossroads Church.
- Expenses shall be paid on a per diem basis, as reported annually by the United States Internal Revenue Service.
- Other travel related expenses not placed on church credit cards shall be reimbursed after completion of the approved requisition of funds form of Crossroads Church.
- The cost of mileage for the use of a personal vehicle shall be reimbursed at the published IRS rate and after the submission of timely and complete travel records.
- Travel expenses reported after 7 days from the date of return shall not be considered timely; and therefore, will not be reimbursed

Audit

As defined by the Crossroads Financial Policy manual, a financial audit or review is conducted every 5 years by an independent firm of Certified Public Accountants.

This external audit shall be conducted by a firm whose staff has no relationship to the church or its Partners.

- The Finance Team will work with the administrator to prepare all necessary documents to be submitted to the selected CPA.
- The completed audit shall be received by the Finance Team then subsequently presented to the church at one of the two biannual family meetings for questions and review.

Appointments

There are a variety of appointments in relation to church finances at Crossroads Church. The elders, the Church Administrator and the duties are put forth in the Administrator Job Description as determined by the elders of Crossroads Church. Note: in the event of a vacancy of the Church Administrator Position, the Elders, as acting trustees per the Bylaws of Crossroads Church, will be responsible for managing the responsibilities of the administrator.

Elders

As stated in Article III. Section 5. Part C. of the Crossroads Church Bylaws, Elders are the acting Trustees of Crossroads Church. As trustees, Elders are responsible for overseeing and appointing the subsequent financial positions to follow in according the Crossroads Church Bylaws.

Administrator

The Church Administrator is responsible for organizing and overseeing, under the direction of the Finance Team, the below:

- Accept all funds contributed to Crossroads Church.
- Disburse funds authorized by the approved General Budget.
- Meet the criteria outlined in this document and in the Financial Policy Manual.
- Oversee and maintain any other financial action as approved by the Elders and/or a congregational vote of Crossroads Church Partnership (when needed according to the Crossroads Church Bylaws)

Counting Team Volunteers

The Finance Team will appoint individuals with approval of the Elders to serve on the counting team. The counting team procedure is as follows.

- At least two members must be present at all times while anyone is handling money. This includes taking the deposit to the bank. If no members from the Finance team are available, paid staff or Elders may be pulled in to help.
- Retrieve the deposit slips, bank bag, and giving box keys from the safe as well as a tithe collection sheet.
- Empty contents from the giving boxes and bring to the office to count.
- Sort out cash and checks and record them on the tithe collection sheet.
- Gifts should be recorded for the fund they should be deposited into.
- Any cash or check that is not a gift should be recorded as “other” with a description as to what it is for. i.e., Youth camp fee, men’s conference, t-shirt money, etc.
- Envelopes for guests or new givers can be saved for the administrator.
- Complete the tithe collection sheet and deposit slip.
- Scan deposit slip and checks into the jump drive on the printer.
- Add all cash, checks, & the deposit slip to the bank bag and take to the bank.
- Administrator will Batch enter the gifts into Planning Center Giving and attach gifts to each givers account.

Additional Volunteers

Additional volunteers may be enlisted by the Finance Team Lead (with the approval of the elders) when needed.

The procedure when enlisting financial volunteers should be as follows.

- Responsibility, task, and individual identified and presented to Elders
- Elders approve the responsibility, task, and individual.
- If an individual has access to funds and/or records deemed confidential, they must pass a background check prior to beginning volunteer service.

Budget

Budget Presentation

The Finance Team, with input from church staff, shall prepare a budget for submission to the Crossroads Church Partnership for approval. When

approved by the church, these items shall stand as authorized for payment for the purposes specified, not to exceed the amount allocated unless the correct procedure is followed. The budgeting procedure will be conducted as follows:

- Finance team collects necessary data to project total income for the next fiscal year using historical giving, current trends, etc.
- Finance team determines total amount for budget.
- Finance team evaluates historical spending. In addition, elders evaluate fixed cost.
- Finance team communicates budget amounts for each ministry area (students, discipleship, sending, administration, communication, worship, etc.) to staff.
- Staff develops a month by month plan to include planned expenditures and planned cost recovery to submit to the Finance team and the Administrator.
- Finance team either approves the submitted budget(s) or re-submits to a staff member(s) for adjustments to be made.
- Finance team presents final budget proposal at the Winter Family meeting for approval.

Additional Expenses

The Finance team reserve the right to approve expenditures up to 20% beyond the church adopted total to cover additional and/or non-budgeted expenses that occur.

- The need for increase should be presented to the Finance team by the appropriate staff member/elder.
- In order to proceed, the Finance team must approve with a 75% vote.

In the event additional expenses 20% beyond the church adopted total are needed to cover additional and/or non-budgeted expenses, the following procedure should be followed.

- The need for increase should be presented to the Finance team by the appropriate staff member/elder.
- In order to proceed, the Finance team must approve with a 75% vote.
- The Finance team must present to the church body according to the bylaws of Crossroads Church.

Line Item Transfers

At the request of the appropriate staff member or team, the Finance team shall have the authority to make changes between line items within budget categories.

If the request increases the budget category less than 20% the following procedure should be followed.

- The appropriate staff member or team submits their request to the Finance team. The request should include the reason the expenses is needed and the total cost of the additional expense.
- In order to proceed, the Finance team must approve with a 75% vote.

Should requested changes increase the budget category beyond 20% of the church adopted total for that budget line, the following procedure should be followed.

- An amended budget must be submitted by the Finance team for consideration.
- In order to proceed, the Finance team must approve with a 75% vote.

Shortfalls

If actual income is less than budgeted income, the Finance team shall have the authority to temporarily reduce various budget line items until actual income meets or exceeds budgeted income. The procedure should be as follows.

- Based on income and expenses the Finance team determine the total budget cut amount needed.
- Next, the Finance team determine where those cuts will come.
- Lastly, the Finance team will work alongside the staff to make the cuts and ensure ministry continues.

Restricted (Designated Funds)**Special, Love, or Designated Offerings**

All special/love offerings are free will offerings and should be made by church Partners over and above their tithes and offerings. Funds contributed in excess to special/love offerings shall be forwarded to the appropriate designee or remanded to the Finance team for review and recommendation for final disposition of the excess. If the amount collected for any of these special/love offerings fails to meet the goal, no funds will be disbursed from the General Budget to make up the shortage unless approved by the Finance team The

disbursement of all special/love offerings shall be by check. For all special, love, or designated offerings, the following procedure should be followed.

- Request for the offering to be submitted to the Finance team for approval. This submission can be made by an elder, deacon, or church member.
- The Finance team vote to approve the offering; the vote must pass by 75%.
- The Finance team determine when the offering will be communicated and how long it will be available.

Expenditure of Designated Gifts

Where designated gifts are given for a specific purpose, the wishes of the donor will be honored to the fullest extent allowed by law and the Financial Policies of Crossroads Church. The following procedures should be followed in the management of Designated Gifts.

- All designated gift line(s) must be previously approved by the Finance team with a vote of affirmation greater than 75%.
- If a contributor designates money to a category not previously approved by the Finance team, the Finance team reserves the right to place the funds in the General Budget.
- If the designation is to a regular budgeted line item or activity in the General Budget, and the Finance team determines that the balance between other church budgeted line items have been adversely affected, the Finance team is authorized to transfer a like amount from that budget item for use elsewhere in the budget.

Payments and Management

Staff Member Management Responsibility

- Staff members are responsible for assigned budget lines.
- A quarterly financial report that includes profit/loss, YTD income, YTD expenses shall be reviewed by the staff and the elders.
- Staff members shall notify the Finance team if they foresee a major change in income and/or expense.
- The Finance team shall hold the staff member accountable for being good stewards of the resources entrusted to Crossroads.
- The Finance team reserves the right to discipline a staff member(s) not practicing biblical stewardship. Discipline includes actions up to but not limited to termination.

Returned Checks

- When a return check occurs, the administrator (or whoever is assigned with day-to-day accounting by the Finance team) shall notify the Finance team
- When notified of a returned check, the Finance team (or staff member identified by the elders) shall notify the individual or company of the occurrence and inform them of any additional fees that may apply.
- The Finance team (or staff member identified by the Finance team) will try to arrange a time for the individual or company's representative to come by the church office to satisfy the obligation.

Payment of Salaries and Benefits

- All staff salaries and benefits will be paid from the Personnel Budget Line via payroll by the Administrator (or individual assigned to task by the Finance team)
- The payroll and benefit amount shall not change without a 75% approval vote of the Finance team.
- Finance team is responsible for handling the personnel budget during the budget process.
- Once the personnel budget is concluded and approved by the Finance team, it will be added to the overall budget and presented to the church according to the financial policies of Crossroads Church.

The Finance team will present the total amount. To protect each staff member, an itemized line by line presentation of the personnel budget will not occur or be published. Church Partners, as verified in PCO Giving, can request to see the itemized personnel budget by contacting the Finance team. The Finance team is required to comply with the request if the person is deemed to be a member in good standing according to the Crossroads Church Bylaws.