

	<h1 style="text-align: center;">Standard Operating Procedure</h1>		
Document Title:	Budgeting and Expenditure Management Procedure		
Document Number:	LPO-015	REV:	01
Effective Date:	8/15/2023		
Originator:	John Evans		

PURPOSE:

The purpose of this operating procedure is to establish, document, and communicate the process for creating and managing expenses within the operating budget of Lifepoint Church.

DEFINITIONS:

Operating Budget – estimate of the organizational and departmental income and expenditures over a designated period. It is used for planning and execution of ministry and allows the church to steward the resources that God has given us well.

Expenditure Authorization Form (EAF) – internal form detailing the cause and justification of all spending associated with the organization or departments of Lifepoint Church.

POLICY/PROCEDURE:

OPERATING BUDGET

- I. Staff and Ministry Leads will begin planning their operating budget in September of each year, for the following calendar year.
- II. Staff and Ministry Leads should begin with an assessment of the previous year’s income and expenses and begin the process of thinking and praying through their vision and all elements of their ministry for the upcoming year.
- III. Staff and Ministry Leads will meet with their Stewardship Team support member to discuss the upcoming operating budget.
- IV. Staff and Ministry Leads will submit a draft to Executive Leadership for review, by the fourth Wednesday in September and will schedule a meeting to discuss.
- V. Executive Leadership will work in conjunction with the Stewardship Team to formulate a functioning operating budget for the upcoming calendar year by the second Thursday in October.
- VI. Executive Leadership will present proposed operating budget to the Elder board for review and approval on the first Sunday of December.
- VII. Executive Leadership will present proposed operating budget to the church body on the second Sunday of December or at minimum, two weeks prior to a formal vote.

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- VIII. Church members will vote to approve or reject the proposed operating budget on the second Sunday of January, or at minimum the first opportunity of the new year.
 - a. If rejected, Executive Leadership will meet with the Elder board and Stewardship Team to formulate a new proposal.
 - b. If approved, the proposed budget will be adopted as the operating budget for the upcoming year.
- IX. Executive Leadership will communicate approval or rejection of proposed operating budget to Staff and Ministry Leads and present next steps.

EXPENDITURE AUTHORIZATION FORM

- I. All ministry purchases or expenses must be detailed and justified by use of an Expenditure Authorization Form.
- II. The PCO form can be accessed through the PCO website or through the lp.church/forms link.
- III. EAF's must be completed in full, including all required signatures, prior to submission and must be accompanied by a corresponding receipt.

SPENDING GUIDELINES

- I. All expenditures should fall inside the following parameters:
 - a. Non-budgeted expenses:
 - i. <\$25 - No Approval Required
 - ii. \$25 - \$250 - Approval and Signature of Ministry Lead Required
 - iii. >\$250 - Approval and Signature of Executive Level Staff Member Required
 - b. Budgeted expenses:
 - i. <\$25 - No Approval Required
 - ii. \$25 - \$1000 - Approval and Signature of Ministry Lead Required
 - iii. >\$1000 - Approval and Signature of Executive Level Staff Member Required
- II. Non-budgeted expense proposals, exceeding the \$250 threshold should be submitted to Executive Level Staff with, at minimum, three competitive quotes and if necessary, a repurposing proposal for existing items, equipment, resources, etc. that will be replaced.