



F I R S T UNITARIAN UNIVERSALIST SOCIETY OF SYRACUSE

109 Waring Road • Syracuse, New York 13224-2294 • (315) 446-5940

Policy #: 010

Policy Name: Finance Policies and Procedures

Purpose: To describe the First Unitarian Universalist Society of Syracuse (First UU) finance related policies and procedures.

Original Date: 12/19/2005

Revision Dates: 4/23/2016

Revised By: 2015-2016 Finance Team Members 4/23/2016
2016-2017 Finance Team Members 9/24/2016

Reviewed By: Valoree Suttmore 5/14/2016
Rev. Jennifer Hamlin-Navias 9/10/2016
Susan King 9/24/2016

Approved By: 2016-2017 First UU Board of Trustees 9/27/2016

I. Financial Officers and the Finance Team

A. The Finance Team:

1. Is one of the standing committees of First UU.
2. Is responsible for the financial business of the Society.
3. Includes the Treasurer, the Financial Secretary, the Trust Liaison, the Bookkeeper (ex-officio), and several other members of the Society. At least one member of the team shall have expertise in human resources, especially contracts.
4. Develops the budget for the First UU Operating Fund. With input from the staff, committee and team leaders, the Board of Trustees (BOT), and the congregation, develops a proposed balanced budget for the following year and submits it to the BOT.
5. Modifies the budget as needed for final approval by the BOT.
6. Presents monthly reports to the Finance Team and the BOT.
7. Presents the final proposed budget at the First UU Annual Congregational Meeting.
8. Manages contracts and benefits for staff.
9. Manages contracts with the bookkeeper, providers of payroll service, custodial service, landscaping and snow removal, telephone, internet, insurance, trash removal and others as needed.
10. Manages insurance policies.
11. Supervises expenditures during the year.
12. Supervises the performance and use of endowments and invested funds.
13. Identifies outside sources of funding, such as grants.

B. The Financial Secretary:

1. Is an officer of the Society, but is not a member of the BOT.
2. Is a member of the Finance team.
3. Is responsible for receiving and documenting all cash and checks received by the Society. Supervises the online payment account, although electronic payments are documented by the Bookkeeper.
4. Coordinates financial information with the Treasurer and the Bookkeeper.
5. Produces statements as follows:

For all donors:

- By January 21, annual statements for the preceding calendar year.
- By June 21, a statement covering the preceding eleven months.
- By August 21, a statement covering the full preceding pledge year.

For any donor who requests one:

- By October 21, a statement covering the first quarter of the pledge year.
 - By the end of December, a statement covering the first five months of the pledge year.
 - By April 21, a statement covering the first three quarters of the pledge year.
6. Requests the Society Office Administrator send a written acknowledgment to each person who makes a donation of \$100 or more that is other than a pledge.

C. The Treasurer:

1. Is an officer of the Society and a member of the Board of Trustees (BOT).
2. Is a member of the Finance Team.
3. Is the primary signatory of checks drawn from the Operating Fund. The President and Vice President of the BOT shall be secondary signatories. Checks are prepared by the Bookkeeper in coordination with the Treasurer.
4. Is the officer primarily authorized to use the Society's credit and debit cards.
5. Is responsible for approving all expenditures from the Operating Fund in accordance with the Annual Budget. Total expenditures from the Operating Fund shall not exceed budgeted expenses lines without approval by the BOT.
6. Presents monthly reports, prepared by the Bookkeeper, of the income and expenditures to the Finance Team, the BOT, and to the congregation at the Annual Meeting.
7. Reports unusual expenses and variances from the budget to the Finance Team and the BOT for corrective action if necessary.
8. Notifies the Finance Team when the balance in the Operating Fund falls below \$12,000.
9. Has the authority to approve recurring expenses for payment, including but not limited to, denominational expenditures, staff salaries, supplemental benefits, and regular contractual payments.
10. Together with the BOT President, Vice President, and the Minister, has the authority to approve invoices that do not have standing authorization.

11. Authorizes transfers between financial accounts. Transfers from the online payment account to the operating account do not have to be authorized.
12. Has the authority to borrow up to \$5,000 from the Unrestricted Endowment fund without the prior approval of the BOT. The Treasurer shall inform the BOT and the Trust Liaison of the need to borrow from the Unrestricted Endowment Fund.

D. The Bookkeeper:

1. Is an ex-officio member of the Finance Team.
2. Maintains records of accounts receivable, including, but not limited to pledges, weekly offerings, special offerings, and rentals.
3. Tracks accounts payable and writes checks for authorized expenses.
4. Transfers funds as needed from the online payment account to the appropriate account.
5. Monthly reconciliation of bank accounts, investment accounts, online giving accounts, and payroll records.
6. Tracks yearly budget.
7. Replenishes petty cash as directed.
8. Maintains relevant tax forms and creates yearly IRS required forms for independent contractors.

E. The Trust Representative:

1. Is a member of the Finance Team.
2. Is the primary signatory on all invested and endowment accounts.
3. Reviews investment fund performance at least annually, at a meeting of the Finance Team. Any recommendations for changes in endowment fund asset allocation, investment advisor, or placement of funds shall be brought to the BOT.
4. Authorizes transfers between invested accounts and between any of these accounts and the Operating Fund.

II. General Policies

A. Accounts

1. The Operating Fund shall be maintained in a checking account in a local bank. The President, Vice-President and Treasurer shall be signatories on this account.
2. A separate account shall be maintained in the same bank for the purpose of receiving contributions made from PayPal and other online sources. Funds shall be transferred periodically to the Operating Fund account.

3. Endowments and invested funds shall be maintained at the investment brokerage firm approved by the BOT. The Trust Liaison shall be the primary signatory on all such accounts. The President and the Treasurer shall also be signatories along with the Trust Liaison.

B. Income

1. Is received by the Financial Secretary and reported to the Bookkeeper.
2. Is credited by the Bookkeeper to pledge payments, donations, fundraisers, and other accounts.
3. Is normally deposited in the Operating Fund once each week; deposits should not be made less often than biweekly.
4. Is kept in the safe until it is deposited in the bank.
5. Building usage fees and rentals.
 - Rental tenants are those who use the building regularly. Each such tenant shall enter into a contract with First UU. Changes in rental rates shall be negotiated with each tenant and submitted to the BOT for approval.
 - The Building Use Fee Schedule applies to occasional rentals. The schedule shall be reviewed annually by the Finance Team to assess appropriate levels based on changes in features of the facility and market trends.
 - The Finance Team shall submit proposed changes to the Building Use Fees to the BOT for approval.

C. Disbursements

1. The Treasurer is responsible for all expenditures from the Operating Fund in accordance with the Annual Budget. The Treasurer should report any unusual variances to the Finance Team and the BOT.
2. The Bookkeeper receives completed Expense Request forms and handles the check writing function under the supervision of the Treasurer. Payroll and employee benefits are delegated to an outside firm.
3. The Treasurer shall ensure that all expenditures from the Operating Fund are exempt from sales taxes.
4. If the balance in the Operating Fund falls below \$12,000, the Treasurer is authorized to borrow up to \$5,000 from the Unrestricted Endowment fund without the prior approval of the BOT. The Treasurer shall inform the BOT and the Trust Liaison of the need to borrow from the Unrestricted Endowment Fund.
5. Two authorized signatures are required on checks in excess of \$5,000 drawn from any First UU account.

D. Competitive Bidding Process

1. Competitive bids for goods or services shall be as follows:
 - Expenditures of less than \$1,500: one solicitation required
 - Expenditures between \$1,500 and \$3,000: two solicitations required
 - Expenditures over \$3,000: three solicitations required
2. Requests for exceptions to this procurement policy bidding process shall be brought to the BOT for approval. Requests must include specific reasons why the requirement should be waived.

E. Entering into Contracts

1. Only the President of First UU is authorized to bind the Society to any contract for goods or services costing more than \$2,500.

F. Purchasing Policy

1. The Treasurer will authorize budgeted expenditures, including but not limited to, denominational expenditures, staff salaries and benefits, and regular payments for contracted services.
2. All other invoices (those that do not have standing authorization) must be reviewed and approved by the appropriate committee chair, a BOT Officer, or the appropriate member of the staff.

G. Reporting

1. Income and Expenses
 - a. Each month, the Bookkeeper, with the cooperation of the Treasurer, shall produce a written, up-to-date report of income and expenses for the Finance Team and the BOT.
2. The Treasurer shall provide a semi-annual report to all team chairs on the current status of their committee budgets.
3. Contribution Statements-See section I. B. of this procedure.

III. Gift Acceptance

A. Contributions

1. Cash

- a. Money contributed to First UU which is not directed to a specific invested fund, shall be deposited in the Unrestricted Invested Fund by the Endowment Fund Trust Liaison, unless the donor directs the gift to one of the specific endowment funds or to the Operating Fund.
- b. Money contributed to First UU for a specific invested fund shall be deposited in that fund.
- c. Investment decisions are made by the First UU Finance Team. No commitment will be made regarding the acceptance, retention, disposition or investment of a gift unless specifically authorized by the First UU BOT before the gift is accepted.

2. Publicly traded securities

- a. Gifts of stock and other publicly traded securities will be valued at their market value on the date the donor relinquishes control of the securities. Losses or gains realized by the sale of the securities after receipt, brokerage fees or other expenses associated with the transaction are not to change the recorded value.
- b. First UU policy is to sell all donated securities immediately. First UU may, in individual cases, make exceptions to this policy.

3. Non-Marketable Securities

- a. Gifts of non-marketable securities, shares in closely held corporations, interests in partnerships, or restricted securities may or may not be accepted. These gifts will be reviewed on a case-by-case basis by the First UU Finance Team, which will make a recommendation to the BOT.

4. Personal property

- a. Proposed gifts of personal property, such as artwork, vehicles, computer equipment, books, furniture, collections, or jewelry will be reviewed on a case-by-case basis by the First UU Finance Team.
- b. Responsibility for valuation of gifts rests with the donor. Donors must provide an independent, outside appraisal for any gift valued at more than \$5,000.
- c. Proposed donations of property valued at \$5,000 or more must be approved by the BOT. Gifts of property will not be accepted if the acceptance would cause First UU to incur financial or other obligation (e.g., to display, store, insure, clear of legal restrictions or sell) that is deemed by the BOT to be burdensome.

- d. First UU reserves the right to dispose of gifts of property at any time, unless a specific agreement not to do so is reached between the donor and First UU.
5. Real Property
 - a. The First UU Finance Team will evaluate such factors as sale and holding costs, current and future market conditions, encumbrances, liabilities, title, use or other restrictions and potential environmental issues before accepting gifts of real property.
 - b. Real property must have a clear record and a marketable title with verification provided by the donor.
 - c. First UU will normally sell donated real property shortly after acceptance.
 6. Planned and Deferred Gifts
 - a. A planned gift is one for which commitment to First UU is made now, but which First UU may not receive until a future time.
 - b. Gifts that can be accepted by First UU include, but are not limited to, the following:
 - Bequests and Testamentary Pledges - This is the most common planned gift.
 - Life Insurance - Gifts of life insurance policies in which First UU is the primary, secondary, residual, contingent or alternate beneficiary. A policy may be permanent or term.
 - Retirement Assets - Such as IRAs and 401(k) or 403(b) plans.
 - Trusts – First UU may accept gifts made through various trust instruments, but in no circumstance will First UU or a First UU employee or Minister serve as a trustee or perform administrative functions for the trust.
 - Bargain Sales - Personal property that is sold to First UU for less than its fair market value with the intent to donate the property to First UU.
 7. Types of Gifts Not Accepted
 - a. First UU reserves the right to decline any gift offered to the Society.
 - b. Certain categories of donations are not acceptable as charitable gifts to First UU. First UU will not accept any gift that:
 - Is inconsistent with its mission
 - Would jeopardize the Society's tax-exempt status
 - Would improperly accrue to the benefit of any individual

- Would create a fund for which the donor or his/her representative reserves the right to designate the recipient
- Would require support from resources which are unavailable, inadequate, or needed for other purposes
- Could injure the reputation or standing of First UU, or generate such controversy as to substantially frustrate and defeat the First UU mission
- Is known or suspected to come from illegal sources
- Is subject to an adversarial legal proceeding or involves debt that First UU would have to assume.

B. Administration of Gifts

1. The Office Administrator shall maintain a record of all Invested Fund contributions, and the Trust Liaison shall keep a record of the amounts in the funds whose principals are to be maintained, annually adjusted for inflation.

C. Fundraising for the Society

1. This policy applies to all fundraising activities conducted on behalf of First UU, whether on-site or off-site, which use the name of the Society or its facilities or equipment.
2. Fundraisers are an important part of the Society life, providing opportunities for our members to strengthen their commitment and contribution to First UU as well as providing funds for First UU, its groups and programs, and charitable causes. The purpose of this policy is to provide a framework for conduct of fundraising that:
 - a. Upholds the vision, mission, principles and values of First UU
 - b. Preserves congregational relationships
 - c. Avoids overburdening the members and friends of the congregation with requests for money
 - d. Is consistent with our not-for-profit status
 - e. Adheres to local, state, and federal laws regarding fundraising activities
 - f. Is in accordance with Unitarian Universalist principles
 - g. Ensures that the resources of First UU are focused on the highest priority needs
 - h. Is consistent with the approved First UU budget
3. The annual canvass is the main source of funds for the following year. Pledge income is deposited in the annual Operating Fund.

4. All fundraising activities must be reviewed and recommended by the Finance Team and approved by the BOT. Unless directed towards a specific purpose, such as the Coming of Age group's trip to Boston, money raised is added to the Annual Operating Fund.
5. Holiday appeals are customary at Christmas and Easter. Funds raised from holiday appeals are added to the annual Operating Fund.
6. Special appeals or events may occur for activities that are not funded in the annual Operating Budget. Examples include trips and activities planned by the youth group, and activities or special purchases for the music program.
7. Requests to aid individuals in the congregation shall be referred to the Minister, who may use the Ministerial Discretionary fund for such a purpose. Twice a year the Minister will announce the fund in the Society newsletter.
8. The following fundraising activities are exempt from the fundraising policy:
 - a. Appearances of musicians and guests approved by the Minister, the Music Director, or the Director of Lifespan Faith Development
 - b. Rentals for concerts, weddings, or memorial services for nonmembers
 - c. Activities for children and youth of First UU, which activities have been approved by the Minister
 - d. Other activities or uses of the First UU building and facilities that, in the combined judgment of the Minister and the President of the BOT do not require full Board approval.
 - e. Fundraising for other organizations or causes
9. Proposals to raise funds for external organizations require approval in advance from the BOT. Part or all of a Sunday collection, other than pledge payments, is then designated for donation to the organization or cause. Raising funds for any purpose which could jeopardize the tax-exempt status of the Society is prohibited.
10. Social Justice Task Forces that have been approved by the Congregation may conduct fundraising activities or special collections pursuant to the terms of their approval.
11. The Minister may use their discretion to determine that a special Sunday morning appeal will be made in response to a congregational, local, national, or international disaster.