

Trinity Episcopal Church

Management Policy for Reserves and Funds

April 2019

Background:

This policy describes the guidelines for managing and administering the unrestricted funds and operating reserves, temporarily restricted funds, and permanently restricted funds for Trinity Episcopal Church (“Trinity”).

Definitions:

- **Unrestricted Funds and Operating Reserves:** Funds set aside to cover operating expenses when cash flow is insufficient to cover operating expenses or when cash flow is interrupted unexpectedly.
- **Temporarily Restricted Funds:** Funds set aside as to be used only for specific purposes, on a temporary basis. These funds may involve major or minor capital expenditures, specific operating needs of Trinity, or other short-term, specifically designated purposes. (When the need for which the fund was established is met, any remaining balances will be converted to Unrestricted Funds.)
- **Permanently Restricted Funds:** Funds set aside as to be used only for specific purposes, on a permanent basis. These funds may involve major or minor capital expenditures, specific operating needs of Trinity, or other long-term, specifically designated purposes. (Permanently Restricted Funds will always remain restricted to be used for the purpose for which they were designated. The Trinity Endowment Fund is an example of a Permanently Restricted Fund.)

Investment of Reserves and Funds:

- Operating reserves, unrestricted funds, and temporarily restricted funds will be invested in cash equivalents, including bank checking and savings accounts and certificates of deposit with maturities of one year or less. All bank deposits will be held in accounts which are fully insured by the FDIC (current limit is \$250,000 per depositor).
- Gifts of marketable securities will be sold immediately upon receipt, and sales proceeds will be transferred from the CNB Trust account to the Trinity checking account in a timely manner to facilitate cash flow.
- The Treasurer will provide a comprehensive monthly financial report to the Finance Committee and the Vestry.
- The Trinity Endowment Fund will be invested according to a written investment policy which is established and approved by the Trinity Endowment Committee. The Chairperson of the Endowment Committee will make a semi-annual report to the Vestry on the investments of the Trinity Endowment Fund.
- Investments for the Pendleton Hymnal Fund and the Ralston Music Endowment Fund will be limited to cash equivalents (bank savings accounts, money market accounts, or certificates of deposit of one year or less).

- An annual financial audit will be performed by a CPA retained by the Vestry. The annual audit report will be reviewed by the Finance Committee and the Vestry. In accordance with best practices, the financial auditor will be changed on a periodic basis.

Approved by the Vestry on April 22, 2019.

Trinity Expenditure Approval Authority

NOTE: Current policy is that the approval of both the Rector and the Treasurer are required on all requests for payments and reimbursements.

Budgeted Expenses:

<u>Item:</u>	<u>Authorized Requestor:</u>
Advertising & Promotion	Parish Administrator or Finance Staff
Hospitality	Hospitality Volunteers
Flowers	Members of the Flower Guild
Altar Supplies	Members of the Altar Guild or Rector
Worship Supplies	Members of the Altar Guild or Rector
Music Materials	Choir Director or Organist
Musicians Contracted	Choir Director
Choristers Expenses	Choristers Director
Organ Maintenance	Organist or Junior Warden
Adult Education	Rector
Elementary Classes	Assistant Rector
Vacation Bible School	VBS Coordinator
Youth Education	Youth Director
Library Materials	Librarian
Tract Rack	Tract Rack Coordinator
Nursery	Assistant Rector
Children's Ministries	Assistant Rector
Repair & Maintenance	Junior Warden
Housekeeping/Custodial	Junior Warden
Pest Control	Finance Staff or Junior Warden
Security	Finance Staff or Junior Warden
Insurance	Finance Staff
Stewardship	Stewardship Committee Members
Office Administration	Parish Administrator or Finance Staff
Utility Expenses	Finance Staff
Communications	Finance Staff, Parish Administrator, or Rector
Personnel Expenses	Rector
Substitute Organists	Organist or Rector
Youth Education	Rector or Assistant Rector or Youth Education Coordinator

Outreach Funds:

<u>Fund:</u>	<u>Authorized Requestor:</u>
Rector's Disc. Fund	Rector
Deacon's Disc. Fund	Deacons or Rector
Ploughman's Lunch	PL Committee Members
Food Pantry Fund	Sue Shackelford or Barry Molineux
BackSnack Fund	Greg Hazen/Todd Sutton

K2K Fund Deacon Steve Segebrecht or Rector
Anniv./Bday Fund Rector (reports to Vestry)

Temporarily Restricted Funds:

<u>Fund:</u>	<u>Authorized Requestor:</u>
Columbarium Fund	Vestry or Rector
Kitchen Improvement Fund	Vestry
Holy Stir It Fund	Deacon Steve Segebrecht
Memorials—Gen. Fund	Vestry
DACA Fund	Chuck Olcese
TEST Fund	Nancy Hanson
Trinity Treasures	Treasurer (Karen Lind)

Permanently Restricted Funds:

<u>Fund:</u>	<u>Authorized Requestor:</u>
Pendleton Hymnal Fund	Vestry
Ralston Music Fund	Vestry
Trinity Endowment Fund	Endowment Committee, with Vestry Approval

Notes:

- The Vestry can approve expenditures from any funds, except Trinity Endowment Fund.
- In the absence of the Rector, the Senior Warden has the authority to approve any expenses that can be authorized by the Rector.