



St. Paul's Episcopal Church

Maumee, Ohio

Financial Policies and Procedures

Approved by Vestry May 18, 2025

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Introduction

The first version of Financial Policies and Procedures was promulgated by St. Paul's in November 2007 with the support of the Finance Committee and the consent and approval of the Vestry. It is intended to be reviewed annually by the Finance Committee and amended by Vestry as needed.

Purpose

This document puts in one place a comprehensive view of the financial policies and procedures used most frequently at St. Paul's Episcopal Church. It is intended to provide clear guidance to Vestry members and ministry leaders on the procedures that safeguard appropriate use of church funds and provide for prompt payment of debts incurred by the church as an entity or those of individuals who seek reimbursement for expenses incurred on behalf of the church.

The Finance Policies also include the documents below by reference:

- [The Constitution and Canons of the Protestant Episcopal Church in the United States of America](#)
- [The Constitution and Canons of the Diocese of Ohio](#)
- The [Business Practices](#) referred to in the Canons of the Diocese of Ohio as amended by actions of Diocesan Council. *Adopted 2016 for January 2017; current on dohio.org as of April 13, 2025.*
- [The Manual of Business Methods in Church Affairs](#), published by the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the USA, rev January 2023
- The [Code of Regulations of St. Paul's Episcopal Church](#), Maumee, Ohio
- [Tax Guide for Churches and Religious Organizations](#), published by the U.S. Department of the Treasury, Internal Revenue Service, Publication 1828, Revised August 2015

Who is involved with St. Paul's financial policies and procedures?

There are several interrelated bodies involved with St. Paul's financial policies and procedures:

The Finance Committee meets not less than quarterly (more frequently as necessary), focusing on strategic financial issues, and makes recommendations to the Vestry for approval. The Finance Committee has representation from throughout the parish including the Treasurer (who functions as chair), the wardens and clergy (ex officio), and other members recommended by the Treasurer in consultation with the Vestry and Rector. The Finance Committee is open to, and actively seeks, additional members from the parish.

The Vestry is responsible for the approval of the financial policies and procedures, following a recommendation from the Finance Committee. Vestry members are also responsible for monitoring the funds for their individual liaison areas, according to the policies and procedures outlined in this document. Their role is governance and their focus is strategic, rather than operational. The parish employs a professional staff who functions within Vestry approved policies and business practices and solicits guidance and input from the Treasurer and Finance Committee as needed.

Vestry Liaisons

St. Paul's has a system of program committees to execute the mission and ministry operations of the church. The Vestry liaisons aligned with each committee are encouraged to monitor the activities and expenses of their committees and assist chairs when a change is required from the originally approved budget. The Vestry liaison works in consultation with the Rector, Wardens, and Treasurer in exercising this role.

Other Key Financial Players

At the beginning of the financial process are Counters, who count the contributions each week, prepare the contributions records for the bookkeeper, and prepare the deposit slips for the bank. The Counter chair or the Bookkeeper will take the deposits to the bank or will use the bank-provided courier service. Hard copy or downloaded bank deposit receipts and deposit slips are attached to the back-up records and prepared by the bookkeeper for entry. A review of the documents and/or the process will be performed at the discretion of the treasurer.

Operating Budget Expenses

St. Paul's annual operating budget establishes the framework for the programs that the church will undertake during the program year. Initial recommendations are made by the Rector with input from Vestry liaisons, committee chairs, or others as needed for the programs and activities in their ministry areas. The wardens provide staff compensation inputs based on recommendations from the Personnel Committee, Rector and, in the case of clergy, annual guidance for Clergy Minimum Compensation Standards passed annually at November's Diocesan Convention. Budget input for the coming calendar year is due to the Finance Committee as follows: preliminary input in September for significant changes that could affect the Stewardship campaign, with final inputs by November. The Vestry reviews draft budget alternatives for the coming year at the December Vestry meeting and at the January Vestry meeting finalizes the budget (with visibility of prior-year end actual income and expense data) to present to the congregation at the annual parish meeting in February. When the Vestry finalizes the operating budget, it may include the transfer of special non-operating funds to the operating budget for some capital and/or one-time expenses. Before seeking a transfer of funds from alternative sources or requesting Vestry approval for a separate fund-raising event, staff should first seek to meet their needs by reallocating funds from the operating budget.

Once the budget is approved by the Vestry, persons with budgetary authority may use funds as approved for the fiscal year without formal Vestry authorization. Because St. Paul's operating budget is dependent on contributions from parishioners, cash flow varies throughout the year. The Vestry requires that budgeted discretionary expenses over \$1,500 have prior approval before being spent. A motion passed by the Vestry, recorded in the Vestry minutes and communicated to program chairs, would evidence this requirement.

Once the budget is approved, staff may reallocate up to \$500 of the budgeted funds within their ministry area to meet unplanned needs without requiring specific Vestry approval. However, we request that Vestry members whose committees have made such reallocation of funds internal to their ministry areas advise the Vestry. Such reallocations must be made in consultation with the Treasurer.

Unplanned Needs

Occasionally through the year, unseen and special expenses may warrant that St. Paul's special or endowed funds be used to cover an expense. When these opportunities or needs arise, the Rector must inform the Treasurer who shall, with the consent of the Finance Committee, bring a written motion to the Vestry for approval before incurring any expense.

We first look to meet these unforeseen needs by reallocating funds from the operating budget. If we cannot make the necessary changes within the operating budget, we then look to Endowed or Special Funds. The Vestry must vote on the use of all undesignated special funds and all expenses out of designated special funds and the accounts to be used, with the advice of the Finance Committee. Individuals should notify the Treasurer, Rector, and Wardens as soon as they are aware of any need that may require Vestry action.

Policy and Procedures

Budget Creation and Approval

It is the policy of St. Paul's Episcopal Church to maintain an annual budget and to hold the staff and ministry leaders accountable to performance against budget. The parish's professional staff will initially compile the budget. It is the responsibility of the treasurer and Finance Committee to review the budget before the treasurer presents it to the Vestry. If possible, the treasurer's budget presentation to Vestry should be thirty days ahead of the parish's annual meeting.

The Vestry approves a budget for forwarding to the congregation of St. Paul's Church. Per our Code of Regulations, final approval of the parish's annual budget rests with the congregation. The Vestry is authorized to act in between parish meetings to amend and revise the budget at their discretion provided such changes are reflected in its annual report to the congregation.

Occupancy and Program Expenses

In order to reflect the most accurate presentation possible of the ministry expenses incurred by the parish and to reduce to the fullest allowable extent the operating expenses of the organization on the Parochial Report, it is the policy of St. Paul's Episcopal Church to charge back occupancy and appropriate administrative expenses to the various ministry areas of the parish.

For the purpose of this policy, the related functions include:

- Elizabeth Wayne Preschool
- Under One Roof Food Pantry
- Alcoholics Anonymous

Occupancy expenses are defined as church utilities, church buildings and grounds costs (including the wages, insurance and pension costs of the staff dedicated to buildings and grounds), telephone and internet charges, and insurance.

The division of occupancy expenses will be based on budget estimates for planning purposes and will be allocated finally at the end of each month. The allocation of expenses will be broken down as follows based on the current insurance appraisal which details square footage by area:

- Percentage of square footage of building space used for Elizabeth Wayne Preschool, Under One Roof Food Pantry, and other ministries.

The Rector shall submit an annual proposal in the form of a Vestry resolution delineating the allocation of expenses to outreach ministries. The resolution shall be used in the formula for diocesan assessment.

Procedures for Approval of Expenses

Accounts payable at St. Paul's generally come in two forms: bills received through E-mail or US Mail and presentation of requests by members, clergy, and staff to repay them for expenses they paid on behalf of the church.

The Treasurer is authorized to approve check requests with supporting documentation for payment of bills received. In the absence of the Treasurer, one of the wardens may also approve and submit these recurring expenses to the Bookkeeper for payment. For payments intended to be made by electronic funds transfer, a different form requiring approval by the Rector, treasurer, and another authorized signer must be used before funds are disbursed.

In extraordinary circumstances, Vestry members with oversight for these areas may request a report from the Treasurer detailing expenses by budget line item or can use budget reports they receive every month to monitor whether these expenses are running over or under budget. Using the monthly income / expense statements is the preferred method to manage performance against budget and maximizes the limited time our bookkeeper is available to us.

The bookkeeper will put bills that are of a one-time or special nature in the Treasurer's box in the Finance office for approval. If the bookkeeper is presented with an invoice or reimbursement request from staff or a parishioner for an expense not previously authorized, they must immediately report that to the Rector and Treasurer. In cases where a person has obligated St. Paul's funds without proper authorization, they may be held personally liable for those expenses.

Check requests must contain a receipt, invoice, bill, or other official documentation of the expense. St. Paul's requires that all people who incur expenses on behalf of the church submit requests for repayment within sixty (60) days of the date that the expense is incurred. Members must make a good faith effort in December to gather and submit all bills for approval and payment in the calendar year incurred.

Blank check requisition forms are available from the bookkeeper or parish office. Current budget reports are available from the Rector or the bookkeeper for use by those who approve requests.

Use of Tax Exemption Documentation Required

Whenever possible, purchases on behalf of St. Paul's should be made through vendors with whom we have established an account and provided tax-exemption documentation. Those who use other vendors are responsible for providing the vendor with an Ohio Sales Tax Exemption Certificate prior to incurring the expense. Blank forms are available from the bookkeeper or church secretary. St. Paul's policy is not to reimburse parishioners for state sales tax incurred by failure to use a sales tax exemption form for purchases over \$250. The bookkeeper and treasurer are available to assist in completing this form.

Check Request and Reimbursement Process

The Rector, Committee chair, or program staff or volunteer lead

- determines a need for an expenditure.
- verifies that there is enough money in their budget to make the expenditure.
- secures multiple bids (three preferred) when they are committing expenditures over \$1,500 to ensure the reasonableness of the selected vendor quotes. The committee chair or program lead is not required to take the low bid – but to judge the best of multiple bids when they are committing expenditures over \$1,500 to ensure the reasonableness of the selected vendor quotes. Three bids are preferred, when practicable given the size of the job.

- authorizes the expenditure subject to his/her spending authority.
- The treasurer or warden reviews the check request and if appropriate, confirms receipt of the product or services involved, and approves the request by signing and dating it.

Checks and Electronic Funds Transfers

As a general rule, the Bookkeeper writes checks once weekly for signature by the people authorized to sign checks on behalf of St. Paul's. Two authorized signatures and appropriate paperwork documenting the expense are always required before the check is validated and mailed. The Vestry officially designates check signers at the first monthly meeting following the election of new Vestry members. The Treasurer or Clerk will submit the appropriate paperwork that indicates who may sign church checks to the church's bank as soon as possible after the Vestry designates these people each year. The bookkeeper ensures two unrelated and authorized people sign all checks. Similarly, two Vestry officers must also authorize electronic funds transfers. The vouchers will be placed with checks requiring signature.

The Bookkeeper will notify the Treasurer when checks remain outstanding two bank statements after being written and will contact the individual or organization to whom the check was written to determine disposition of the check.

Check Controls

The check control log, titled Check Tracking Sheet, must be used to track the following information:

- Date printed on the checks
- Number of checks printed
- First check number used and last check number used
- Notations of any multiple stub checks that are voided by the system
- Other spoiled checks during the run

The Check Tracking Sheet will be included with the checks to be signed each week and initialed by the week's signers alongside the given line.

Authorized Check Signers

It is the policy of St. Paul's Episcopal Church to require the signature of any two of the following parish officials on checks from its operating accounts:

- Senior Warden
- Junior Warden
- Treasurer
- Clerk of Vestry

A person may not sign a check where the signer or an immediate family member is also the payee.

Vestry will pass a resolution that names current check signers annually and whenever a change occurs among the office holders listed above.

Manual Check Prohibition

With the exception of checks written by the Rector from his/her Almoner's or Discretionary Fund, it is the policy of St. Paul's Episcopal Church to prohibit any authorized check signer from approving or signing checks written by hand.

Voided Checks

It is the policy of St. Paul's Episcopal Church to maintain a Voided Checks Log and document every check that has been voided and the underlying reason. The Voided Checks Log should also be included in the folder with checks to be signed, along with the Check Tracking Sheet, for the benefit of the check signers.

If voided checks are physically available, they will be stamped or marked VOID and filed in the parish's voided checks file, and the signature line will be torn off.

If voided checks are not physically available, the parish's copy of the bank's stop-payment order will be filed in a stop-payment order file.

Bank Statements and Reconciliations

Bank statements are electronically available to the Treasurer and Bookkeeper. The treasurer or assistant treasurer will do an initial review of checks that cleared during the prior month paying particular attention to any suspect transactions by volume, payee, or amount.

The bookkeeper is responsible for bank reconciliations and will prepare the bank reconciliation within one week of receipt. The reconciliation will not generally be forwarded to Vestry though it remains available upon request.

Credit Card Policy

In order to efficiently conduct church business and to make the personal reimbursement process more efficient, the Vestry acknowledges the need for certain parish employees and/or parishioners to use a church credit card for certain business-related purchases. Vestry authorizes the Rector to assign and approve credit cards to members of the staff who conduct business on behalf of the parish. The treasurer will confirm the assignment with the bank and request the credit card to be issued. The assignment will then be reported to Vestry. Further, specifically named leaders of the Under One Roof Food Pantry may also be provided a credit card at the Rector's discretion with Vestry concurrence. Under no circumstances should any staff member have access to a debit card with the exception of the Rector. Credit card holders will be reviewed by the Finance Committee and Rector annually at its March meeting.

All such purchases will be documented and reconciled with a receipt within fourteen (14) days of the purchase. In the event that a receipt is lost or unavailable, the Rector and/or Vestry may accept other verification of the purchase within his/her/its discretion. In any event, more than two (2) undocumented purchases in any twelve (12) month period will require the Rector and/or Vestry to investigate that person's credit card usage and issue a report on that person's fitness for future credit card usage. Such a report will be maintained in the parish's financial records and the employee's personnel file.

The Vestry further acknowledges that maintaining the parish's creditworthiness is important. To that end, while the parish will pay the balance due on each statement, any unauthorized or undocumented purchases will become the personal responsibility of the purchaser and, in the discretion of the Rector and/or the Vestry, that person may lose the privilege of access to a parish credit card.

Each person entrusted with a parish credit card shall execute the accompanying Parish Credit Card Policy (Appendix 2). The parish will maintain the executed credit card policy document in its financial records and the employee's personnel file. A review of these executed documents will occur in March when credit card holders are reviewed and confirmed.

Payroll Review and Processing

The Rector, as the senior staff leader of the parish, will review the payroll detail report prior to submitting it to the parish's payroll processing vendor. Both the bookkeeper and Rector will sign the detail attesting their review.

Independent Contractors

It is the policy of St. Paul's Episcopal Church to evaluate criteria established by the IRS when assigning individual employee or independent contractor status. Individuals qualifying as independent contractors based on current IRS guidance will sign an independent contractor agreement (Appendix 3) and will be issued an IRS Form 1099. Independent contractors must submit a W9, proof of liability insurance, and a signed Independent Contractor Agreement (Appendix 3) prior to work performed. This review and contract must be executed before any individual is compensated by the parish. Further, St. Paul's Church will maintain a file on each contractor to whom it has issued a Form 1099.

A log for social security or tax identification numbers will be maintained by the parish bookkeeper on all individuals assigned independent contractor status. Further, St. Paul's Church will file all required Forms 1099-MISC (Copy A) to report any payments made in excess of \$600 to an independent contractor in a given tax year by January 31. Copies of 1099-MISC will be furnished to each payee.

Policy on providing an online giving/payment service

The church has implemented online services through *ACS/Vanco* and *HiMama* to allow church members and guests to donate to church operations and programs and to allow for the payment of children's pre-school-related fees.

The church will not host on its website any type of online giving capability. All online giving capabilities must be hosted by third party service providers using redirects as needed from the church web site.

Online payments may be made by credit card or Automated Clearing House (ACH) bank transfers.

All online service providers must demonstrate that they meet or exceed the current Payment Card Industry (PCI) Data Security Standard, and the NACHA (National Automated Clearing House Association) rules, including encrypting sensitive data, validating routing numbers, implementing identity verification, and having a strong security policy.

Contracting with an online payment service provider requires Vestry approval, with key considerations being the fee structure, an estimate of the payment volume, and the contract itself.

The church will not be involved with, nor have access to, nor retain in any form, credit/debit card or banking account numbers or routing numbers used by members or the community at large that make donations or other payments using online giving capabilities put in place by the church.

Fund Accounting

Accounting Records: Fund Accounting-To accurately complete the parochial report and to maintain the proper classification of special restricted funds, all parishes must maintain fund accounting records. Fund accounting maintains separate detail and balances for donor restricted funds, other endowment funds, operating funds and property funds.

--Business Practices for Parishes (Revised and adopted by Diocesan Council 10/20/2016)

- The stewardship of all St. Paul's Church revenues and disbursements relating to ministries of the parish shall be accounted for in a central, integrated fund accounting system.
- A financial activity falls under this policy when it is in pursuit of a ministry of St. Paul's Church, appropriately using St. Paul's Church's Federal Identification Number and State of Ohio exemption from sales tax on purchases.
- Any fund which falls outside of the normal Annual General Operating Budget of the parish shall be segregated from the General Operating Fund and carried on the accounting system of the parish as a Restricted Fund.
- The Treasurer shall maintain an index listing each Endowment, and documenting for each:
 - The purpose of the account.
 - Who (according to office) has authority to authorize expenditures within the documented purposes of the fund. (This is not the donor; s/he states the purpose or designation of the gift but does not retain authority to approve or reject expenditures.)
 - How a person is selected for that office when the office is not one ordinarily defined by parish structure.
 - How the purpose of the account may be altered.
- The Treasurer, working with appropriate endowment advisory committees, shall hold funds in such separate financial institutions and accounts as the Finance Committee shall deem appropriate in accordance with any governing trust documents. In selecting the financial institutions and accounts, the Treasurer and advisory committees shall seek to simplify record-keeping, minimize charges paid to financial institutions, and maximize earnings on idle funds.

Discretionary & Almoner's Funds

History

St. Paul's Church has always had at least one clergy "discretionary fund." One basis for such a fund is found in Canon law:

The Alms and Contributions, not otherwise designated, at the Administration of the Holy Communion on one Sunday in each calendar month, and other offerings for the poor, shall be deposited with the Member of the Clergy in charge of the Congregation or with such Church officer as the Member of the Clergy in charge shall appoint to be applied to such pious and charitable uses as shall be thought fit by the Member of the Clergy. When a parish is without a Rector the Vestry shall appoint a responsible person to serve as Almoner.

—Title III, Canon 14.2(f)

At its November 2007 meeting, the Vestry authorized a revised practice which created two separate funds, described below.

Almoner's Fund. This fund shall be applied by the Clergy in charge *to such pious and charitable uses as shall be thought fit by the Member of the Clergy*. Its revenue sources shall be gifts given in response to special appeals, gifts from endowed funds that are designated for this purpose and unsolicited gifts entrusted to the Clergy for Almoner's Fund purposes. Strict confidentiality is maintained as to beneficiaries. The Rector retains responsibility and accountability for these disbursements and is in no way precluded from making disbursements him- or herself. The Almoner's Fund is supported by the Schwier-Lamb Endowment. Per the trust agreement, the fund and its use is under the sole control of the Rector, Clergy-in-Charge, or the senior warden in the absence of clergy.

Rector's Discretionary Fund. This fund shall be applied by the Clergy in charge to such purposes as shall, in the opinion of the Member of the Clergy, advance the ministry of the parish. Its revenues shall be gifts entrusted to the Clergy in an unencumbered manner in addition to a quarterly disbursement of \$1,100 from the Memorial Endowment throughout the year. Because of the Vestry's action to seed the Discretionary Fund with the Memorial Endowment, the Rector is not taking the proceeds of plate offerings at one Communion service each month. He is taking proceeds from funeral services and depositing these funds into this account.

Should the Rector choose to disburse funds for an operating purpose, this expenditure would need to be categorized accordingly to comply with diocesan business practices to account properly for it in determining diocesan assessment obligations. While most disbursements from this fund would be to support operating needs that the Rector believes to be imperative for the success of advancing parish ministry (e.g., curriculum for Christian education), in the event that a significant disbursement or disbursements be made for (a) non-operating purpose(s), a journal entry can be made to shift the expense and the accompanying income to the appropriate fund.

Accounting Procedures. Both of these funds shall be kept on the books of the parish as "Designated Funds." They shall in consequence bear St. Paul's Church's Tax Identification Number, and they shall be accessed only on authority of the Rector or, in the absence of a Rector, the Priest-in-Charge, or should there be no clergy, the senior warden through the ordinary accounting procedures of St. Paul's Church.

Accountability. At the request of the Rector, beginning in the fourth quarter of 2007, the wardens and treasurer will actively audit these funds each quarter to ensure that their uses align with their stated purposes. Audits will be conducted at the end of each quarter on April 15, July 15, October 15, and January 15.

Internal Controls

St. Paul's financial "internal controls" are a system of "special purpose" processes and procedures designed and practiced for the primary purpose of ensuring the integrity of financial reporting as well as preventing or deterring fraud. The internal controls fall into two categories, active and passive:

Active Controls

Signatures and Countersigning

- Each expenditure requires multiple signatures
- Original voucher
- Accounts payable entry signature
- Two signatures on the check or any voucher to authorize an electronic funds transfer payment **prior to execution** with the exception of payroll transfers
- All journal entries initialed by the Treasurer

Passwords

Realm (the accounting software St. Paul's uses) relies on passwords for access and determines what can be seen and what can be updated.

Segregation of Duties

- Segregation of Duties means that there are processes and procedures to require that duties must be divided among a number of people so that no one person or group can obtain church cash by fraud.

The following are done by different individuals for segregation of duties. No one group manages more than one step:

- Cash receipt counting and deposit
- Counters count the money.
 - There must be at least two unrelated members present. (No one else should enter the Volunteer Room during the counting.)
- Entering contributions and reconciling to the deposit receipt
 - Receipts are posted to Realm by the bookkeeper.
- Invoice and voucher approval
- Review by responsible Vestry officer or Rector
- Creation and entry of the payable expense and check preparation by the bookkeeper
- All checks must have a proper backup invoice or voucher/documentation of justification for expenditure, and approved requisitions
 - An invoice in the case of a routine bill like electricity
 - A voucher and accompanying receipt in the case of a check request without an invoice
- Check signing
- Every check requires two signatures by non-related, Vestry-approved persons
- Electronic payroll payments are released by people approved by the Vestry

- Check mailing or distributing
 - The person mailing or distributing the checks does not have check signature authority
 - The person mailing or distributing the checks will review all checks for proper signature.
- Checking and Savings Account Reconciliations
 - The bookkeeper performs the reconciliation to document agreement between the bank statements and the computer system.
 - The Treasurer reviews and verifies agreement to the corresponding general ledger account(s).

Annual audit

- Called by the Vestry and coordinated by Treasurer.
- Conducted in accordance with the diocesan canon regarding audits.
- Focused audit to assess compliance with established accounting procedures and internal controls.
- Deliverable Annual financial statement, identification of any significant deficiencies or material weaknesses.

Payroll audits

- Called by the Treasurer.
- May be conducted in conjunction with the annual audit
- Review of accounting procedures and internal controls
- Confirm payroll information is accurate and up to date.
- Ensure that proper payments and employee contributions are being made.
- Establish ongoing compliance for accounting and record-keeping.
- Verify current employment status of employees.

Passive Controls

Audit trails

- Stored backup of receipts to match deposits and checks.

Journal Entry Audit

The bookkeeper will maintain a Journal Entry Log segregated by month to ensure adequate documentation for the auditor. All journal entries will have supporting documents attached; if there is no physical documentation then an appropriate explanation and references will be documented with the journal entry.

Financial Reporting

Annual CPA Audit Reports

Audit Reports

The Vestry of St. Paul's Episcopal Church affirms that it is subject to Title IV, Canon 2 of the Canons of the Diocese of Ohio. Further, Diocesan Business Practices states "[p]arishes which have an independent audit must report any change in CPA or CPA firm to the Treasurer's office, along with an explanation for the change. The Vestry of the parish must approve any change in CPA or CPA firm."

Contents of the Audit

The auditor or external audit committee is responsible for submitting an audit report to the Finance Committee and the Vestry. The Audit Report shall consist of:

1. The Audit Committee Certificate
2. The Statement of Assets & Liabilities Resulting from Cash Transactions or the Balance Sheet in the case of organizations using the accrual method of accounting;
3. The Statement of Cash Revenues and Expenses, including Payroll;
4. The Statement of Changes in Financial Position;
5. Completed Audit Program Checklist; and
6. The Committee Audit Findings on Policies and Procedures.

The Filing of the Audit

- Prior to actual delivery of the audit report, a letter should be issued by the church to the auditor or committee stating that all records have been available for audit and there are no church funds omitted.
- Upon completion, a review of the audit report with the church Treasurer, Rector, and Wardens shall be made by the external committee that prepared the audit.
- Any criticisms and recommendations should be presented in the Committee Audit Findings on Policies and Procedures, not in the Audit Committee Certificate. These items will be discussed with the Treasurer and Finance Committee and within 30 days their written response will be attached to the audit report for presentation to the Vestry.
- The audit report shall be submitted to the Vestry upon completion.
- A copy of the audit report shall be forwarded no later than July 15 to the Ecclesiastical Authority. The minutes of the Vestry will officially record the receipt, acceptance, and subsequent filing of the audit report with the Ecclesiastical Authority in its minutes and by forwarding a resolution stating this action to the diocese along with the audit packet.

Monthly Financial Statements

It is the policy of St. Paul's Episcopal Church to prepare and distribute financial statements to the parish Vestry and staff with budget approval authority each month. Additionally, committee chairs who are not members of Vestry and staff will also receive these reports. These statements are prepared by the parish bookkeeper, inspected by the treasurer, generally reviewed in advance by the Finance Committee, and received by the Vestry at its monthly meeting and noted in the minutes. In months where Vestry does not customarily meet, financial statements will still be distributed and made available on-line in draft form in the Vestry section of the parish website. Draft statements may be distributed to staff responsible for Christian Education, Elizabeth Wayne Pre-school, Music and the board of Under One Roof after inspection by the treasurer.

Financial statements must include, at a minimum, a functional statement of income and expense that acknowledges the balances of any special funds or retained earnings that might otherwise be considered "cash on hand" by functional area. The Finance Committee is accountable to the Vestry for ensuring that this takes place.

Journal Entries

It is the policy of St. Paul's Episcopal Church for journal entries to be approved by the treasurer or assistant treasurer before being posted into Realm, the parish's financial software package.

APPENDIX 1: TREASURER POSITION DESCRIPTION

Treasurer Position Description

Qualifications and Gifts:

- Have a love of God and demonstrate a commitment to following the way of Christ;
- Have experience in the use of standard accounting procedures;
- Have an ability to establish and maintain appropriate safeguards and oversee people assisting in financial transactions;
- Possess an understanding of insurance requirements, audit procedures, bonding and legal liabilities;
- May or may not be an elected member of Vestry.

Time Commitment (approximately twelve hours per month, including):

- Meetings of the Vestry and Finance Committee, approximately two evenings per month;
- Diocesan meetings, as necessary;
- Annual Meeting.

Responsibilities:

- Oversee the counting of all contributions from the congregation, ensuring that at least two unrelated people are present at all times during collection and counting;
- Comply with all assigned tasks outlined in the Code of Regulations of St. Paul's;
- Oversee the treasurers of all accounts maintained by related organizations (e.g., Under One Roof, Elizabeth Wayne Parents Organization **if using the parish's TIN**) that are a part of the congregation, ensuring that they follow established accounting procedures and appropriate safeguards;
- Ensure that bills are paid in a timely fashion;
- Ensure that adequate insurance is maintained on all real and tangible property;
- Determine that the books and accounts of the congregation are in accordance with standard accounting procedures and the requirements of the canons;
- Ensure that the congregation's financial operations are in accordance with national and diocesan canons, the congregation's code of regulations, and state and federal laws;
- Ensure that the congregation's deeds and other instruments of ownership are established and maintained in the manner prescribed by canon and civil law;
- Chair the Finance Committee and attend meetings of the Executive Committee as needed;
- Assist in the development of budgets;
- Be available for other committees that might need support in planning budgets or need other assistance in financial matters;
- Submit a yearly report to the Vestry and congregation, and monthly financial statements as requested by the Vestry.

Accountability:

- The treasurer is appointed annually by and is accountable to the Vestry. S/he may be removed by a majority vote of the Vestry.

APPENDIX 2: ACKNOWLEDGEMENT OF PARISH CREDIT CARD POLICY

Acknowledgement of Parish Credit Card Policy

Name: _____

I understand and agree that:

- I bear ultimate and personal responsibility for the parish credit card;
- I will not use the parish credit card to withdraw cash;
- I will not use the parish credit card for personal expenses and will use it only for official business on behalf of the parish;
- If I misuse the card (i.e. use it otherwise than in accordance with the instructions given to me in this agreement or related policies) or otherwise fail to reconcile my expenditures within the prescribed procedures and timeframe, I agree to accept personal responsibility for such misuse and, further, that such misuse could result in forfeiture of credit card privileges.
- If the parish credit card is lost or stolen, I will report it immediately (no more than 24 hours) to the parish office.
- In the event I am no longer employed by the parish and/or am no longer a member in good standing of the parish, I will immediately return the parish credit card with a final reconciliation of all expenditures.

Signature of Cardholder

Date

Signature of Church Representative

Date

APPENDIX 3: INDEPENDENT CONTRACTOR AGREEMENT

Independent Contractor Agreement

Name: _____

Social Security or EIN: _____

Address: _____

As an independent contractor, I understand that I am responsible for payment of my own taxes, and employment-related taxes will not be withheld from any payments to me.

I understand that I am not entitled to any employee-related benefits, including, but not limited to, employer's share of FICA taxes, holiday payments, annual or sick leave payments, insurance benefits, unemployment benefits, worker's compensation benefits, and any other benefits of employment not noted.

I understand that by signing this agreement I also agree not to take any future action against St. Paul's Episcopal Church, its Vestry or staff, or the Episcopal Diocese of Ohio with regard to its failing to provide employment benefits that my independent contractor status exempts me from receiving.

For St. Paul's Episcopal Church

Signature: _____

Name: _____

Date: _____

Signature: _____

Date: _____

Appendix 4: Rector's Report to the Vestry on Endowments and Restricted Funds- Policies and Procedures

March 19, 2025, *updated April 30, 2025*

This is a report on the policies and procedures of six endowments and five restricted funds.

	Dec 2022	Dec 2023	Dec 2024	Feb 2025
Operating Endowment	\$568,103	\$639,504	\$456,276	\$468,486
Preservation Endowment	\$296,196	\$309,862	\$342,006	\$320,472
Memorial Endowment	\$298,466	\$435,748	\$475,203	\$480,390
Schwier-Lamb Emergency Endowment	\$173,748	\$186,854	\$195,105	\$198,192
Mary Ann Tigges Building Endowment	\$552,520	\$564,512	\$589,307	\$609,556
Ken Tigges Fund	\$206,840	\$235,786	\$269,144	\$277,058

There are Five Restricted Funds

	2/28/2025
Under One Roof Food Pantry	\$107,461
Mary Ann Tigges Savings	\$8,177
Ricciardi Alter Window	\$9,853
Wilson Outreach Fund	\$23,396
Rector's Discretionary Fund	\$3,842

The Operating Endowment – Section 1

Vestry Document: The trust agreement is dated 6/7/1982 and is signed by Vestry and Mid-Am Bank as Trustees. Mid Am bank merged with Sky Financial and is now Huntington Bank.

Purpose: The primary purpose of the fund is to operate and maintain the building, grounds and physical facilities. A second priority is to enable Vestry to meet its normal operating budget requirements.

Procedure: Distribution from this fund requires approval from the trustees of Huntington Bank.

History: The Vestry has historically used the Operating Endowment to satisfy budget deficits for many years. Surpluses in the annual budget are deposited into the Operating Endowment as principal. The Operating Endowment was used in 2017 and 2018 to make payments for construction costs associated with the 2015 capital campaign. In 2019 Vestry used the operating endowment to purchase a new vehicle for the Rector's use.

In 2024 Huntington Bank announced it will execute its role as trustees of the endowment. This has never happened before. The consequence is all withdrawals require consent from Huntington Bank. It is unknown if the trustees have a concern for our spending purposes. Timing can be an issue because we must wait for regularly scheduled trustee meetings.

Vestry has the option to rewrite the trust agreement and remove Huntington Bank as trustees of the endowment. This will require legal action.

The Preservation Endowment – Section 2

Vestry Document: The Vestry document from 1972 is unsigned, undated, and unexecuted.

Committee: The trustees are Vestry.
Three permanent members: Dave Hazard; Dan Graham; Todd Deye
The Jr. & Sr. Wardens
The advisory committee appoints its own successors, if within six months of a vacancy.
The Vestry appoints successors after six months of a vacancy. The Vestry has the authority to remove members from the advisory committee.

Purpose: This fund is used “for the purposes of maintaining, repairing, preserving, and improving the building and property belong to St. Paul’s.” The history of the fund, according to the advisory committee members, has been exclusively for preservation. Preservation is to be distinguished from maintenance in that the Vestry is responsible for budgeting monies for regular and expected maintenance of the property. Preservation is used for large repairs that the Vestry cannot afford from the operating budget but must spend to preserve the value and integrity of the property. For example, interior painting and refinishing the gym floor is maintenance and should be budgeted by Vestry. Extensive roof repairs are preservation. Capital improvements, such as air conditioning, are not considered preservation. Note: there will always be a gray area of interpretation between maintenance and preservation.

Procedure: The Vestry Document (a.k.a. trust agreement) requires a minimum balance of \$150,000 be kept in principal. The advisory committee is generally opposed to spending principal. However, the new roof in 2003 consumed \$180,000 in accrued interest and principal. Expenses from the 2015 capital building project Planting for Tomorrow were \$75,000.

Vestry instructs the Building & Grounds Committee to maintain the property and make necessary repairs. Items that need attention but exhaust the maintenance budget are taken to the Preservation Advisory Committee by the Buildings & Groups Committee. The Preservation Committee authorizes disbursement. Written approval is forwarded to the treasurer. There is one exception to the preservation vs. maintenance rule. The advisory committee has authorized regular maintenance of the Muller Pipe Organ to be incurred by the Preservation Fund indefinitely.

In 2015, the chancellor determined the advisory committee does not have veto authority over Vestry. The national canons say Vestry is the trustee of all parish assets. Ultimately, Vestry may use the endowment without Advisory Committee consent.

The Memorial Endowment – Section 3

Vestry Document: The “Declaration of Trust” apparently from 1966 is unsigned, undated, and unexecuted. There is also a resolution which would have amended the Declaration of Trust in certain ways. There is no evidence that the resolution was ever adopted by Vestry.

Committee: The trustees are Vestry.
Permanent members: Bruce Yeager; Anne Bashore; Jr. Warden

Purpose: The assets are to be used “exclusively for the religious and charitable purposes of St. Paul’s.” The resolution stated the assets were to be used “to provide scholarships and financial assistance to deserving individuals attending theological seminaries, to aid those individuals facing medical or other emergency situations which severely strain or threaten to exhaust the individual’s financial resources, to assist those who genuinely need funds to attend non-seminary educational institutions and to finance capital improvements.” Because of the confidential nature of many people’s needs, the Rector is often highly involved in the use of this fund. Currently, the Rector receives a quarterly disbursement (\$1,100) for the Rector’s Discretionary Fund. The disbursements continue indefinitely.

Procedure: Upon the determination of a personal need, the Memorial Endowment Committee offers a recommendation to the Vestry. In certain situations, the recommendation is made with anonymity to protect the confidential nature of the need. The Vestry elects to grant the request either in the form of a gift or loan.

History: The advisory committee, Rector and previous vestries have been generally opposed to drafting loans from the fund. Recipients are seldom in a position to repay the debt, and the ensuing guilt is frequently a handicap to spiritual health. In December of 1998, the Vestry elected to write off all delinquent loans, a balance of \$26,241. From 2004-2006, the Rector’s tuition, room and board for his Doctor of Ministry degree at Seabury Seminary was granted for a total of \$12,000.

Louise K. Schwier and Prudence H. Lamb Emergency Assistance Endowment – Section 4

Vestry Document: The “Letter of Understanding” was signed 12/13/2007 by the donor, Fred Schwier, and accepted by Vestry on 12/22/2007.

Purpose: The purpose of this fund is to assist individuals and families in the Toledo metropolitan area in need as a result of personal and financial hardship.

Procedure: There is no advisory committee for this fund. This fund was established by Vestry on December 22, 2007, from a gift from Fred Schwier. The Rector has sole and complete authority over the disbursement of the Fund’s assets. In addition to interest income, the Rector may distribute up to 20% of the Fund’s value in any given year.

The intent of the Rector is to transfer adequate funds to the parish Emergency Fund. With the assistance of a committee, the Rector may then use the Emergency Fund in order to assist the poor with daily living expenses, such as rent, utilities, and other emergencies. With the blessing of the Vestry and the original donor, the scope of the ministry has expanded to also subsidize the food pantry, Angel Tree ministry, and youth mission trip.

History: In 2016, \$150,000 was used in the capital building project Planting for Tomorrow to remodel the garage into a store front for the Under One Roof Food Pantry.

Fred Schwier passed away on 2/25/2023.

Kenneth E Tigges and Mary Anne Tigges Building Fund – Section 5

Vestry Document: The Vestry resolution creating the Kenneth E Tigges and Mary Anne Tigges Building Fund was adopted by Vestry on May 21, 2019.

Purpose & Procedure: There is no advisory committee for this fund. The trustees are Vestry. The bequest of Mary Anne Tigges states that the Fund “be used only for building improvements and preservation, and that only the Fund’s income and not the Fund’s principal or appreciation in the Fund’s principal be used for such purposes. The property comprising the fund may, for investment purposes, be merged with other investment assets, but shall always be designated as the assets of the Fund.”

This fund is being managed by Huntington in a portfolio having a bias toward income which, net of management fees, will be swept from the portfolio quarterly and transferred to a separate account the assets of which will be available for “building improvements and preservation” purposes as determined by Vestry.

Note: The two Tigges funds cannot be merged due to the language of the trusts being slightly different.

History: On December 18, 2018, St. Paul’s received a bequest in the amount of \$500,000 from the Mary Anne Tigges Estate Settlement Trust. The money was invested with Huntington Bank into a new endowment.

Kenneth Tigges Fund – Section 7

Vestry Document: The Vestry resolution creating the Kenneth E Tigges Fund was adopted by Vestry on May 21, 2019.

Purpose & Procedure: There is no advisory committee for this fund. The trustees are Vestry. The bequest of Kenneth Tigges states that the Fund is “subject to the express condition that said funds shall be treated as a perpetual endowment fund with income only being used for the maintenance, preservation, improvement and expansion of St. Paul’s church building and parish house.”

The permanently restricted principal is considered to be \$209,939.99 because this was the opening balance.

The fund is managed by Huntington in a balanced portfolio with a slight bias toward growth. All income net of management fees and all appreciation in principal above \$209,939.99 will be available.

Note: The two Tigges funds cannot be merged due to the language of the trusts being slightly different.

History: On or about May 1, 2019, Huntington Bank received from PNC Bank the bequest of Kenneth Tigges in the amount of \$209,939.99. This is considered the opening balance and the original principal.

Restricted Fund Descriptions, Purposes, and History

Under One Roof Food Pantry

The food pantry is a Co-Op of Maumee Churches with funding and volunteers coming from St. Paul’s Episcopal Church, St. Joseph’s Catholic Church, Cass Road Baptist Church, First Presbyterian Church, Maumee United Methodist Church, and Calvary Church.

The food pantry is housed at St. Paul’s Episcopal. St. Paul’s does not charge rent. The Vestry holds the cash assets, including Meijer Gift Cards used to purchase groceries. St. Paul’s owns the appliances and equipment. Leadership is provided by a board comprised of the co-op members and cooperation with the Vestry of St. Paul’s Episcopal.

Mary Ann Tigges Savings

This savings account is funded by interest and dividends from the Mary Ann and Ken Tigges Endowment. Funds are deposited quarterly and automatically by officers at Huntington Bank. The savings account is restricted for use to anything related to buildings and grounds, in accordance with the Mary Ann and Ken Tigges Endowment.

Ricciardi Altar Window

This fund was given by family of Pam Ricciardi in her memory. They live in Oregon (state). This original proposal was to build a light box over the altar window, but Vestry did not approve the project. In 2023 the fund was used to purchase blinds in the parish hall.

Wilson Outreach Fund

This fund has a sole donor, Neil and Mary Jane Horn, in memory of Mary Jane's mother, Margorie Wilson. The Horns' intent is to restrict interest and dividends to outreach ministries. The fund has been used to fund Vacation Bible School in previous years. Each instance of spending enjoyed the blessing of the Horns. Since inception in the late 1990s, the Horns' have hoped the fund would become an endowment. In 2023 the Rector agreed that the fund size was sufficient to constitute an endowment. Discussions took place with the senior warden to draft endowment language. The matter has not been brought to Vestry. In late 2023 the account was closed at the Diocesan Joint Investment Fund (JIF) and brought to Huntington Bank due to frustrations getting timely statements from the diocese. The money currently resides in a CD. Neil Horn passed away 09/09/2024.

Rector's Discretionary Fund

This fund is mandated by Episcopal Church Canon. Spending is managed by the Rector. The policies are defined in the Vestry Financial Policies and procedures, November 16, 2021, page 21.