

## Expense Payment and Approval Policy

Date of Policy Approval: 9/13/2010

Policy Updated: September, 2014

**Policy Owner: Finance Coordinating Council**

Every check or any other type of withdrawal from Second Unitarian Church of Omaha Operating Budget expense lines or Funds must be supported by a paper source document (Expense/Check Request) accompanied by a receipt or invoice. The source document will show:

- Approver name(s) and signature(s). An email from the authorized approver or other written communication is acceptable in lieu of a signature on the Expense/Check Request form. Authorized approvers are described below.
- Payee name and address
- Amount to be paid
- Account number(s) of where the payment is to be taken from
- Written description of service/item purchased
- Initials of the person who processed the payment
- Payment date
- How the payment was processed (check number for physical check, automatic withdrawal, online bill pay)

There must be enough money in the Operating Budget expense line item or Fund to cover the cost of the submitted expense. Any expense that will cause an overage must be submitted to the Board for approval or other handling.

The paper source documents, including approval emails or other written communications, will be retained as defined in the Records Retention Policy.

Expense reimbursement approval authority is maintained as part of the annual budget process. The Finance Committee identifies the position/title that has approval authority for each Operating Budget expense line item and Fund. The Finance Committee reviews approval authority at the beginning of each fiscal year.

In general

- The Board Chair has default approval authority for every expense except Ministerial Professional Expenses and Minister's Discretionary Fund.
- Committee chairs can approve expenses from their own Operating Budget expense line and Fund. The Board Vice Chair has approval authority in the absence of a committee chair.
- The Minister has exclusive approval authority for Ministerial Professional Expenses and the Minister's Discretionary Fund.
- Staff signature is sufficient for their expense lines and Funds as defined by the Finance Committee. However, reimbursements to employees and payments of Professional Expenses also require approval by the Minister.
- The Assistant Treasurer or Treasurer can approve recurring expenses to vendors as identified in the approved Operating Budget, i.e. telephone, utilities, insurance, copier, advertising, denominational dues, janitorial-cleaning, janitorial-trash pickup, postage, health insurance, dental insurance, life insurance, retirement payments, Share The Plate donations, etc. When

possible, these can be paid through the bank's online bill payment system. Initial setup of an online bill payment must be approved by the Treasurer and Board Chair or Vice Chair. After initial set up the Assistant Treasurer or Treasurer can approve the payments. Two approvers for initial set up meet the by-laws requirement of two officer signatures on each check.

Sales tax does not have to be paid on purchases. If a committee is considering a major purchase, contact the Treasurer for details about the Tax Exempt Form.

### ***Non-Reimbursement***

A Member might want to make a budgeted purchase for a committee and consider the purchase a donation to the church rather than asking for reimbursement. Non-reimbursement is appreciated but discouraged to ensure:

- accurate budgeting
- transparency in all financial transactions
- auditable record keeping

The purchaser should accept the reimbursement check and then either

- deposit it and write a personal check to the church or
- endorse the reimbursement check and write "Pay to the order of Second Unitarian Church."

Regardless of the option chosen these donations will be recorded under Fundraising Operating Budget line.

Non-reimbursement donations cannot be applied toward a pledge.

### ***Purchasing Decisions***

Whenever possible, purchasing decisions should be based on responsible consumerism such as:

- High energy efficiency
- Recycled materials content
- Support of local retailers rather than "big box" stores
- Support of fair trade and fair employee wage and benefits practices
- Non-toxic materials
- Environmental-friendly and organic production and growth methods
- Reuse (buy second hand) instead of new
- Is it really needed?