

POLICY and PROCEDURE
St. Luke Lutheran Church of Sacramento, California

Number: P&P-2018-1
Title: MANAGING BANK ACCOUNTS
Board/Committee: Finance Board
Effective Date: January 1, 2018; Revised September 1, 2020
Voided Date:

References: Constitution/Bylaws – C5.03(g), C11.01,01(d), C12.05(e), C12.05.01(g), C13.17.07(d), C17.01; Policy and Procedure – P&P-2000-1, P&P-2000-2, P&P-2000-3.

POLICY: The Congregation Council adopts the following policies and procedures for managing the Church's bank accounts.

Definitions: The Church shall have three bank accounts as described below:

- a. Receiving Account: The bank account designated:
 - i. To receive all deposits/funds for the Church (except as otherwise specified in "Exceptions" below).
 - ii. To provide a means to distribute these funds to the General Budget or Special Funds checking accounts.
 - iii. To provide records of each distribution.
- b. General Budget Checking Account: The bank checking account designated for the managing and accounting of the General Budget incomes and expenses.
- c. Special Funds Checking Account: The bank checking account designated for the managing and accounting of the Special Funds income and expenses.

Exceptions: The following organizations/events shall be exempt from this P&P:

- a. Auxiliary organizations (e.g., W-ELCA) which have separate bank accounts.
- b. Certain fund raisers/events (Crab Feed, Fireworks Booth, Luau Dinner, etc.) may be deposited directly in the Special Funds checking account.

Account Balances:

- a. Receiving Account: The account balance should be maintained at approximately \$500 to cover any potential expenses, such as returned checks for insufficient funds.
- b. General Budget Checking Account: The Treasurer, in cooperation with the Finance Board, shall strive to maintain an account balance approximately equal to 12 percent of the current annual General Budget.
 - i. As part of the annual General Budget preparation process, the Finance Board shall review the monthly General Budget Checking Account balances for the preceding year. If these balances are consistently greater than the 12 percent goal, the Finance Board shall recommend to the Congregation Council that the excess funds be transferred to the Special Funds, Reserve sub-account, on or before December 31 of the current fiscal year.
 - ii. If the balance is consistently less than 8 percent throughout the current year, the Treasurer shall notify the Finance Board and Congregation Council for possible resolution.

- c. Special Funds Checking Account: This account shall not have any requirements for its balance. The balance will vary as the various sub-accounts receive and expend funds.

Audits: An annual audit shall be performed on each of the above bank accounts in accordance with paragraph C12.05.01(g) of the Constitution/Bylaws and the guidelines developed and adopted by the Finance Board.

Procedures:

- a. As outlined in P&P-2000-3, "Counting and Depositing Money Received", and this P&P, the Sunday Counters shall record the various offerings/gifts using the Deposit Recap Slip and shall deposit all funds into the Receiving Account.
- b. The Treasurer shall verify the categorizations on the Deposit Recap Slip (in coordination with the Financial Secretary, as appropriate) and transfer the funds deposited into the Receiving Account to the General Budget Checking Account and Special Funds Checking Account.
- c. The Treasurer shall normally use the bank's on-line banking system for the transfer process and verify/record/file the appropriate documentation for each transfer.
- d. The transferred funds to the two accounts shall then be "processed" as deposits and recorded in accordance with the Charter of Accounts for the General Budget and the appropriate subaccounts in the Special Funds.
- e. The Treasurer shall manage the General Budget Checking Account and the Church Special Funds Recorder shall manage the Special Funds Checking Account in accordance with P&P-2000-1, "Special Funds".

APPROVED:

Signature of Church Secretary (officer) *Date Approved*

VOIDED:

Signature of Church Secretary (officer) *Date Voided*