



KUSDA FINANCIAL POLICY

KUSDA CHURCH

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KUSDA FINANCIAL POLICY

GENERAL PURPOSE

The purpose of these policies and procedures is to;

- a. Establish guidelines for developing financial goals and objectives
- b. Making financial decisions
- c. Reporting the financial status of KUSDA CHURCH
- d. Managing the KUSDA funds

RELATIONSHIP TO BY-LAWS

These financial policies and procedures shall always be implemented consistently with the KUSDA CONSTITUTION, THE CHURCH MANUAL AND SEVENTHDAY ADVENTIST ACCOUNTING MANUAL.

FISCAL YEAR

The fiscal year of KUSDA CHURCH is March 1 to Feb 29.

AUTHORITY

The CHURCH BOARD is ultimately responsible for the financial management of all activities. The Strategic and planning committee in liaison with the Treasurer is authorized to act on the Board's behalf on financial matters when action is required in advance of a meeting of the CHURCH BOARD.

- a) The TREASURER is responsible for the day-today financial management of the organization. The COMMITTEE authorizes the TREASURER to pay bills, receive funds, and maintain bank accounts.
- b) The TREASURER is authorized to sign petty cash up to 2,500. Petty cash for amounts greater than 2,500 shall require the signature of the Board Chair and the treasurer.
- c) The TREASURER is authorized to enter into contracts for activities that have been approved by the Board as a part of budgets or plans. The Board must authorize any contracts outside of these parameters and all contracts with a financial value greater than 15,000.

- d) The TREASURER is authorized to manage expenses within the parameters of the overall approved budget, reporting to the Strategic and planning Committee on variances and the reason for these variances.
- e) The church board must approve any use of the board designated cash reserve fund

FINANCIAL RESPONSIBILITIES

The Treasurer acts as the primary fiscal agent, implementing all financial policies and procedures. Thus, the nominating committee will in due regards consider nominating treasurers who have financial accounting knowledge or skill.

The Head Treasurer

is responsible for the coordination of the following:

- i. Annual budget presentation to church Board
- ii. Financial report during KUSDA Business Meeting
- iii. Participate in the selection of outside auditors, if needed
- iv. Developing financial goals and objectives for the Board consideration
- v. reporting and approving revenue and expenditure objectives in accordance with the Board approved long-term plans.

The First Assistant treasurer

with oversight by the head treasurer has the day-to-day responsibility

For managing church funds

- i. Ensuring the accuracy of the accounting records
- ii. Internal controls
- iii. Financial statement preparation
- iv. Bank reconciliation review and approval

The second assistant treasurer

is responsible

- i. For the preparation of the Chart of Accounts
- ii. Reporting Formats
- iii. Accounts Payable Processing
- iv. iv. Cash Receipts input
- v. Journal Entries for General Ledger Form
- vi. As well as Bank Reconciliations
- vii. Systems update and managing it.

Community treasurer

Will assume all duties and not powers of the treasurer when the students are not in session.

THUS, he or she will have to be in liaison with the head treasurer and no decision will be made without first notifying the head treasurer.

FINANCIAL RESTRICTIONS

- a) No loans to any church member or officer are authorized.
- b) Direct and necessary expenses including travel for meetings and other activities related to carrying out responsibilities shall be reimbursed, but only if approval was received from the authorized committee or Board before the necessary expenses.
- c) In no case shall THE TREASURY borrow funds from any Member or officer of the church without specific authorization from the Board.
- d) A reserve amount of sh100, 000 of the combined offerings will be maintained and should not be used unless approved otherwise by the church board, which must take a unanimous vote, failure to which it shall not be used.
- e) All monies received on sabbath shall be banked on the first working day of the week, hence the all money required will be issued only on Sabbath.
- f) The Treasurer is however required to keep an amount not exceeding 5,000 for petty cash, to meet emergencies that may arise in between the week.

- g) Cheques, bank transfers, Mobile money and cash are the only form of payments which will be used by the treasury, but as for cash exceeding 50,000 only cheques and bank transfers will be allowed.

BUDGET

In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with board-approved priorities, long-range organization goals, and specific five-year objectives.

1. the Treasurer shall be responsible for presenting to the Church Board a proposed operating budget for adoption.
2. The strategic, budgeting and planning committee shall propose an annual budget for the new fiscal year (March 1 to Feb 29) at a meeting to be held no later than the first Sunday of Feb of the expiring fiscal year. The budget review process is as follows:
 - a) Submit operating and capital budgets to the strategic, budgeting and planning Committee in time for reasonable approval by the Board prior to each fiscal year by departments.
 - b) Use responsible assumptions and projections as background, with the general goal of an unrestricted surplus.
 - c) The Budget approved by the Church Board shall be posted on the KUSDA CHURCH Website no later than 10 days following approval by the Board.

ADMINISTRATION OF BUDGET

- a) Money required for an approved budget within the week will be collected on the sabbath before.
- b) Written documentation of expenses shall be provided to the treasurer for payment of budgeted expenses, with the minute number.
- c) Expenses not anticipated and approved by the budget (either in type or amount) shall be referred to the board or the strategic, budgeting and planning committee for review and direction as to payment.
- d) For any amount of money received, a report must be brought back within 7 days upon expiry of expenditure date, failure to which subsequent cash will not be given.

BANK ACCOUNTS AND INVESTMENT ACCOUNTS

The head Treasurer shall maintain and oversee Bank and Investment accounts, and the assistants shall ensure the church's day-to-day financial operations.

Account are as follows:

- National Bank of Kenya Account- tithes and offerings
- Equity Bank Account- missions
- ABSA Account – Church Investment and Development

(CID)

These accounts may be changed as the Church financial conditions and requirements change.

National Bank of Kenya

Contains two accounts the combined offerings and tithes,

Combined offerings are monies that will be used by the church in running its functions and activities,

Tithes or trust funds will be transferred to the conference and should not be used under any circumstance unless when paying the associate pastor's salary.

All money collected on Sabbath and fall under the above category will be deposited in the NBK ACCOUNT.

This account is directly linked with the MPESA PAYBILL which will be used for convenience.

Equity Bank Account

Contains cash to be used for missionary work and any amount of money that will be offered for the reason should be deposited and withdrawn to the equity account.

ABSA Account

Any amount of money that will entail the development of the church under the CID kitty will be deposited and withdrawn from the ABSA account

BANK RECONCILIATIONS

- i. Bank reconciliations shall be completed monthly by the treasurers cross-referenced with the cash and receipts logs.
- ii. The reconciliation shall be forwarded on a monthly basis to the Board.
- iii. The Financial Updates shall be compiled by the Treasurer.
- iv. The Updates shall be then be reviewed by the strategic, Budgeting and planning committee at each regular meeting of the committee.
- v. All Bank Statements will be reconciled every month and records will be kept in the file.

REPORTING

At every church board meeting the treasurer shall present a report on the expenses and a copy of the following financial accounts

- Statement of Financial position
- Monthly Budget/Actual comparison
- Copies of bank statements and other source documents are also available for the board to view

REVIEW

This policy shall be reviewed after every two years, by a review committee of five members selected by the church board, which must comprise of the treasurer, auditor and a member of the strategic and budgeting committee.

However, should it be deemed necessary to adjust or review the policy before the two-year period, the church board shall take a vote on the necessary adjustments to be made, and on approval by members on a unanimous vote, the strategic, budgeting and planning committee will assume duties of the review committee and make the necessary reviews.

