

## **POLICY ON CARE FOR MATERIAL RESOURCES**

### **DRAFT**

*Drawn from: Governance and Ministry by Dan Hotchkiss*

#### **Introduction**

The purpose of this policy is to ensure careful stewardship of UUCB's resources and to clarify spending authority. This clarity will facilitate the implementation of our mission and programs as well as addressing needed repairs and upgrades to our facilities in a timely way.

#### **Summary**

Staff have authority to spend within

#### **Spending Authority**

Staff have the authority to spend within approved operating and capital budgets, and to discern the fund from which resources will be drawn, subject to the following limitations:

- Staff must take all reasonable care to prevent harm to the Church's financial assets, property, credit and tax exemptions and develop administrative practices and procedures designed to prevent such harm and must report promptly to the board on any significant shortcomings in their implementation.
- Staff are responsible for authorizing spending and monitoring accounts. When a committee, team or task force is allocated funds in the operating budget, a staff member will delegate that authority to the chairperson by ensuring they are aware of the funds available and have the means to authorize and monitor their use.
- Donor restricted funds may not be used in violation of donor restrictions
- Board restricted funds may not be used in violation of board restrictions
- Cash operating reserves may not fall below 25% of the annual budgeted expenditures without board approval
- Board approval is required to change compensation for any full-time staff position when outside of the annual budgeting process
- If staff foresees any material deviation from budgeted spending, they must promptly inform the finance committee, which may discuss and implement options for adjusting the budget
- Staff may accept donations that support operations or programs and projects that have already been approved. If a gift is offered that falls outside of approved budgets, staff may accept this gift if it is \$10,000 or less. If it is over \$10,000, board approval is required. Staff may choose to bring any gift to the board at their discretion.
- Gifts of stock should be sold immediately
- Lending or borrowing funds requires board approval

#### **Process**

##### **Operating Budget**

- Staff will submit a 2-year operating budget annually for approval by the board, after consideration by stakeholders (including relevant committees).
- The Finance Committee will evaluate the budget in detail and will present a draft budget for the board
- The Board will ensure that the budget aligns with Board policy and strategic goals and is financially prudent.
- The Board will present the annual operating budget for approval at a congregational meeting as required by the bylaws.

## **Capital Budget**

- Staff will create a 5-year capital budget after review of recommendations by the Buildings & Grounds Committee and other stakeholders
- The Finance Committee will review the proposed capital budget and present it to the Board for approval
- After the first year, the Board will approve *changes* to the capital budget
- Requests for extra-budgetary spending over \$20,000 must be approved by the Board after discussion with staff and other stakeholders.
- Requests below \$20,000 may be approved by staff as long as the above policies are met.
- The capital budget will reflect items for which the church currently has resources as well as items for which additional funds must be raised or designated. The Board may decide to launch special campaigns to meet unfunded needs.