

BUSINESS MANAGEMENT COMMITTEE
Functions and Policies

I. Organization

The Business Management Committee (hereafter referred to as the committee) shall consist of voting members of the congregation who have an understanding of sound business and financial management. The committee will elect from its membership a chairperson and a recorder.

II. Responsibilities

A The committee shall oversee all business and financial affairs of the congregation (excluding the Grace Endowment Fund), making certain of the efficient conduct of these affairs within the policies set by the congregation and congregational council.

1. Supervise the accounting process.
2. Arrange for the counting and depositing of all congregational offerings and tithes. Insure that adequate accounting controls relating to it are in effect. Recruit, train and supervise money-counting teams.
3. Ascertain that all persons involved in fiscal management or money handling and processing are fully and adequately bonded and that the congregation is insured against theft or loss of funds. (This bonding is currently provided to all congregations of the ELCA at no additional cost.)
4. Arrange with financial institutions for the authorized signatures on all checking, savings, investment and loan accounts (excluding mortgages.)
5. A computerized 'fund' accounting system shall be maintained. Income received and expenditures made will be maintained on a line-item basis through use of an authorized chart of accounts. All income and expenditures will be recorded through the accounting system in order to assure accurate and complete data files and supporting details for a complete audit trial.
6. Arrange for the repayment of all mortgages, loans and other debts of the congregation in accordance with their terms and conditions.
7. Arrange for the purchase/lease and maintenance of all computer and office equipment

8. Arrange for all computer data processing systems including purchase/lease, installation and training for all hardware and software components.
- B. The committee will provide accurate and timely reporting of income, expenditures, assets, liabilities and fund balances held for general operating, mortgage or dedicated/reserved purposes.
1. On a monthly basis, submit to congregational council and committee chairs written financial statements including balance sheet and income and expenditure information for all funds and accounts.
 2. These financial statements shall include appropriate monthly and annual budget(s) details and summaries.
- C. The committee shall present to the congregational council a proposed budget(s) of income and expenses for the following year.
1. The schedule for the preparation of the annual budget(s) shall be:
 - a. At the October congregational council meeting, the committee will present a recommended budget(s) that includes anticipated income and expenditures for all major categories, committees, etc.
 - b. At the November congregational council meeting, the committee will have established final anticipated income and expenditures for all major categories, committees, etc. All committees will then assign line-by-line amounts by months for each category and furnish this detail to this committee.
 2. The final proposed budget(s) with balanced income and expenditures will be published by the congregational council in the annual report to the congregation and will be subject to their final approval at the annual congregational meeting.
 3. The congregational adoption of the annual budget(s) represents authorization to spend for the purposes and within the limits established for each major category, committees, etc. and related budget line items.
 4. Council and committee chairs shall have latitude for the expenditure of funds within the categories and budget(s) line items for which they are responsible. Overspending of a budget(s) line item is acceptable when the total expenditures for the council or committee stay within the total authorized budget(s) established for that particular category, council or committee. No transfer between line items are permitted. No committee may overspend its categories or budget(s) without congregational council prior authorization.

5. The committee shall oversee that expenditures stay within the limits authorized for all categories, council, committees, etc. established by the approved budget(s).

0. The committee shall ascertain that all General Operating, Dedicated, Reserved/Restricted and Clearing account funds are properly expended and accounted for.

- E. The committee shall manage all investments of the congregation excluding the Grace Endowment Fund.
 1. Only minimum cash balances shall be maintained in current checking accounts. All excess funds shall be transferred to interest bearing savings and, investment accounts.
 2. An adequate cash balance shall be maintained in current checking accounts to provide positive cash flow in order that incurred expenses may be paid promptly within the terms and conditions of applicable contracts, leases, etc.
 3. When possible, a cash reserve of fifteen percent (15%) of the current general operating and mortgage budgets will be maintained for working capital, emergency and contingency purposes.
 4. Additional cash available for general operating, mortgage, dedicated or Restricted/Reserved purposes shall be invested and/or disbursed at the direction of the congregation, congregational council or upon recommendation of the committee.
 5. The disbursement of Dedicated, Reserved/Restricted funds shall be in accordance with the Constitution, Bylaws, congregation or congregational council actions and approvals.

- F. The committee shall maintain all staff and vendor/service contracts including liability insurance coverage and income tax reporting. All staff and vendor/service contracts shall be reviewed by the committee annually.

- G. The committee shall oversee the allocation and division of compensation and benefits for all employees after recommendations by the committee and after congregation and congregational council approvals.

- H. The committee shall arrange for adequate insurance, including worker's compensation, property, general liability, fidelity bonding and other coverage required by law or authorized by congregation or congregational council action.

- I. The committee shall oversee the collection of appropriate donation/fees for the use of various Church facilities after recommendation by the committee and congregational council approval.

- J. The committee shall on a monthly basis remit to the Saint Paul Area Synod an amount equivalent to 80% of the Grace Church monthly benevolence obligation. In the event of financial emergency and resources are not available for such a remittance, the Business Management Committee shall notify the Council President who may declare a one month stay of such remittance, but must bring the matter to the attention of the Council at its next regularly scheduled meeting or a special meeting called for that purpose. A further stay of remittance may be granted only by a two-thirds vote of the Council. In the event of a 30-day or longer stay of remittance, the Business Management Committee, in conjunction with the Council, shall make every effort to fulfill the full Grace Church benevolence obligation to the Synod by the end of the current fiscal year.

End.