

EMMANUEL LUTHERAN CHURCH

THE FINANCE COMMITTEE

DESCRIPTION OF DUTIES

APPROVED BY THE CONGREGATION COUNCIL

APPROVED JANUARY 13, 2020

ESTABLISHMENT

The Finance Committee was established by the Emmanuel Lutheran Church Constitution, Bylaws & Continuing Resolutions, paragraph C13.07.01f

FINANCE COMMITTEE RESPONSIBILITIES

This document is a more specific description of those duties outlined in paragraph C13.07.01f of the Emmanuel Lutheran Church Constitution, Bylaws & Continuing Resolutions. The attached listing of Duties and Responsibilities of the Finance Committee is a guide for the Finance Committee. This guide will be periodically reviewed and revised by the Congregation Council as it deems appropriate.

Paragraph C13.07.01f - The Finance committee has the primary task of preparing and managing the congregation's budget, especially through the financial support of the members. It oversees the work of the treasurer and recommends the paying of the bills to the Congregation Council monthly. It also oversees the recording of the giving of the members.

Finance Committee Mission Statement

The mission of the Finance Committee is to practice good stewardship, with the guidance of the Holy Spirit, in managing the funds and financial resources of the congregation, so that God's love will be extended to our community, nation and world.

AUTHORITY

To accomplish this task, this committee is empowered to request from all other current or future committees of Emmanuel Lutheran Church to cooperate and support the work of the Finance Committee. This committee may also make requests to employees of Emmanuel Lutheran Church in the performance of its work. A committee with a budget to perform its work may expend the budgeted funds as it determines necessary per the monthly budgeted allocation or has been accumulated at the time expenditures are made. The Finance Committee may require other Emmanuel Lutheran committees, employees and church members to follow the policies and procedures set for expenditures by the Congregation Council and administered by the Finance Committee.

The Finance Committee is subject to the direction of the Congregation Council. This committee has no authority to make changes to its primary tasks or mission without the approval of the Congregation Council. The Congregation Council may revise, add to or withdraw any authority bestowed upon this committee at any time.

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COMMITTEE MEMBERSHIP

The Finance Committee should have a maximum of eight (8) members with one Committee member acting as Chairperson for the committee and with one member also being a member of the Congregation Council. Finance Committee members should have some type of training or experience in budgeting, accounting, or finance. The Congregation Council will appoint the Church Treasurer as a permanent member to the Finance Committee and is one of its eight (8) members. However, the Church Treasurer may not serve as Chairperson of the Finance Committee, but may serve as the Congregation Council's representative.

The Congregation Council will approve membership for this committee. The Congregation Council or Pastor will nominate new members for this committee as needed. Committee members will serve continuously, until the member chooses to resign or is removed by direction of the Congregation Council.

COMMUNICATION

On a monthly basis, or as otherwise requested by the Congregation Council, the Finance Committee Congregation Council representative is requested to provide an oral report of the Finance Committee's work during the previous month. During this report, the Congregation Council representative may include requests for changes with the committee's work, mission, or budgetary needs. New committee members are oriented into this committee by receiving a copy of this committee description and other information specific to the work of this committee.

Expanded Description of Duties and Responsibilities of the Finance Committee

- Monitors and tracks expenditures for each budgetary line item to ensure they remain within the approved annual budget and reports monthly to the Congregation Council.
- Monthly, compares contribution revenues with the budget and historical giving patterns to identify possible shortfalls or additional funds that may impact budgeted expenditures. Notifies the Congregation Council as soon as possible if issues are identified and recommends to the Congregation Council actions to address those issues.
- Reviews bills monthly and makes recommendations for the Congregation Council on payment of those bills.
- Makes recommendations to the Congregation Council to establish new, revised or the elimination of financial policies and procedures as appropriate to maintain the financial health of the Church and Congregation.
- Annually prepares salary adjustment recommendations for the Congregation Council Executive Committee as part of the budgeting process by October 31 each year.
- Oversees the work of the treasurer and the financial secretary.

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- Annually, prepares a budget recommendation for the Congregation Council's approval. By the November Congregation Council meeting, the Finance Committee is requested to present the Congregation Council a "Draft Budget Proposal" and provide a rationale for the budget recommendation. The "Final Budget Proposal" should be presented to the Congregation Council no later than its January meeting for its approval and the subsequent approval of the Congregation at the Annual Meeting.
- Ensures that existing financial policies and procedures are adhered to by all church members authorized to make expenditures on the behalf of the Church and Congregation.
- Monitors funds in the Restricted and Unrestricted fund accounts and ensures proper utilization and expenditure per the written guidelines established and approved by the Congregation Council for each fund.
- The Finance Committee, upon approval from the Congregation Council may direct the Audit Committee to secure outside help on a fee basis from an independent accountant registered in the state.
- Provides support as requested by the Church Treasurer, Financial Secretary, Mission Endowment Fund Committee, and Audit Committee.
- Monitor and Administer Insurance programs for the Church and make recommendations on changes to these programs or on insurance carriers to be contracted with.
- Annually reviews existing financial policies and procedures. When needed, develops revisions or recommendations for these policies and procedures for the Congregation Council's review and possible approval. Revises financial policies and procedures to the format approved by the Congregation Council. Additionally, ensures that those Congregation committees, members and employees who may need to be aware of a particular financial Policy & Procedure are provided with a copy.
- When fund balances have accumulated and are not expected to be utilized in the near term, the Finance Committee is authorized to research ways these funds can be invested so as to earn some income. The Finance Committee will then make a recommendation to the Congregation Council for their approval.
- Develop a planning calendar for your committee's work and responsibilities, at a minimum, annually update this planning calendar and submit an informational copy of your planning calendar to the Congregation Council. By giving the Church Secretary a copy of your committee's planning calendar, this will ensure that a copy will be placed into the Congregation Council's meeting information packet.