Finance

Budgeting

1. Purpose

This guidance exists to support an aligned, transparent, and mission-driven budgeting process that empowers staff while ensuring accountability to Board policy. It clarifies roles and timelines in the development of the annual operating budget and reinforces our values of *collective courage* and *joyful resilience* through shared responsibility and proactive planning.

2. Organizational Guidance

The annual budgeting process is led by the Senior Minister, who may delegate preparation tasks to executive staff while maintaining overall accountability. The framework for staff and group involvement is as follows:

- The Senior Minister may delegate part or all of the budget preparation process to members of the Executive Team.
- Individual staff members are expected to collaborate with the Finance Executive to:
  - Review current-year activity,
  - Forecast needs, and
  - Submit proposed budgets for their areas of responsibility.
- The Finance Executive is responsible for producing a draft working budget and leading collaborative review cycles.
- The budgeting process must begin **no later than September 1** each year.
- The Board must affirm the proposed budget **no later than November 30** so that it may be presented to the congregation in time for approval.

3. Related Content

- **Board Policy 3.3.2** – Budget Creation and Oversight
- **Board Policy 3.3.2.1** – Operating Budget

Finance Team

1. Purpose
This guidance defines the structure and role of the Finance Team in supporting transparency, accountability, and sound financial practices. As a lay-led body of financial advisors, the Finance Team helps ensure alignment between financial reporting and the Board's policies, while fostering congregational trust through shared leadership and oversight. This team reflects our values of transparency, shared wisdom, and responsible stewardship.

2. Organizational Guidance
The Finance Executive (Director of Finance and Operations) maintains a Finance Team composed of church members with relevant financial expertise. The framework for team composition and responsibilities includes:

- The team must consist of at least three members.
- Members must be current Foothills Unitarian members; non-members are not eligible to serve.
- No team member may have official responsibility in the church's accounting process (e.g., bookkeeper, controller).
- All members must complete a nondisclosure agreement and pass a background check prior to serving.

Responsibilities and expectations:

- Meet at least quarterly, but may choose to meet monthly.
- Review monthly financial reports, including Statement of Activities (P&L), Statement of Financial Position (Balance Sheet), and cash flow forecasting.
- Review the Quarterly Board Report for accuracy, clarity, and transparency before submission to the Board of Trustees.
- Stay familiar with all relevant Board Policies, especially those under 3.3 Care for Material Resources.
- Suggest additions and revisions to organizational guidance that aligns with Board Policy.
- Offer feedback and recommendations to the Finance Executive to support sound financial strategy and risk mitigation.
- Be available to audit finance meetings upon request (open to church members only).
- Support the Finance Executive in any additional expertise sought that you are able to offer.

3. Related Content

- Board Policy 3.3.8 – Financial Transparency and Reporting
- Board Policy 3.3.1 – Financial Accountability of the Senior Minister

- Board Policy 3.3.2 – Budget Creation and Oversight

Monthly Financial Review Process

1. Purpose
This guidance establishes the internal monthly financial review process to ensure accurate reporting, effective oversight, and compliance with Board policies. It reflects our commitment to financial transparency, accountability, and responsible stewardship in service of our mission and values.

2. Organizational Guidance
The monthly review process involves coordinated responsibilities among staff and external review with financial oversight roles. Each role contributes to producing accurate and meaningful financial information for decision-making and monitoring:

- **Bookkeeper Responsibilities**:
  - Manage all Accounts Payable transactions.
  - Ensure accurate chart of accounts coding for all entries.
  - Receive and deposit funds in a timely and secure manner.

- **Controller Responsibilities**:
  - Oversee and execute the month-end closing process.
  - Reconcile accounts and generate accurate monthly financial reports.
  - Provide completed financial reports to the Finance Executive.

- **Finance Executive Responsibilities**:
  - Review all monthly reports for accuracy, consistency, and clarity.
  - Make budget amendments in response to actual activity, within Board policy limitations.
  - Submit final financial reports to:
    - The Staff Executive Team for operational awareness.
    - The Board of Trustees as part of financial monitoring and oversight.

3. Related Content

- Board Policy 3.3.1 – Financial Accountability of the Senior Minister
- Board Policy 3.3.8 – Financial Transparency and Reporting
- Finance Team Guidance

Donations & Fundraising

1. Purpose
This guidance supports responsible and transparent stewardship of donor contributions in alignment with Foothills' mission and Board policy. It ensures that donations are handled consistently, with clarity about their use and expectations for record-keeping. It reflects our values of trust, integrity, and shared responsibility in sustaining our ministries.

2. Organizational Guidance

- **Donation Allocation**
  - Unless otherwise designated by the donor or specified in a fundraising effort, all donations are allocated to the general operating fund.
  - Donations to the general operating fund may be used within the limits of the congregation-approved budget at the discretion of the Senior Minister, in compliance with Board Policy.

- **Designated Contributions**
  - Donor intent must be honored for all designated or restricted gifts.
  - The Finance Executive is responsible for ensuring proper tracking and use of these funds.

- **Record Retention**
  - Records of all donations must be retained for a minimum of **seven years**.
  - Donation records must be stored in a secure, access-controlled system that is available to at least two staff members to ensure continuity and oversight.

3. Related Content

- Board Policy 3.3.5 – Fundraising
- Board Policy 3.3.8 – Financial Transparency and Reporting

Community MicroGrant Program

1. Purpose

This guidance outlines the structure and accountability of the Community MicroGrant Program (formerly Share the Plate), which reflects Foothills' values of partnership, generosity, and shared impact. By directing a portion of the Sunday offering to mission-aligned partners, we live our commitment to community collaboration and resource redistribution rooted in love and justice.

2. Organizational Guidance

- **Donation Allocation**
    - Donations collected through the Community MicroGrant Program are split **50/50**:
        - 50% to **Foothills' general operating fund**
        - 50% to a **designated recipient**, which may include:
            - Partner organizations
            - UUA programs/funds
            - Urgent short term need response as determined by the Ministers.
- **Eligibility and Partnership**
    - Funds should be distributed to **partners** with whom Foothills Unitarian is regularly engaging in shared work.
    - Partners are **designated by the Senior Minister**, based on alignment with Foothills' mission and values.
    - Partner status may be added or ended at the Senior Minister's discretion.
- **Transparency**
    - Each offering must clearly state the intended recipient and purpose of the funds during the service.

3. Related Content

- Board Policy 3.3.5 – Fundraising
- Board Policy 3.3.8 – Financial Transparency and Reporting

Donor Cultivation

1. Purpose
This guidance articulates Foothills’ fundraising philosophy, grounded in abundance, gratitude, and relational stewardship. It affirms that our approach to generosity-building should reflect our mission, center in partnership for resourcing, include joyful connection, and uplift the dignity of all participants.

2. Organizational Guidance

- **Philosophy of Generosity**
  - Whenever possible, fundraising should be rooted in a mindset of **abundance**, not scarcity.
  - We acknowledge and celebrate the generosity of all contributors, regardless of amount.

- **Relational Approach**
  - Fundraising teams and leaders should prioritize:
    - **Personal outreach** and relationship building
    - **Transparent communication** about needs and impact
    - **Timely gratitude and acknowledgment**

- **Team Involvement**
  - A **volunteer team** should be engaged regularly to:
    - Support **outreach to individual donors**
    - **Thank and celebrate** contributions
    - Help **grow the culture of generosity** within the congregation

3. Related Content

- Board Policy 3.3.5 – Fundraising

Capital Campaigns

1. Purpose
This guidance defines the shared responsibilities for discerning, initiating, and planning a capital campaign. It ensures that capital fundraising efforts are strategic, feasible, and aligned with mission-driven priorities.

2. Organizational Guidance

- **Assessment and Initiation**
  - When operational or capital needs exceed regular fundraising capacity, the **Executive Team** shall:
    - **Assess feasibility** using internal data and community input
    - **Develop a study or planning process** to clarify capacity and timeline
    - **Evaluate and identify staffing and funding resources** needed for implementation.

- **Role Clarity**
  - The **Board initiates** capital campaigns by vote.
  - The **Senior Minister and Executive Team** operationalize and lead the campaign with staff and volunteer teams.

3. Related Content

- Board Policy 3.3.5 – Fundraising
- Board Policy 3.3.3.2 – Endowment Fund
- Board Policy 3.3.3 – Spending and Reserve Limits

Internal Controls

1. Purpose
This guidance outlines Foothills Unitarian's internal control framework to safeguard financial assets, ensure the integrity of financial information, and uphold trust in the stewardship of congregational resources. It supports compliance with Board Policy and reflects our values of accountability, transparency, and shared leadership.

2. Organizational Guidance
Foothills implements a multi-layered internal controls system to prevent fraud, ensure accurate reporting, and promote responsible financial management.

Separation of Duties

- No single staff member may hold full responsibility for **authorization**, **custody**, and **record-keeping** of any financial transaction.
- Core financial processes (e.g., **deposits**, **disbursements**, **reconciliations**, **reporting**) are distributed across distinct roles.

Authorization and Approval Thresholds

- The **Finance Executive** reviews all expenses exceeding **$500**.

Banking & Payment Controls

- Credit cards are issued by role and managed through **Bill.com**, which includes approval workflows and transaction coding.
- **Receipts** or verifiable online transaction records are required for **all purchases over $75**.
- All staff with a business credit card are required to provide purchase coding and receipts by the 5th of the month for the prior month.

Access and Permissions

- Access to **QuickBooks Online**, **Church Center**, and other financial systems is restricted by role.
- The **Finance Executive** oversees permissions and **conducts periodic audits** of user access.

Reconciliation & Review

- **Monthly reconciliation** of bank and credit card accounts is conducted by the **Bookkeeper** and reviewed by the **Controller**.
- **Monthly financial reports** are reviewed by the **Executive Team** and **Finance Team**.

- **Quarterly financial reports** are reviewed by the **Board of Trustees**.

Documentation & Retention

- A current **Chart of Accounts** is maintained and shared with staff who have budget oversight.
- All financial records (digital and physical) are **retained for at least 7 years**.
- **Secure storage protocols** are in place to protect confidential or sensitive information.

Training & Accountability

- Staff with financial responsibilities receive training on this internal controls framework.
- The **Finance Executive** monitors implementation through ongoing **review and spot checks**.

3. Related Content

- Board Policy 3.3.1 – Financial Accountability
- Board Policy 3.3.8 – Financial Transparency and Reporting
- SOP – Expense Approval and Reimbursement (need to create/tag)
- SOP – Monthly Close and Reconciliation (need to create/tag)

Records Retention & Destruction

1. Purpose
This guidance ensures that Foothills Unitarian retains and securely manages records in accordance with legal, ethical, and operational standards. It supports Board Policy 3.3.8 by safeguarding sensitive information, maintaining accountability, and preserving the institutional memory vital to our mission and continuity.

2. Organizational Guidance

Foothills Unitarian maintains a structured retention and destruction system for financial, administrative, and pastoral records. This ensures appropriate access, compliance, and care throughout the lifecycle of church documentation.

Retention Schedule

Records are kept for the minimum duration required to fulfill regulatory, legal, operational, and historical needs.

Record Type	**Minimum Retention Period**
Financial records (e.g., audits, budgets)	7 years
Payroll and employment tax records	7 years
Donor and pledge records	7 years after last activity
Contracts and legal agreements	7 years after expiration
Insurance policies and claims	7 years after expiration or resolution
Board minutes, policies, bylaws	Permanent
Staff and volunteer background checks	Duration of service + 3 years
Building maintenance	10 years
Architectural Drawings and Construction	Permanent
Endowment and capital campaign records	Permanent
In-kind donation records	3 years after receipt or disposition

Record Type	**Minimum Retention Period**
Program and event registrations	2 years
Internal communications (email, memos)	Reviewed annually; retained as needed
Pastoral care or sensitive notes	As needed per confidentiality/ethical guidelines

Secure Storage

- Digital records are maintained in secure, access-restricted platforms (e.g., **QuickBooks Online**, **Church Center**, **Google Drive**).
- Physical records are kept in **locked file cabinets** or **designated archive areas** within the building.
- Access is granted only to appropriate staff based on their role.

Authorized Destruction

- Records exceeding their retention timeline are destroyed annually by designated staff.
- Destruction must be **secure**:
  - **Shredding** for physical records
  - **Permanent deletion** from cloud platforms
- **Exceptions**: Records under legal hold or investigation may not be destroyed, even if they have passed their retention period.

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3. Related Content

- Board Policy 3.3.8 – Financial Transparency and Reporting
- Internal Controls