

Policy on Disbursement Approval and Payment Procedure
Boulder Chinese Evangelical Free Church
(Approved by Congregation on ?????)

Motivation and Objective: The purpose of this policy is to help BCEFC members file a reimbursement request properly, to receive the reimbursement check without delay, and to make necessary purchases within the budget. It is the responsibility of church members to ensure that every church related purchase fully complies with IRS regulations and general accounting practices.

Scope: This policy is applied to all members of BCEFC.

- A. **Who can file a check request?** Anyone who conducts a business transaction for the church and on behalf of the church can file a reimbursement request as a requester. However, the church has the right to approve, verify, adjust, or reject the request for the amount or the good(s) stated on the request form.
- B. **To make a purchase:** It is required for the requester to always check with the approver who is an individual leader responsible for the related budget item to make sure that there is a budget available for the purchase. It is important for the requester to understand the approval procedure to be listed in Items C and F.
- C. **Disbursement approval procedure:** The requester must obtain a Reimbursement Request Form from the Church office. The requester fills and signs the form following the instructions on the form. The approval limits are determined by the church board and approved by the congregation, which are listed at item F of this policy. The church Treasurer may have to withhold the reimbursement if the required documents are not submitted, or if the purchase does not qualify as relating to church business.
- D. **In case of a missing original receipt:** For an amount of \$100 or less, the requester may attach a statement describing the recipient's name, the item, the purchase date, and the exact amount to serve as a proof of purchase. If needed, the Treasurer should ask for the signature from the approver of the related budget item.
- E. **Internal audit:** The church will conduct an internal audit of the disbursements every year. The auditor(s), independent of the board and representing the congregation, will be invited to review the disbursements and their documentations and submit a written report to the congregation.
- F. **Approval Limits:**

Recurring items and items covered by the annual church budget:
 - **Regular Items:** Checks for salaries, insurance, mortgage, and other regular expenses will be issued by the church Treasurer according to the budget.

- **Special Items:** Special items such as piano, building upgrading and maintaining project fund, audio/video equipment, etc. The expense will be approved by the church board and announced to the congregation. Emergency fixes do not need approval. A new building project needs congregation approval.
- **All Other Budgeted Items:** Their expenses will be approved with the following guidelines:
 - i. Treasurer can approve the disbursement up to \$400.
 - ii. Pastor and Chair of the Church Board can approve the disbursement up to \$1000.
 - iii. The Church Board can approve the disbursement above \$1000 but within the 110% of the budget.
 - iv. Any disbursement higher than 110% of the budget will require congregation approval.

Items not covered by the annual church budget:

- Their expenses will be approved with the following guidelines:
 - i. Treasurer can approve the disbursement up to \$200.
 - ii. Pastor and Chair of the Church Board can approve the disbursement up to \$500.
 - iii. The Church Board can approve the disbursement up to \$1000.
 - iv. Any disbursement higher than \$1000 will require congregation approval.

This document is for 2024. The limitation number of each item will increase based on the inflation rate.

Policy on Receiving offering
Boulder Chinese Evangelical Free Church
(Approved by Congregation on ?????)

Motivation and Objective: The purpose of this policy is to help BCEFC manage different kinds of offerings, and the process of accepting one-time offerings.

A: regular offerings (會眾的經常性奉獻):

- Regular offering to the general fund and love fund will be managed by treasure based on IRS regulation.
- The special fund setup by the Church (like Marshall fire release funding) will be treated as regular offering during the fund life period.

B: One-time offering with no strings attached (給教會的一次性奉獻和捐獻:沒有指定使用用途):

- Below \$20,000 will go to the general fund.
- \$20,000 to \$100,000 will report to the board and go to the general fund.
- If the donation amount exceeds \$100,000, the deacon board will discuss and propose the use allocation plan. The donation will be accepted after the congregation confirms the use allocation plan. The confirmation requires a simple majority of all the votes cast by closed ballots. (若是奉獻金額超過美金10萬元, 必須由執事會討論使用分配方案計劃之後, 提交會員大會投票簡單多數同意認定該使用計劃后接受奉獻。)

C: offering with strings attached (給教會的一次性奉獻和捐獻:有指定使用用途):

- After discussion by the deacon board, it is determined that the offering is in line with the church's ministry operation mode, and the donation can be accepted, distributed, and used according to the designation of the donor. The offering and usage will report to the congregation.
(經過執事會討論之後, 認定是符合教會的事工運作模式, 就可以收下並照奉獻者的指定來分配和使用該筆奉獻。并向會有大會汇报。)
- If the deacons agree that the donation does not conform to the church's ministry operation model, and it is difficult to use the donation according to the donor's designation, the church finance should return the donation and explain the reasons.
(若是執事會一致認為該筆奉獻不符合教會的事工運作模式, 甚難照奉獻者的指定來使用該筆奉獻, 教會財務就應該要退回該筆奉獻, 並說明原因。)

Notes on the Love Fund of the Boulder Chinese Evangelical Free Church (Approved by Congregation on ?????)

Motivation and Objective: This note is to help BCEFC members understand the purpose of the Love Fund and the associated request, offering, decision, and disbursement processes.

A. Purpose of the Love Fund: The Love Fund is established to collect offerings to help some BCEFC members or non-members who have difficulty to meet their financial needs.

B. Request: Any BCEFC member or non-member can make a request for a possible support by placing a note in the offering box or communicating with the Church Treasurer. In addition, any offering to the Love Fund with a recipient recommended will be treated as a request. It should be noted that an offering can be made with a recipient designated; this offering will be transferred to the recipient accordingly. However, such a designated offering is not tax deductible.

C. Offering: Voluntary self-initiated offerings can be given anytime with or without recipients recommended. If needed, the Church Board may issue calls for special offerings.

D. Decision: Each request will be passed to the Love Fund Committee consisting of Pastor, Board Chair, Caring Deacon, and anonymous members recruited by the Church Board if needed. The reason to keep some committee members anonymous is to avoid unnecessary complication because their decisions are closely related to BCEFC members. The contact with the Love Fund Committee is through the Church Treasurer. The Love Fund Committee makes a decision based on the needs and fund availability. The committee's approval limit is \$2,000 for each new case per year. Above the limit, the Church Board's concurrence is required. If necessary, a special call for offering will be issued after Board's approval. The Love Fund Committee should prepare simple but clear documents to record the processes, so the use of the Love Fund can be audited.

E. Disbursement: The Church Treasurer will issue a check to the recipient according to the Love Committee's or the Church Board's decisions.

F. Internal audit: The church will conduct an internal audit of the love fund disbursements every year with general fund disbursements. To protect privacy, the names of the recipients can be represented by the case numbers.

G. Love Fund and General Fund: When there is a shortage in the Love Fund or the General Fund, the Church Board may submit a proposal to ask Congregation to approve the transfer from one fund to the other.

H. Recommendation or Designation: Any Love Fund offering can have recipients recommended. The amount of the support can be higher or lower than the offering based on the decision made by the Love Fund Committee or the Church Board. If an offering has recipients clearly designated, it will be processed accordingly. However, such offerings will not be tax-deductible.