

Pasco Riverview Seventh-day Adventist Church

Response to Auditor Recommendations

Voted by

Church Board on May 17, 2021

VOTED: To approve the following summary of financial oversight procedures and internal controls for Pasco Riverview Church:

a. The opening/closing of any bank accounts for the custody or processing of Church funds shall require prior approval from the Church Board.

b. Deposits shall be made in financial institutions with insured accounts (FDIC or NCUSIF) and the balance in such accounts shall not normally exceed the insured limit of \$250,000. Exceptions to the \$250,000 balance limit shall be reported to the Church Board.

c. The Church Board hereby authorizes the opening or closing of bank account(s) under the joint consent of the Pastor and the Church Treasurer. Any action taken to open or close an account shall be reported to the next meeting of the Church Board. There shall be no less than two signatories on any Church account at a financial institution. Ordinarily the signatories will be the Church Treasurer and the Administrative Assistant to the Pastor.

d. Authorization for use of a Church credit or debit card shall require prior approval by the Church Board. The Treasurer is hereby authorized to obtain and use a credit card for Church-related purchases/payments. A debit card may be used for purchases from vendors not accepting credit cards. The debit card shall be linked to an account with a maximum balance of \$10,000.

e. Offerings and donations to the Church are received in various ways: through online transactions, through mail, through locked drop boxes at the church, and through offering collections during services at the church.

i. Except for collections during services at the church, members are encouraged not to submit offerings/donations in cash, either in person or by mail, as this complicates application of internal controls for the handling of cash.

ii. Remittances processed online shall be handled directly by the Church Treasurer or designee from the treasury team.

iii. Collection of funds from the drop boxes will ordinarily be done on Sabbath but in any case, shall be done with two people present who document the collection.

iv. Funds received by mail at the Church shall be held unopened by the Administrative Assistant until such time as a member of the treasury team is available to participate in the documentation of the amount.

v. Funds received through offering collections during services at the Church shall be conveyed directly to the treasury team member on duty and counted/documented by more than one person OR placed in a secure bag and stored in the Church safe until such time as a team is ready to count and document the proceeds. To the fullest extent possible, the counting and custody of funds shall not be entrusted to only one

individual until proper documentation (by more than one person) has been achieved and funds are ready for deposit in a financial institution.

vi. Documentation for expenditures or reimbursement requests shall be submitted to the Treasurer by the head of the department/committee concerned or by person(s) authorized by the head of the department/committee to incur expenditures on behalf of the department/committee.

vii. Financial reporting procedures shall include:

1. A monthly financial summary provided to the Church Board.
2. Review by a Treasurer-designated member of the treasury team of:
 - a. A monthly deposit report.
 - b. A monthly checks written report.
 - c. A monthly statement from each financial institution where the Church maintains an account.
 - d. A monthly bank account reconciliation.
3. The Church Board may periodically request verification of procedures outlined in item b. above.