

Elk Lake Baptist Church Policy

Title: The Spending of Non-budgeted Money

A. Policy of: The Congregation of Elk Lake Baptist

B. Administered by: Finance Committee and Board of Deacons

1. Scope: The purpose of this policy is to set forth the procedures by which congregational funds that are located in the Contingency Fund or the General Purpose Fund (i.e. unrestricted funds) may be spent. This policy also identifies how necessary emergency expenditures are to be made from these two funds.
2. Policy: All expenditures at Elk Lake Baptist must be approved by the congregation or by people that the congregation specifically appoints to make expenditures in specific situations and are defined in policy statements.

C. Definitions

The General Purpose Fund – is a fund that contains undesignated congregational money accrued through budget surpluses and can only be spent by congregational decision.

The Contingency Fund – is a fund that contains money available for undefined contingency purposes and can only be spent by congregational decision.

D. Responsibilities:

- a. The Finance Committee and the Board of Deacons will work together to ensure that this policy is followed in the life of the congregation.

E. Effective Date: This is a new policy and will come into effect when voted upon by the congregation at a duly called congregational meeting.

F. References:

- a. Note: This policy does not allow for incursion of debt apart from complete compliance with the constitution. See Article V
- b. Note: The current Constitution and By-laws does not specifically address the issue of making non-budgeted expenses. This policy statement is meant to fill that gap.

G. Procedures:

Non-budgeted expenditures may fall into two different categories.

- a. Non-budgeted but non emergency expenditures: If the Deacons Board, a committee or a ministry initiative requires funds but there are not

sufficient or allocated money in the annual budget, the board, committee or ministry shall draw up a recommendation to the congregation which will include the specific amount or (maximum amount) of the expenditure. If the need is for a service or good to be purchased, it will be expected that 3 quotes from reputable firms be solicited. A recommendation to the congregation to expend non-budgeted funds shall include a brief summary of the research done and why the product or service is being chosen over the other options and how this expenditure meets their ministry goals. If the expense being requested is not tied directly to a service or product then a clear statement of how the money will be spent must be presented. These recommendations to the congregation will happen at duly called congregational meetings. The Finance Committee will be consulted prior to the congregational meeting about the recommendation so that the Committee will be prepared to answer congregational questions about the impact of the expenditure. The Deacons Board will also be consulted so that the Deacons Board will be prepared to answer questions about how this expenditure might impact the overall ministry of the church. The expenditure must be put to a congregational vote.

- b. Emergency Non-budgeted Expenditures. If elements of a building or its contents or a piece of equipment needs to be replaced quickly and the functioning or assets of the congregation will be negatively affected by delay, then the following procedure will be followed.
 - i. The following group shall be authorized to act on behalf of the congregation. The Moderator, the Chair of the Deacons Board, The Treasurer, The Pastor, The Chair of the Finance Committee, and the Chair of the Building and Grounds Committee. (The Moderator will lead this meeting/discussion. If he/she is not available, then the Chair of the Deacons Board or the Pastor will lead this meeting/discussion. The Moderator (or Alternate) will make every reasonable attempt (in light of the emergency) to contact each member of this group. Decisions will be made by a majority vote by all those who are able to participate in the decision-making meeting/discussion. This decision should be recorded in writing with the people moving and seconding the motion recorded.)
When an emergency situation arises, this group will meet and their first decision will be to ask the question: "Will the function or the assets of the church be harmed if a decision is delayed to the next congregational meeting?" If the answer to this question is, "Yes", this group will proceed with the expenditure of money in consultation with any appropriate committees. If at all possible, this group shall ensure that there are 3 quotes from reputable firms

and by majority vote shall make the purchase. This group shall report on expenditures made at the next congregational meeting.

Date Approved:

Moderator: