
Financial Services Policy and Procedures

Overseer: Church Board



Helping people to find and follow Jesus

Financial Services Policy and Procedures

This policy governs the various activities around managing the finances of Westheights Community Church. It builds on the high-level job description of the Treasurer.

Policy

Finance Team

The Board can establish additional roles to assist the Treasurer, for instance with bookkeeping, scheduling counters, depositing offerings, managing electronic giving programs, etc.

Depending on the workload and the availability of competent and willing volunteers, the Board may choose to hire externally to fill these roles, if necessary.

The Finance team currently consists of the following roles: Treasurer, Bookkeeper, Deposit Assistant, PAD Assistant (Pre-Authorized Debit).

Charity Status

It is the Treasurer's responsibility to provide the CRA with all necessary documents and reports necessary to maintain Westheights as a charity in good standing, and to keep the Board up to date on the correspondence with the CRA. It is the Board's responsibility to understand the key deliverables and hold the Treasurer accountable for delivery.

Review/Audit

The Board will engage a reviewer/auditor for the Westheights books, as necessary, and budget accordingly. In recent years, the practice has been to engage a competent volunteer from within the congregation every year to conduct a review of our books and finances, but the CRA does recommend an audit for charities with more than \$250,000 in income.

Investment

At times, Westheights may hold financial assets in excess of the amounts necessary to operate on a day-to-day basis. In this case, the Treasurer can invest the excess in guaranteed investments that preserve capital while providing some return. Non-guaranteed investments require Board authorization. Term-based investments should be chosen with regard to the expected time when the funds may be required. The Treasurer should communicate the investment vehicles and terms to the Board at least quarterly.



Insurance

The Board is responsible to ensure that the church holds appropriate insurance. At a minimum, the insurance must cover the replacement value of capital assets, as well as providing coverage for general liability, officers and director liability, and abuse protection liability.

Budget

The Treasurer prepares an annual budget with direction from the Board, which is accepted by Board motion prior to the beginning of the financial year. The budget can be amended during the year by Board motion. The budget is approved by the congregation at the AGM.

During the year, every effort is made to stay within the budget. Deviations from the budget are reported to the Board. Significant deviations (exceeding 10% of a given line item) from the budget will be approved by the Board in advance.

Designated Giving

Spending of funds is confined to programs and projects approved by the Church Board. Each restricted contribution designated towards such an approved program or project will be used as designated with the understanding that when the need for such a program or project has been met, or cannot be completed for any reason determined by the Church Board, the remaining restricted contributions will be used where needed most.

The restricted funds at Westheights are the Building Fund and the Short-term Missions Fund. These funds contain contributions that were designated by the donor at the time of donation. All non-designated gifts are received into the Operating Fund and no designated gifts can be accepted for any other purpose. If a gift is received with specific directions that do not align with the existing restricted funds, the donation must be returned or the donor must provide written confirmation relaxing the restriction on the gift.

From time-to-time, the Board can create additional funds to hold money designated by Board action. These are not restricted funds and do not hold restricted donations. Donor-restricted funds and Board-segregated funds should never be combined into a single fund.

Building Fund

The Building Fund is a restricted fund for donations intended to support investments in the physical buildings and associated equipment of Westheights. Funds in this account can be used to accomplish the goals stated in the capital campaign for a building project or for upkeep and replacement of capital assets related to the buildings and associated equipment of Westheights. Examples include contractor costs related to a building project, replacement of an HVAC unit or video projector, or resurfacing of a parking lot.



Short Term Missions Fund

The Short Term Missions Fund is a restricted fund for donations intended to support sending short term missions teams. Funds in this account may be used to support teams sent from Westheights.

Capital Assets

Capital assets are significant assets of lasting value that are tracked on the church's balance sheet for the length of their useful life. Purchases will be deemed to be capital assets when the cost exceeds \$3,000 and the asset will have an expected life of at least five years. Purchase of capital assets is not included in the profit and loss statement (since we didn't "spend" the cash but we rather exchanged an asset of cash for a physical asset which continues to have lasting value).

Capital assets remain on the balance sheet at their initial value until they are disposed of and then are written off. The Treasurer is responsible to keep the list of capital assets up-to-date so that the balance sheet is up to date.

Approval of Expenses

Expenses must be approved by signature or by email authorization by the person responsible for the budget line item. In the case when that person is also the recipient of the expense reimbursement, or the recipient of the expense is a family member, an alternate signer (Lead Pastor, Treasurer, Board Chair) should sign instead. The Bookkeeper is authorized to remit payment for any properly signed expense form.

Bank Authority

The Treasurer and Bookkeeper are authorized to sign cheques on behalf of Westheights Community Church. Double signature is required for amounts exceeding \$5,000. Under no circumstances will the Treasurer or Bookkeeper sign a cheque for themselves or a family member. In this case an alternate signer must be found.

In addition, the Chair and Secretary of the Board are also listed as signing authorities at Kindred for situations where the Treasurer or Bookkeeper are not available.

The Treasurer and the PAD Assistant are authorized to carry out PAD withdrawals at Kindred. The Chair and Secretary of the Board are also authorized to conduct PAD operations as backups.



Procedures

Donations by Cash/Cheque

While Westheights no longer passes the offering plate every Sunday, we still have a donation box to accept donations by cash and cheque. The presence of uncounted cash creates the potential for theft or false accusation so counting procedures are very important.

Counters and depositors must be approved by the Board. An individual can be both an approved counter and an approved depositor, but should not both count and deposit the same offering.

Counting should be done at least twice per month. Two approved counters should count the offering. The offering should be transferred from the donation box in a visible way (e.g. in the presence of two or more people) prior to delivery to the counters. If there is a time gap between the removal of the offering from the box and the beginning of the counting, the offering should be stored in a locked room.

After counting, cash and cheques should be sealed in an envelope and handed off to an approved depositor for deposit at Kindred. The depositor should not be one of the counters who signed for that offering.

More detailed procedures for counting are maintained by the Deposit Assistant and used to train the counters.

Note: The Treasurer and the Deposit Assistant hold keys to the Offering Box. It is impossible to avoid the possibility that they could access the box between countings. To avoid issues, the Board should ensure that the Treasurer and Deposit Assistant are trustworthy individuals.

Pre-Authorized Withdrawals

Pre-authorized withdrawals (pre-authorized debit or PAD) are a convenient way for regular donors to contribute to the church, but they represent a significant delegation of trust from the donor to the church and need to be treated very seriously. In essence, the church has the ability to make a withdrawal from the donor's account and a clerical error could create a serious breach of trust.

It is the Treasurer's responsibility to understand the terms and conditions of the church's PAD agreement with our provider, Kindred Credit Union, and ensure that we are following their requirements.



The church must keep formal documentation that captures the donor's authorization to initiate the PAD (including the amount and frequency of the gifts, as well as the destination fund). Changes to the PAD must be documented so that the authorization of the donor is clear. Email notification is acceptable as long as the donor's intention is clear. When in doubt, the church should err on the side of withdrawing a lesser amount.

The Treasurer should periodically communicate with PAD donors the current state of the donations and remind them how they can change or cancel their donations. While we appreciate the consistency of donations, we do not want to slip into a situation where we are receiving donations just because people have moved on but do not know how to cancel.

Tracking Donations

Donations come in different forms: cash or cheques, direct e-transfers, pre-authorized withdrawals, and donations through third parties (such as Tithe.ly or CanadaHelps).

All donations must be entered correctly into Westheight's accounting software, e.g., QuickBooks, in a timely fashion so that monthly reconciliations can be completed. It is not required that all donations be entered by a single individual (for instance, in 2024, e-transfers and Offering Box donations are entered by the Treasurer, PAD deposits are entered by the PAD assistant and other donations are entered by the Bookkeeper).

Cash Payments

From time to time, there are other cases where cash needs to be handled for various purposes (e.g. receiving payment for youth events, accepting donations for take-it-homes, etc.) In general, we want to minimize these situations wherever possible because loose cash creates a risk of fraud or false accusation.

When cash payments must be made, the person handling the cash should count the cash, seal it in an envelope with a note indicating the amount of cash and the reason for it, mark the envelope "FOR TREASURER" and place the sealed envelope in the offering box for the Treasurer to pick up. The Treasurer should recount the cash, confirm the amount, prepare the donation slip and enter the amount into Westheight's accounting software, e.g., QuickBooks. If there is a discrepancy, the Treasurer should raise the matter to the Board Chair who can coordinate a conversation between the Treasurer and the person who received the cash so that the issue can be handled in a transparent manner.

The cash and deposit slip can be placed in the Offering Box marked "For Deposit by Deposit Assistant" so that it can be included in the next bank deposit.



Payroll

Staff compensation is set by Board motion during the budget process. The approved compensation should be printed and signed by the Treasurer and Board Chair as a record and stored in the secure finance filing cabinet. Changes to staff hours during the year must be done via Board motion.

Payroll is handled by the Be In Christ Canada office. Questions and updates can be directed to payroll@beinchrist.ca.

Tax Receipts

Each calendar year, tax receipts must be delivered to donors in accordance with CRA rules by the end of February. Completed receipts are delivered by email where possible and either mailed or hand-delivered for the remainder. CRA requires that a receipt include the donor's mailing address, so no receipt will be generated in cases where we do not have a mailing address; but if the donor later provides an address, the receipt can be generated at that time.

The Treasurer and Bookkeeper work together to ensure that the tax receipts are generated properly.

T3010

The Treasurer is responsible to complete the T3010 by the end of June each year and to notify the Board accordingly. The consequences for failing to file a complete T3010 are severe, including the suspension or termination of charitable status, so it is an important risk management step for the Board to hold the Treasurer accountable for completing this step.

Other Financial Procedures

The Bookkeeper, Deposit Assistant, and PAD assistant maintain other procedure documents for the specifics of their particular roles.

Changes

1. Changes to this policy must be approved by the Board.

This policy was updated and approved by the Board on March 4, 2025

