

# Valley Unitarian Congregation

## Check Signing/Controls

**Purpose:** Recognizing the increase in size of our congregation, the Sr. Minister's responsibility for fiscal management of the budget, and the relative inefficiency of our current processes, to be able to pay bills more efficiently and with appropriate controls. Adding the Senior Minister as check signer will improve both oversight and controls.

Good controls include a segregation of duties – that is, no one person is responsible for making, recording, and reconciling payments. These controls protect the organization from poor cash management, misappropriation, and fraud and the person with the responsibility from suspicion of any wrongdoing.

### **Recommendation for check signers:**

- Senior Minister
- Board of Trustees President
- 2 additional board members

### **Controls:**

- The paying of invoices is now a joint process between the (contracted) bookkeeper and the (staff) Church Administrator.
- Expense management should be enhanced with the addition of Senior Minister as check signer, as he will have the opportunity to see each invoice prepared for payment and approve/question same.
- Adding the senior minister as check signer reduces dependence of board members to expedite payments.
- Having the board President and another board member as check signers allows for absences of the Senior Minister.
- The Senior Minister and the Church Administrator do not write checks; the Bookkeeper and the Senior Minister do not submit invoices for payment (to the Bookkeeper); the Bookkeeper and the Church Administrator do not have signature authority.
- No check signer shall sign a check payable to themselves or to a related party.

### **Oversight/Audit:**

- The Finance Team shall review the bank statements on a semi-annual basis (consistent with their audit procedures), including comparing transactions in the general ledger with banking transactions.

### **Regarding Electronic Payments:**

- The Senior Minister should approve any ACH/wire (non-check) transactions being made by the Church Administrator, who has on-line and ACH payment authority with the bank. Such approval should be written and on file with the support for any payment made online.
- The Bookkeeper should not have online/ACH/wire authority with the bank; access to the bank accounts of the congregation should be limited to read-only access.

Recommended to and approved by the Board 11/24/15  
DeeAnne McClenahan, Financial Analyst