Calvary Grace Brethren Church Financial Policy

Use of Funds

1. Purpose and Scope

   This policy governs the receipt, recording and disbursement of all funds given to Calvary Grace Brethren Church. It ensures that all contributions are used to further the ministry and mission of the church, honoring both donor intent and the approved annual budget.

2. General Fund Giving (Undesignated Giving)

   All undesignated offerings are deposited into the General Fund to support the church's annual operating budget, including staff salaries, utilities, maintenance and ministries.

   Undesignated funds are under the full control and discretion of the Church Council.

3. Designated Giving (Restricted & Designated Funds)

   To be accepted as a tax-deductible gift, designated contributions must meet the following criteria:

   Approval: The gift must be for a project or ministry previously approved by the Church Council or congregation.

   Relinquishing Control: The donor must relinquish control of the funds to the church. If the designated project is overfunded, canceled or unable to be completed, the Church Council reserves the right to redirect the funds to a similar purpose or to the General Fund.

   Benevolence Funds: Donations to a specific individual or family are not tax-deductible. Benevolence contributions must be given to the church's Deacon Fund for the committee to use at its discretion to aid persons in financial need.

   Documentation: Donors should mark their donations with the purpose of the gift (e.g., "Deacon Fund," "Missions-Taylor").

4. Donor-Restricted Non-Cash Gifts

   If non-cash property is donated, the church reserves the right to use, sell or dispose of the property in a way that best fosters the church's ministry.

5. Disbursement of Funds

   Budgeted Expenses: The Treasurer and designated individuals are authorized to disburse funds according to the approved budget.

   Documentation: No funds shall be disbursed without an adequate receipt, invoice or check request form.

   Accountable Reimbursement: Volunteers or staff will be reimbursed only for approved business expenses upon submission of receipts.

6. Internal Controls and Transparency

   Counting Teams: Offering counting teams will consist of at least two unrelated individuals, and count sheets must be signed and reconciled with deposits.

   Reporting: The Treasurer will provide financial reports to the Church Council on a monthly basis.

7. Audit/Review

An annual audit or financial review of all funds will be conducted by a committee or outside party independent of the daily financial processes.

Designated vs. Restricted: Designated donations suggest a use (but church has control). Restricted donations require a specific use. To be tax-deductible, the church must retain discretion.

Statement on giving envelopes/website: *"By contributing, donors acknowledge that the church has the authority to apply contributions to another related purpose if the project is canceled or overfunded"*.

Separate Accounts: While not needing separate bank accounts, *"Designated"* funds should be accounted for in separate ledger accounts (fund accounting).

Adopted by the Church Council on April 20, 2026