



## Payment of Expenses Standard Operating Procedures

(Rev. June 2016)

*Approved 06.20.2016*

**PURPOSE:** This procedure describes the way in which payments shall be processed.

### DEFINITIONS:

The term St. David's includes the Church, the School, the Chapel, the Cemetery, the Parents of Preschoolers (POPS), the Altar Guild, the Capital Campaign and any other entity which can incur an obligation.

Payments include regularly scheduled (recurring) obligations such as utility bills as well as one-time obligations such as books purchased for a course. Payments also include the reimbursement of expenses paid on behalf of St. David's by individuals other than St. David's staff.

### PROCESSES:

All payments to be paid by St. David's will be made by a check(s) drawn up by the Church Accountant or her/his designee.

No payment shall be made that would cause a general ledger account to exceed the limits established in the approved annual budget, unless prior approval of the expense has been obtained from the Vestry. For self-funded ministries, no payment shall be authorized without approval of the ministry leader.

Whenever possible, the person incurring the expense should not be the person approving the expense. Approved disbursements from clergy's Discretionary Fund accounts are exempt from this requirement.

All payments must be accompanied by substantiating documentation (an original receipt or contract, for instance) and any necessary approvals, as outlined below:

**Recurring Payments:** Payments for recurring expenses, including utilities or other contracted services, require evidence of the obligation (i.e. invoice, contract) and must be presented to the Church Accountant for payment. No payments for recurring expenses will be made without substantiating documentation. An approved contract must be present in the General Manager's files. These payments may be prepared by the Church Accountant and signed by an appropriate signatory consistent with the terms of the approved contract.

**One-Time Payments:** Payments for one-time expenses will not be made unless accompanied by evidence of advance approval (i.e. approved budget line item, completed expense authorization form) and substantiating documentation (i.e. invoice, contract).

**Reimbursements:** Payments made to reimburse a vendor or member of St. David's for costs incurred on behalf of St. David's shall not be made unless accompanied by evidence of advance approval of the expense (i.e. approved budget line item, completed expense authorization form) and substantiating documentation, to include a completed Request for Reimbursement form. These payments may be prepared by the Church Accountant and signed by an appropriate signatory consistent with the advance approval.

While the Treasurer and Wardens may approve a payment without substantiating documentation, the exception shall be annotated on the disbursement form and the payment shall not exceed \$100.

All checks must be signed by one or more of the designated signature authorities. The designated signature authorities include, by role, (a) the Wardens, (b) the Register, (c) one of the Trustees, and (d) the Treasurer. The list of designated signature authorities (by name) is on file with SDECS' banks, and a copy of the current authorization maintained in the church office. The list is reviewed and updated regularly.

Any check for \$1,000 or more must be signed by two of the above designees.

The Treasurer, Register, Warden(s) or Trustee(s) must approve in advance all spending exceeding \$100.00 not defined in an existing contract or included in an approved budget line item. In emergencies where advance approval is not possible, these managers will be notified as quickly as possible after the fact. An emergency, for this purpose, shall be defined as any situation where non-payment would cause immediate and substantial harm to St. David's and/or its parishioners.

**Any expense incurred on behalf of St. David's that is not executed in accordance with these procedures and/or without required documentation, will not be considered an obligation of St David's. Rather, the expense shall become the personal obligation of the parishioner(s) who incurred the expense and/or otherwise authorized it.**

DISTRIBUTION: One to each staff member, Ministry Leaders, and Vestry Member.