

TITLE: Processing Bills and Invoices for Payment and Reporting

APPROVED DATE: February 27, 2023

EFFECTIVE DATE: February 27, 2023

REVIEW DATE: February 27, 2028

**Policy:**

This policy is to provide a standardized procedure for payment of all bills and invoices generated by the church, its missions, and ministries

**Procedure:**

1. All bills and invoices will be provided to the financial secretary in the form of a paper copy.
2. If bills and invoices are transmitted electronically a paper copy will be printed and provided to the financial secretary.
3. The financial secretary will review all bills and invoices for accuracy, will code the invoice with the proper account number to be charged, and will sign the document approving the payment.
4. Upon coding and approval, the financial secretary will forward the bills and invoices to the treasurer for payment.
5. Recurring bills and invoices for expenses such as public utilities and insurance payments do not require a review by the financial secretary and can be approved and paid by the treasurer.
6. Sunday school and Bible study classes will make requests for payment from their account in writing, usually in the form of an email request to the treasurer, including the amount, payable to, and brief reason for the expenditure. If there are any questions the treasurer will contact the person making the request for clarification
7. Reimbursement requests by the congregation or the pastor will be made in writing with a copy of the invoice/bill as part of the request and must be approved by the financial secretary before reimbursement is allowed
8. The treasurer will process and pay the bills and invoices in one (1) of three (3) ways: by check, electronic funds transfer (EFT), or by setting up an auto-pay account with the vendor.
9. Only recurring utility bills and those required by a vendor to achieve a better rate or savings will be set up with autopay. All other bills and invoices must be processed individually each month. This is done to ensure a proper review process to check for errors.

10. The treasurer will process all payments, and complete all required entries into the church's financial software program (QuickBooks) ensuring that all debits are charged to the proper accounts.
11. The treasurer will reconcile all payments with the church's bank(s) accounts utilizing bank statements and/or online banking services.
12. The treasurer will make a paper copy of all bank transactions, or use the check stub in the case of a paper check, and will attach it to the appropriate bill or invoice. This is done to ensure proper accounting and auditing of payment verification.
13. The treasurer will keep all bills and invoices as well as payment verifications in a filing cabinet by calendar year and month.
14. At the beginning of each calendar year the treasurer will create new monthly file folders for the upcoming year.
15. The year-old files will be placed in a different file cabinet in order to be accessible if needed, and for the annual audit.
16. The two-year-old files will be placed in a plastic tote, will be marked with the file year, and be placed in the upstairs file closet. These records must be kept for a period of seven (7) years and then can be destroyed (shredded) and disposed of.
17. The treasurer will provide all Sunday school classes, missions, and ministries with a monthly report of their funds. This is done using the "Report" tab in QuickBooks as follows:
  - a. In QuickBooks main menu at the top of the page click on "Reports"
  - b. Click on "Memorized Reports"
  - c. Click on "Treasurers Monthly Reports"
  - d. Click on "Balance Sheet"
  - e. At the top of the page enter the correct date (usually the end of the month you are working on)
  - f. Scroll down until the appropriate account is identified
  - g. Click on the balance at the right of the page (dollar amount)
  - h. At the top of the page enter date range to/from (normally the month of the report)
  - i. Once report appears click on "Print" at the top of the page and follow printing instructions
  - j. Once complete "X" out of the current page to return to the page you desire
18. The treasurer will complete a monthly "Fund Report" that will provide the Executive Board with a monthly snapshot of all active church accounts. This report is done in Excel and is completed monthly for each calendar year.
19. The treasurer will utilize the "Balance Sheet" report listed above as well as the "2013 Profit and Loss Performance" report to complete the Fund Report and the P&L worksheet utilizing the same process as above:
  - a. In QuickBooks main menu at the top of the page click on "Reports"
  - b. Click on "Memorized Reports"
  - c. Click on "Treasurers Monthly Reports"
  - d. Click on "Balance Sheet"
  - e. Click on "2013 Profit and Loss Performance"

- f. At the top of the page enter the date range to/from (normally the month of the report)
  - g. Once report is loaded click on the “Excel” tab at the top of the page
  - h. Select “Update existing worksheet” tab
  - i. Select the worksheet to download to (this is a worksheet that is set up annually in Excel)
  - j. Select “replace existing worksheet”
  - k. Click on “Select a sheet” and select the month of the report
  - l. Click on Export and report will automatically load to the P&L worksheet
  - m. Once download is complete open P&L worksheet to ensure proper download and then save the worksheet
  - n. This completes the P&L Worksheet
20. The treasurer will then complete the Fund Report as follows:
- a. Open the Fund Report in Excel
  - b. Select the current month on the worksheet tab
  - c. Open the P&L worksheet and select the current month
  - d. On the “Operating Fund” line enter the “Total Income” from the P&L worksheet in the Income row
  - e. Scroll down to the bottom of the P&L worksheet and find the “Total Expense” amount and enter the amount in the “Expense” row. Be sure to show it as a negative
  - f. Close the P&L worksheet and open the “Balance Sheet”
  - g. Scroll to the top the Fund Balance report and fill in the Income and Expenses cells from each matching “Balance Sheet” account
  - h. If there is a change click on the balance at the right of the page (dollar amount)
  - i. At the top of the page enter date range to/from (normally the month of the report)
  - j. Utilize both the deposits and the withdrawals to calculate the correct amounts
  - k. If there is no change for the previous month leave the cells blank
  - l. Once complete check the Fund Report to ensure all items are correct and save the worksheet
  - m. The treasurer will email a copy of the P&L worksheet and the Fund Report to the finance team leader of the Executive Board by the 15<sup>th</sup> of each month. The finance team leader will perform a review of the reports and note if any corrections are required.
  - n. If there are corrections needed the finance team leader will notify the treasurer of the corrections
  - o. Once any corrections are made the treasurer will then copy and paste the current month’s worksheet on a new worksheet and save it as the “Treasurer’s Monthly Report.” This report will be provided to the Executive Board at the monthly meetings
  - p. The treasurer will be available at the meeting to provide any additional information requested

**CHANGES TO PROCESSING BILLS AND INVOICES FOR  
PAYMENT AND REPORTING**

- 3/26/23:  
Changed Elder Board to Executive Board throughout document