

DRAFT Model of Financial Leadership
Unitarian Church of Lincoln
prepared by Christine Starr Davis, May 12, 2016*

BACKGROUND/RATIONALE

Over several ministries, financial leadership of the church has varied in structure, accountability, transparency, policies/procedures, sustainability, and continuity. Too often, the responsibility for financial leadership has been burdensome, carried by too few volunteers and/or inappropriately by the minister. Likewise, incomplete implementation of Generally Accepted Accounting Practices (GAAP) and insufficient distribution of financial management tasks too often exposed church staff and its leadership to criticism and church members to inconvenient errors and/or miscommunication that eroded trust and confidence in the financial management of the church. This draft model attempts to provide a more substantial and feasible foundation for shared leadership/accountability between paid staff and church members (including but not limited to those in leadership roles noted below) to ensure transparency, consistent compliance with GAAP and continuity in financial leadership while retaining ultimate financial authority and accountability with the church's elected Board of Trustees.

OVERVIEW OF MODEL

As chosen representatives of our membership, the elected members of the Board of Trustees bear ultimate responsibility for the financial position and decisions of the church. However, efficiency and checks and balances consistent with GAAP, dictate that the day-to-day financial leadership of the church be entrusted to the Treasurer, an Assistant Treasurer (proposed position) the Finance Team, and the Foundation. The effectiveness of all these leaders/entities depends upon accurate and timely execution of accounting tasks consistent with GAAP by the Bookkeeper and the Administrative Associate of the church. Regular, open communication among all these parties ensures transparent and accurate stewardship of our church's financial resources and high confidence among our members that their contributions are professionally handled to serve the church's mission and are consistent with the member-approved budget.

Treasurer

Proposed term of Treasurer is 3 years on the BOT (appointed, non-voting)

Responsibilities

Works cooperatively with the Bookkeeper to ensure procedures and checks and balances are employed that are sufficient to minimize error, provide for consistent implementation of GAAP and facilitate sufficient, timely and accurate member communication re: financial position of the church and individual members' financial contributions

Chairs the Finance Team of the church and works cooperatively with its members, meeting quarterly unless need dictates greater frequency

Presents monthly reports to the BOT on the financial position of the church (given financial statements provided by the Bookkeeper) and reports on progress with fundraising as well as progress in building/nourishing a culture of sustaining stewardship consistent with our church's vision, mission, and principles

Articulates the stewardship vision/challenges of the church in a manner consistent with our church's mission, vision and principles at congregational meetings twice a year.

Engages regularly/intentionally with members to ascertain their thoughts/concerns about the financial position of the church in order to keep the BOT, Bookkeeper and Finance Team apprised of any concerns with the intention of addressing them when possible

Submits the church budget to the BOT for consideration/approval

Serves as BOT liaison to the Lincoln Unitarian Foundation

Performs supporting tasks as needed, including:

- Signs checks (if Assistant Treasurer or Signer is not available)

- Makes electronic funds transfers

- Makes stock transfers

- Configures Quickbook entries for UUCEF gains and losses (monthly)

Assistant Treasurer (proposed appointed position)

Rationale

Given the day-to-day, time-critical nature of the financial work of the church, an Assistant Treasurer could be appointed and cross-trained in most aspects of the Treasurer's responsibilities to cover for her/him in the event that the Treasurer is on vacation or otherwise unavailable. This means the Treasurer would have a much-needed partner during the demanding parts of the year as well, namely budget preparation time and end-of-year closing of books and pledge drive. This title has historically been used for our check signers, but under this proposed model, the position would require a different skill set and level of commitment than has been expected of a check signer.

The Assistant Treasurer might perform one-time tasks too, for example, work closely with the Bookkeeper to document and amend when needed, procedures related to bookkeeping and financial reporting giving particular attention to "error-trapping" so errors are caught internally whenever possible and so continuous improvement in GAAP compliance can occur.

Finance Team (some appointed, some included by role in church leadership)

Chair: Treasurer
Members: Assistant Treasurer
Member Loan Representative
Lincoln Unitarian Foundation Representative
Pledge Drive Representative
Appointed Finance Team Member
Appointed Finance Team Member
Advisory: Bookkeeper, Minister, Administrative Associate, Acct. Consultant

Note: Representatives of any other Financial Committee or Task Force charged by the BOT (Ex. Cole Bequest Options Committee) may be invited to participate in meetings of the Finance Team as determined by the BOT President in consultation with the Treasurer.

Responsibilities

Monitor monthly financial statements with particular attention to deviation from budget

Explore and draft recommendations for the BOT regarding the long-term financial needs and strategies of the church and ways members are invited into stewardship

Prepare the church budget with input as needed from Minister, Staff (both paid and unpaid), the Management Team and Church Council (or alternate leaders as a modified governance structure dictates)

Make recommendations and address deviations from GAAP that undermine accuracy and goodwill with persons/groups internal and external to the church.

Oversee the pledge drive (or continuous pledging if that is implemented)

Oversee other church fundraising that contributes income to the operating budget of the church

Coordinate audit of the church's financial records consistent with church by-laws

Foundation

Insert descriptive paragraph defining their role in relationship to other financial leaders.

Bookkeeper (currently part of Administrative Director's job)

Responsibilities

Work closely with the Treasurer and members of the Finance Team to ensure smooth and accurate and timely flow of financial data and funds in the day-to-day operation of the church in a manner consistent with GAAP

Establish/maintain written procedures manual for bookkeeping tasks listed below to enable backup coverage of tasks when needed and periodic review of procedures for consistency with GAAP

Work with accounting consultant as approved to normalize/streamline procedures in accordance with GAAP (Ex. general cleanup chart of accounts, taxes, year end)

Supervise Administrative Associate and ensure compliance of Associate with GAAP

Carry out the following bookkeeping tasks in accordance with GAAP:

Accounts Payable (print checks)

Accounts Receivable (enter deposits)

Bank Reconciliations

Payroll (done through Quickbooks now)

Reimbursements

Credit Card reconciliation

Share the Plate distribution

Health Insurance

Pension payments

Quickbooks entries/changes - weekly, monthly, yearly

ACS/QB reconciliations

Generate financial reports at least monthly and as requested by the Treasurer

Generate detailed expenditure reports at least quarterly for church leaders to enable compliance with their budgets for the current year and budget estimation for the coming year

