

Dorchester Presbyterian Church  
Purchasing and Expense Procedure  
Session Approved: July 17, 2018

**Purchases/Expenditures**

The church has established accounts with many local businesses that send monthly statements for payment. When dealing with these businesses, charges (which have been pre-approved by the Committee Chairperson responsible for the affected ministry account) should be placed on the church's account. When goods and services are procured for the church, the vendor should be requested to bill the church so payment can be made directly to the vendor. This is especially important for large purchases since it will allow the finance office to arrange payments when needed

Purchases over \$250 need prior approval from the Committee Chairperson. For these purchases, please submit a "Purchase Request Approval and Expense Form" (Exhibit A) to the Committee Chairperson for review prior to making the purchase. It will be the responsibility of the Committee Chairperson to ensure that the Committee does not exceed its planned budget and that there are sufficient funds available to make the purchase. Over budget request/expenditures must be approved by the Committee Chairperson. Be aware that purchases made through a vendor by phone, email or faxes are binding agreements.

Outside services (i.e. lawn care, insurance etc.) or large item purchases (i.e. air conditioner unit replacement) equal to or greater than \$2500 require three competitive bids. For repetitive, outside repair services (i.e. electrical, HVAC, vehicle repair, etc.) vendor selection should be competitive (lowest bidder unless there is justification to select a higher bid) and utilization should be consistent with that vendor.

Upon receipt of goods purchased verify the packing/shipping slip; sign and date. Complete the middle portion of the "Purchase Request Approval and Expense Form" and attach all packing/shipping slips to the same approved "Purchase Request Approval and Expense Form" and turn in to the Financial Administrator. Packing slips and approved "Purchase Request Approval and Expense Form" will then be matched with the invoice/statement for payment.

If a Committee Chairperson or staff member or church member purchases an item(s) for the church using their personal check, credit card or cash, they should submit the sales receipt(s) with a completed "Purchase Request Approval and Expense Form" (Exhibit B), approved by the Chairperson responsible for the account being charged, for reimbursement. Reimbursement will be made to the individual, who will be responsible for paying his or her credit card company – in cases where the item was personally charged. In cases where a receipt is lost, please complete a "Missing Receipt Form" (Exhibit C) detailing the purpose, date, amount and detail of the item in question (cost of item, tax or tip if applicable and name of the store) and attach to "Purchase Request Approval and Expense Form".

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Budgeted expenditures to charitable agencies should be accomplished through the "Purchase Request Approval and Expense Form" (Exhibit D), approved by the Chairperson responsible for the expenditure.

Budgeted expenditures from approved "Discretionary Funds" require no approval. Expenditure is to be reported by way of the "Purchase Request Approval and Expense Form" with receipts attached.

### **DPC Credit Card Policy and Procedures**

#### **Objectives**

- To allow church personnel access to efficient and alternative means of payment for approved expenses, especially expenses related to required purchases for events, repairs, church and office supplies and business travel expense.
- To improve financial reporting related to credit card purchases.
- To improve efficiency and reduce costs of payables processing.

#### **Policy**

The **Dorchester Presbyterian Church Credit Card Policy** below includes guidelines and procedures for individuals to follow in order to use the church credit card.

Credit cards will be acquired with the Session-approved limit for church-authorized purposes. Church credit cards may be made available to staff members and Committee Chairpersons on an approved, as needed basis. These cards are to be used only for purchases for use by the church. Personal items may not be charged at any time for any reason. Credit cards will be kept in the church safe and checked out when needed. The card user will sign/initial the "Credit Card User Log" (Exhibit F) and the Office Administrator will enter the date on the log when the card is picked up and also returned.

There will be NO cash withdrawals.

Only pre-approved ministry-related items are appropriate to be charged. (If there is a question, talk to the Committee Chairperson, Financial Administrator, Finance Committee Chairperson or Treasurer.) The card cannot be taken for open ended purchases.

Purchases exceeding \$250 need prior signed approval by the Committee Chairperson responsible for the budget. This can be done by completing the "Purchase Request

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Approval and Expense Form” (Exhibit E). It will be the responsibility of the Committee Chairperson to make sure the open balance on the credit card is sufficient to make the purchase.

Credit limits must be respected. Over-limit charges come out of the individual card user’s ministry if over-limit is his or her fault.

Charges made to church accounts without prior approval of the responsible Committee Chairperson or Finance Committee Chairperson if the charge is made by a staff person will be the responsibility of the person making the charge.

Lost or stolen card must be reported immediately.

The Finance Committee will periodically review statements to ensure that documentation and credit limits are followed.

Failure to follow these guidelines may result in revocation of church credit card usage rights.

Please protect the church credit card as you would your own. Do not leave it unattended and ensure that it is returned promptly after use. Multiple ministries require the use of this resource so please be a good steward of this benefit

### **Procedures for Credit Card Non-Travel Purposes**

Complete the “Purchase Request Approval and Expense Form” (Exhibit E) and have it approved by the Committee Chairperson. The Committee Chairperson should consult with the Financial Administrator to ensure sufficient funds are available.

Sign out the card needed from the Office Administrator by showing the approved “Purchase Request Approval and Expense Form”. The Office Administrator will record the issued card information on the “Credit Card User Log” (Exhibit F).

Detailed receipts are required for each purchase. Phone and web orders will require a receipt.

Please keep careful track of your receipts as not to lose them. Complete the middle portion of the - “Purchase Request Approval and Expense Form”, attach the receipts and turn into the Financial Administrator within 36 hours of completing the purchase.

In cases where a receipt is lost, please complete a “Missing Receipt Form” (Exhibit C) detailing the purpose, date, amount and detail of the item in question (cost of item, tax or tip if applicable and name of the store) and attach to “Purchase Request Approval and Expense Form”.

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Repeated submission of expense reports without all supporting receipts constitutes misuse.

The church Office Administrator will initial and date the "Credit Card User Log" (Exhibit F) to record the return of the credit card.

### **Procedures for Credit Card and Expenses for Travel Purposes**

Complete the "Purchase Request Approval and Expense Form" (Exhibit E) and have it approved by the Committee Chairperson. The Committee Chairperson should consult with the Financial Administrator to ensure sufficient funds are available.

Sign out the card needed from the Office Administrator by showing the approved "Purchase Request Approval and Expense Form" (Exhibit F). Detailed receipts are required for each purchase. Please keep careful track of your receipts as not to lose them. Each credit card user is responsible for attaching matching receipts for each charge to the "Travel Expense Report Form" Exhibit G). Receipts for personal cash expenditures and/or cash advances require receipts for reimbursement as well. The report should include a description for each item charged or spent.

Local expenses and mileage expense reimbursement must also be reported on the "Travel Expense Report Form" (Exhibit H). Mileage reimbursement will be paid at the current IRS Guidelines rate.

In the case of meals and entertainment, each receipt must include the date, time, names of all persons involved in the purchase, and a brief description of the business purpose of the purchase, in accordance with Internal Revenue Service regulations.

Tipping guidelines are as follows:

1-Full Service, 15% 2-Food Delivery, \$2 to \$4 3-Self Serve, \$1 to \$2 when a staff tip jar is provided when paying.

In cases where a receipt is lost, please complete a "Missing Receipt Form" detailing the purpose, date, amount and detail of the item in question (cost of item, tax or tip if applicable and name of the store) and attach to the expense form.

Treat credit card travel receipts as "Cash Advance" on the "Travel Expense Report Form" (Exhibit H).

Repeated submission of expense reports without all supporting receipts constitutes misuse.

The expense report must be approved by Chairperson approving the travel. The Finance Committee Chairperson will approve the expense report of a staff member.

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Submit the approved "Travel Expense Report Form" with attached receipts and "Purchase Request Approval Form and Expense Form" to the Financial Administrator within 36 hours of completing the travel and return the card to the Office Administrator. The church Office Administrator will initial and date the credit card user log to record the return.