

Evangelical Presbyterian Church

Presbytery of the East:

Budget Procedure

I. Goal and Objectives

- A. Goal: The goal of the Presbytery's Budget Procedure is to explain how we comply with the relevant portions of the Bylaws of the Presbytery of the East of the Evangelical Presbyterian Church (as amended), which:
1. Authorize and direct the Stewardship Team "to develop annual proposed church development and operating budgets in consultation with the Church Development Team, Stated Clerk, Moderator, and the Executive Council prior to submission to Presbytery for its approval." (Art. § VI, § 3, D, 3, c)
 2. Authorize and direct the Executive Council "to review proposed annual operating budgets submitted by the Stewardship Team and upon approval, submit to Presbytery at the fall meeting for Presbytery's action." (Art. VI, § 2, 3, b)
 3. Establish that "[t]he September/October meeting shall be the annual meeting of the Presbytery, and shall be the time at which officers and committee members shall be elected and an annual budget adopted." (Art. IV, § 3, E)
- B. Objectives: The objectives of the Budget Procedure are to:
1. Fulfill the budgeting responsibilities of the Stewardship Team as set forth in the Bylaws of the Presbytery of the East of the Evangelical Presbyterian Church (as amended).
 2. Ensure that the resources entrusted to the Presbytery are expended "to provide services to the local churches within its bounds, to offer encouragement, training and other helps in conjunction with the General Assembly that the congregations of particular churches may be effective in such areas as evangelism, education, stewardship, officer training, member instruction and other facets of an effective Christian life and ministry." (Art. II)
 3. Ensure that the work of the Executive Council, Committees and Teams of the Presbytery avoid favoritism in their budgetary recommendations and decisions (James 2:1).

4. Transparently conduct all work related to the expenditure of Presbytery funds, except where transparency is forbidden by the Bylaws or affirmatively determined in writing by the Executive Council to be inappropriate.

II. General Budgeting Procedures

A. Definitions.

1. The *POTE Budget* is a plan for revenues and expenditures during any calendar year.
2. A *budget request* is a request for the planned expenditure of funds to be included in a proposed calendar year budget.
3. A *funding request* is a request to expend resources beyond the planned expenditures set forth in a budget approved by Presbytery.
4. An *emergency* is a genuinely unforeseen circumstance in which life, health or welfare are imperiled if action is not taken prior to the next Stated or Called Meeting.

B. Who can submit a budget or funding request?

1. Budget and funding requests related to the functions of the Office of Stated Clerk may be submitted by the Stated Clerk or the Assistant Stated Clerk.
2. Budget and funding requests related to the functions of the Treasurer may be submitted by the Treasurer (or the Assistant Treasurer, if one exists).
3. Budget and funding requests related to all other Presbytery functions may be submitted by officers of the Presbytery and the chairmen¹ of its Committees and Teams.
4. Budget requests may be submitted by the Clerk of a local church within the Presbytery, acting on behalf of its Session, consistent with the procedures and schedule set forth in Section III.
5. Funding requests may be submitted by the Clerk of a local church within the Presbytery, acting on behalf of its Session, in accordance with the procedures set forth in Section IV.

¹ The terms “chairman” and “chairmen” are intended to be gender neutral everywhere they appear herein.

- C. To whom are budget and funding requests submitted? Budget and funding requests shall be submitted by email to the Chairman of the Stewardship Team.
- D. What must be included in a budget or funding request?
1. Budget requests submitted by the chairman of a Committee or Team shall include:
 - a) the proposed budget line item against which the expenditure, if funded, would be debited;
 - b) a brief explanation of the need;
 - c) the basis for the amount requested; and
 - d) an explanation of how inclusion in the budget is expected to meet the need.
 2. Budget requests submitted by the Clerk of a local church on behalf of its Session shall include the elements set forth in Section II.D.1 above, and a copy of the Session minutes authorizing the request.
 3. Funding requests shall include the elements set forth in Sections II.D.1, and II.D.2 if applicable, along with an explanation of why the need was unforeseen during the normal budget development process.
 4. Emergency funding requests shall include the elements set forth in Sections II.D.1, and II.D.2 if applicable, along with an explanation of the nature of the emergency.
- E. What are the Stewardship Team's review procedures?
1. *General procedures:* The Stewardship Team shall review budget and funding requests received to ensure that proposed expenditures are in accordance with the Presbytery's Bylaws and other duly enacted Presbytery policies, and prudent with respect to expected receipts and assets.
 2. *Budget requests:* The Stewardship Team shall review budget requests in accordance with Section **Error! Reference source not found.**
 3. *Funding requests:* The Stewardship Team shall review funding requests in accordance with Section IV.
 4. *Emergency funding requests:* The Stewardship Team shall make every effort to review emergency funding requests expeditiously, in accordance with the nature of the emergency.

III. Specific Budgeting Procedures

- A. No later than April 1, all budget requests submitted *to a Committee or Team* shall be received by the chairman of the relevant Committee or Team.
- B. No later than April 15, the chairman of each Committee and Team shall deliver by email to the Chairman of the Stewardship Team its budget priorities for the following budget year.
- C. At the April/May Stated Meeting of the Presbytery:
 1. The Chairman of the Stewardship Team (or designee) shall deliver to the Presbytery a list of all budget requests received for the following year along with an estimate of expected receipts.
 - a) The Chairman of the Stewardship Team shall flag any budget request that appears to be inconsistent with the Bylaws or duly issued, written and applicable Presbytery polices, if any.
 - b) The Chairman of the Stewardship Team shall report the extent to which aggregate budget requests exceed expected receipts,
 2. At the discretion of the Moderator, the Chairman of the Stewardship Team shall entertain and respond to questions seeking clarification.
- D. From the adjournment of the April/May Stated Meeting until July 1, any Member of the Presbytery or local Church Session member may submit by email to the Chairman of the Stewardship Team comments or questions concerning the list of budget requests received and the estimate of expected receipts.
- E. As soon as practicable after July 1, the Stewardship Team shall review all budget requests received and comments and questions submitted thereon,
- F. No later than August 1, the Stewardship Team shall develop a proposed budget for the following year and present it for review by the Executive Council.
- G. The Stewardship Team shall develop a draft final budget for the following budget year based on all comments received from the Executive Council by August 28.
 1. The Chairman of the Stewardship Team (or designee) shall transmit the draft final budget to the Executive Council no later than seven calendar days before the Executive Council's last scheduled meeting prior to the September/October Stated Meeting.

2. The Executive Council shall review, debate, revise and approve a draft final budget for presentation by the Chairman of the Stewardship Team (or designee) at the September/October Stated Meeting.
 3. Subject to the results of discussion, debate and revision, the Presbytery shall vote on the budget recommendation for the following budget year. If the recommendation is not approved in full, the Stewardship Team shall, in accordance with the directions of the Presbytery, revise the portion of the draft final budget not approved and resubmit it for action at the next Stated or Called Meeting.
- H. Upon approval of any or all of the budget by the Presbytery, the Chairman of the Stewardship Team shall transmit the approved portion to the Treasurer and authorize the expenditure of funds in accordance thereof.

IV. Funding Requests

- A. Funding requests are appropriate when genuinely unforeseen circumstances arise after the annual budget has been made final.
- B. Funding requests shall be sent by email to the Chairman of the Stewardship Team as soon as they become known.
 1. The Stewardship Team shall review all funding requests and recommend a course of action to the Executive Council.
 2. The Executive Council shall take action on the recommendation of the Stewardship Team and submit affirmative requests to the Presbytery for action at the next Stated or Called Meeting.
- C. Emergencies. The Executive Council may approve an emergency funding request upon an affirmative vote of two-thirds of its members.

V. Donations

- A. General: In addition to contributions made by local churches in accordance with the Presbytery's annual per member asking amount, the Presbytery welcomes donations that advance the work of the Presbytery.
- B. To whom should donations be delivered? All donations should be delivered to the Treasurer.
- C. What procedure govern the receipt of donations?
 1. Unrestricted donations require no prior approval and may be deposited by the Treasurer, who shall include appropriate reference to such donations in regular financial reports.
 2. Restricted donations shall be handled as follows:

- a) Upon receipt of a restricted donation, the Treasurer shall report all relevant information about the donation to the Chairman of the Stewardship Team.
- b) The Stewardship Team shall review the terms of the donation and recommend to the Executive Council whether the donation should be accepted.
- c) The Executive Council shall take action on the recommendation of the Stewardship Team, and communicate this action to the Treasurer for implementation.

VI. Expenditure Procedures²

- A. General: All expenditures greater than \$500 shall be pre-authorized in writing by the appropriate Officer or Committee/Team Chairman to ensure adherence to the budget and approved in writing prior to transmittal to the Treasurer for payment.
 1. If an Officer or Committee/Team Chairman is making the expenditure, pre-authorization and approval prior to transmittal to the Treasurer shall be performed by the Chairman of the Stewardship Team.
 2. If the Chairman of the Stewardship Team is making the expenditure, pre-authorization and approval prior to transmittal to the Treasurer shall be performed by the Stated Clerk or Assistant Stated Clerk.
 3. Pre-authorization shall be in the form of a not-to-exceed (NTE) amount.
- B. Priority-setting: Where restricted funds exist for an activity that also is covered by a budget appropriation, the Treasurer shall deduct expenditures covered by Subpart A from restricted funds until such funds are exhausted before charging them against budget appropriations. The Chairman of the Stewardship Team, after consultation with the Treasurer, shall determine whether this provision applies to any specific expenditure.
- C. Travel Expense Reimbursements:
 1. Travel expense reimbursements are subject to Subpart A.
 2. Persons traveling on official Presbytery business using their own private vehicle may be reimbursed for actual expenses or at the applicable IRS mileage rate, at the discretion of the traveler. The

² Approved November 30, 2016, by the Executive Council for presentation to the Presbytery at the 108th Stated Meeting.

traveler's choice of reimbursement method shall be included in the traveler's request for authorized expenditure.³

³ Subject to approval of a bylaws change by the Presbytery at the 108th Stated Meeting.