

HOSANNA LUTHERAN CHURCH			
Check-Signing		Origin Date:	July 28, 2013
FINANCE	POLICY	Revision Date:	July 28, 2013

WHO IS AUTHORIZED TO OPEN, CLOSE OR CHANGE BANK ACCOUNTS

In the event that an action occurs that requires opening a new bank account, closing an existing bank account or changing an existing bank account, only the Hosanna Finance Team can authorize such an action.

After the Finance Team has reviewed the proposal and authorized the change, it will report, at the next Hosanna Church Council meeting, that a change has occurred and seek council approval on the action taken.

WHO CAN SIGN CHECKS

An authorized check-signer should be someone in authority at Hosanna with no other involvement in the payment process. These persons should not have access to other accounting records that might permit them to alter records or conceal misappropriation of church funds.

The Congregation Council has fiduciary responsibility for the church, and therefore has discretion as to who is designated as an authorized signer. Those who hold the office of President, Vice President and Secretary should be authorized signers. However, reliable lay volunteers can also be authorized to sign checks.

CONGREGATION COUNCIL AUTHORIZATION OF CHECK-SIGNERS

Annually in September, as new Congregation Council members and Officers assume their official roles, the Council should pass a resolution identifying those persons who are authorized by the church to sign checks. This may be needed at additional times throughout the year if authorized signers change roles or otherwise become unable to serve. It is also needed whenever bank accounts are opened or closed.

DUTIES OF CHECK-SIGNERS

A check-signer’s duty is to compare the prepared check with supporting documentation (such as an original vendor invoice or a reimbursement/payment request, plus the signature of an approving authority). If the check-signer finds the check and supporting documentation to be in order and has no other cause for concern about the payment, he/she will sign the check. If there are concerns about the appropriateness of a payment, the check-signer should not sign the check until the matter is resolved.

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In the case of checks payable to entities on the approved list authorized annually by the Congregation Council, the check-signer does not require supporting documentation other than verification that the entity is on the current Standing Approval list.

DUAL SIGNATURE REQUIREMENTS

The church should have two check-signers for checks of significant amounts (\$1,000 or more). Multiple checks or partial payments should not be used to circumvent the dual signature requirement.

The responsibility for obtaining two signatures rests with the church. While it is possible to have checks printed with the reminder "two signatures required if over \$1000", many banks will not flag checks containing only one signature.

BANK SIGNATURE CARDS

Signature authority forms are provided by the bank and are required to be up-to-date. This means they must be updated whenever authorized signers change.

Signature cards carry the printed name, title, other identifying information, and the signature of authorized signers. Banks may also require a copy of the Congregation Council resolution designating the names and titles of the authorized signers.

The Office Manager, as part of his/her administrative and financial duties, should keep up-to-date records of the authorized signers on all Hosanna accounts, and should communicate with the bank(s) regarding necessary requirements and procedures whenever changes are needed.

Authorized bank signers should be reviewed by the Audit Team as part of the annual audit process.

SUMMARY OF GENERAL PROCEDURES

1. Any bill or obligation requires approval before payment. This approval may be in the form of placement on the approved list authorized annually by the Congregational Council, or it may be in the form of individual signatures of Team Leaders on Reimbursement/Payment/Bank Transfer Request form.
2. The check to pay the bill is prepared by the Office Manager, who does not have authority to approve any payments.

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3. The check is signed by person authorized under the bank account agreement. Dual signatures are needed for amounts over \$1,000. The Pastor will not be an authorized signer.
4. Blank checks should never be signed in advance under any circumstance.
5. The check number should be documented on the invoice or supporting document to prevent duplicate payment.
6. Signed checks and related documentation should be returned to the Office Manager for distribution and filing.
7. All steps should be completed in a timely manner in order to keep accounts in good standing and avoid late payment fees or penalties.