

Policy and Procedure Manual

TERMS OF REFERENCE

FINANCE COMMITTEE

Purpose

The Finance Committee is to regularly oversee, review, and monitor financial planning, financial management and financial reporting matters of Metropolitan United Church.

Priorities

1. Diligently oversee Metropolitan's financial planning, management and reporting;
2. Carry out its mandate in the interests of the Board of Elders and the congregation; and
3. Regularly make recommendations for Board approval, and deliver financial reports – including the monthly Balance Sheet – to the Board of Elders.

Duties and Responsibilities

The Treasurer, as Chair of the Finance Committee, is responsible for ensuring that financial matters reviewed and approved by the Finance Committee are communicated to the Board of Elders regularly and to the Metropolitan staff as may be appropriate.

The Finance Committee exercises oversight in the following areas:

1. Budget Planning and Oversight

- a. Ensure there are processes in place for the development of an annual operating budget;
- b. Facilitate the development of the annual operating plan and budget, and supervise the preparation of budget information which will reflect the plans and ministries of the church;
- c. Approve the budget, and recommend its approval to the Board of Elders;
- d. Present the approved budget to the congregation for final approval at the church's annual meeting;
- e. Review financial statements – including balance sheet and income statement – each month;
- f. Closely monitor the status of all expenditures and revenue monthly, and compare actual performance against budget so adjustments can be made when necessary to ensure adequate cash flow;
- g. Monitor compliance in relation to the financial objectives set by the ministries of the church;
- h. Oversee all revenues and expenses of the church and recommend plans to the Board of Elders to address variances between budget and actual performance, revenues and forecasts;
- i. Monitor implementation of plans to address variances and report to the Board of Elders;
- j. Make a recommendation for Board approval of the appointment of external auditors and, if an audit is approved by Elders, deliver annual audited financial statements to the Board;
- k. Meet with external auditors as necessary to ensure audit function is effectively carried out according to Metropolitan's audit process policy, and matters needing Board attention are addressed;
- l. Appropriately oversee allocation of funds and payments designated for Elders-approved purposes such as outreach activity, fundraising, campaigns, bequests, trusts and special events;
- m. Oversee funds that generate income (e.g., the General Fund, Memorial Fund, Benevolent Fund, etc.) and their disbursement; and

- n. Scrutinize pledges to fundraising campaigns, and/or increased annual givings to Metropolitan as part of establishing realistic budget targets.

2. Long-Term Planning

- a. Identify and review the adequacy of financial controls affecting the development of the budget:
 - i. Regular collaboration with church section leaders to address budget questions, asset management, and generally provide practical how-to guidance and understanding for developing and monitoring budgets;
 - ii. Recommendations to improve/amend budget targets within a section head's overall budget; and
 - iii. Each section leader's ability to identify issues and direct changes effectively and efficiently;
- b. Oversee and review investments and transactions;
- c. Monitor and review policies related to capital management; and
- d. Review and recommend to the Board of Elders, long-term financial goals and long-term revenue and expense projection.

4. Financial and Banking Transactions

- a. Oversee, review and make recommendations to the Board of Elders concerning Metropolitan's financial and banking transactions; and
- b. Monitor and ensure compliance with government legislation and procedures for charities, under the guidance of our auditors.

5. Internal Controls and Risk Management

Oversee, review and provide recommendations to the Board of Elders regarding:

- a. Financial procedures relevant to the operation of Metropolitan;
- b. The quality and integrity of internal controls based on policy and process recommendations provided by the auditors in their annual report showing the financial aspects of Metropolitan;
- c. Metropolitan's investment policy;
- d. Policies on such issues as distribution of givings envelopes, locking cash, handling of donations, capital asset accounting, audit processing, etc.; and
- e. Identification of financial risks, and overseeing Metropolitan's financial plan to address unusual or unanticipated financial risks.

6. Other

- a. Operate in a manner that is consistent with the committee guidelines in the [Financial Handbook For Congregations 2017](#) at the [United Church of Canada](#) website;
- b. Follow guidelines on a variety of current financial and legal issues on the United Church of Canada website in the [Financial Handbook for Congregations 2017](#);
- c. Review changes to financial policies and procedures, or reporting guidelines proposed by the United Church of Canada;
- d. Interact with office staff regarding bookkeeping processes;
- e. Maintain accurate, up-to-date and accessible financial records for reporting to the Board of Elders and the congregation to support effective stewardship;

- f. Keep the congregation informed with three published financial updates annually as to the church's financial situation and givings;
- g. Prepare an annual report and PowerPoint presentation for the annual congregational meeting. These include a summary of the financial activities for the past year, and projections looking ahead to the financial well-being of Metropolitan in the future;
- h. Refer all requests for public comment to the Board of Elders as they would need to approve messages to the public;
- i. On behalf of Metropolitan, the Chair of the Finance Committee is authorized to present to the congregation, auditors, and others with mutual financial interest in the Church (e.g., investors, sponsors, donors). The Finance Committee may also appoint its committee members to represent Finance Committee where appropriate;
- j. Maintain and annually (by September) review this Terms of Reference and forward to the Board of Elders; and,
- k. Such other matters as may be referred by the Board of Elders or the Senior Minister from time to time.

Frequency of Meetings

1. Meetings are normally held on a monthly basis, ideally the week before the Board of Elders meeting, except for the month of February when the Annual General Meeting takes place, and the months of July and August when no meetings are scheduled.
2. Financial reports are still reviewed by the Chair of the Finance Committee and distributed to committee members via e-mail during non-meeting months.
3. Additional meetings are scheduled as necessary during budget deliberations and annual approval of the financial statements.
4. Extraordinary meetings may be held at the discretion of the Treasurer/Chair following consultation with the Chair of the Board of Elders.

Membership

1. The committee comprises a minimum of four (4) volunteer resource members who are approved for membership by the Board of Elders.
 - a. One of these four members is Metropolitan's Treasurer who serves for a 5-year term with a mutually agreed upon extension as approved by Elders;
 - b. Up to three members are "at large members" who each serve on a rotating 3-year term with mutually agreed upon extensions as approved by Elders;
 - c. A bookkeeper, paid based on an hourly rate, over an annually renewable one-year term;
 - d. Elders will appoint one (minimum) to three representatives from the Board of Elders.
2. The Senior Minister, as an ex-officio member, is not required to attend meetings, but has the right to attend without being invited.
3. The Treasurer is appointed by the Board of Elders, and acts as Chair of the Finance Committee.
4. The Chair sets the agenda of meetings based on the work plan developed in response to the Finance Committee mandate.
5. The role of the past Chair will be recognized and this person will be encouraged to be available as needed in the first year of transition to a new Chair.
6. Committee members are expected to attend all meetings, including extraordinary meetings.

Quorum

The majority (50%) plus one of the members of the total Finance Committee voting membership, present in person or by phone, shall constitute a quorum.

Minutes (Accountability)

A summary record of advice, discussions, and recommendations will be provided for each meeting.

Resources

1. Meeting accommodations are provided by Metropolitan United Church, although meetings can be held at alternate locations by mutual agreement.
2. Appropriate Metropolitan staff provides appropriate administrative support to the Treasurer, namely well maintained financial records.

Related Metropolitan Policies

- Investment
- Audit Process
- Outreach
- Memorial Fund
- Music Committee
- Procurement
- Property
- Property Lease
- Property Use

Related Documents/External Resources

- [The Manual, 2016](#)
- [Financial Handbook for Congregations 2017](#)

FINANCE COMMITTEE	
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