

# Presbytery of East Tennessee Accounting Internal Controls Policy regarding Disbursements

The following internal controls shall be integrated into the process of all disbursements from any funds held by the Presbytery of East Tennessee.

## Definitions

**Authorized Personnel:** Refers to individuals or committees with whom authority has been placed to determine that an expense is valid and should be paid.

**Concur:** Accounting software program operated by the Presbytery, into which requests for funds disbursements are made.

## Policy

### A. General

1. No disbursement shall be made for any expenditure that has not been reviewed and determined to be valid by the appropriate Authorized Personnel.
2. Those personnel authorized to validate/approve expenditures, may not be signatories to vehicles (checks) payable to themselves.

### B. Presbytery Operating Budget items and Donor Benevolences

Funds may be disbursed from the **Operating Budget of the Presbytery** or from the accounts that have been designated as **Donor Benevolences** only after they have first been validated by one of the following personnel:

- The Presbytery<sup>1</sup> Administrator
- The Presbytery Executive
- The Presbytery Treasurer

### C. Expenditures by John Knox Center

1. Funds may be disbursed from the **Operating Budget of John Knox Center** only after they have first been validated by one of the following personnel:
  - The Director of John Knox Center, or
  - The Treasurer of the Presbytery
2. Expenditures, up to a limit of \$5,000 that are not included as part of the normal John Knox Center Operating Budget (i.e., non-operating disbursements), may be disbursed only after they have first been validated by the following:
  - The Director of John Knox Center
3. Expenditures of over \$5,000 and that are not part of the normal John Knox Center Operating Budget require prior validation and approval by the following:
  - The Outdoor Ministries Team (OMT).<sup>2</sup>

### D. Expenditures by Standing Committees

Funds may be disbursed from the **Operating Budgets** of Presbytery Committees after they have first been validated under the following conditions:

- A copy of the committee's minutes or an appropriate substitution approval has been recorded in **Concur**.

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<sup>1</sup> In all instances, the term "the Presbytery" refers to the Presbytery of East Tennessee

<sup>2</sup>Members of the OMT are elected and approved by the Presbytery.

- The Treasurer of the Presbytery has approved.

***E. The Loan Committee of the Presbytery***

1. Loans applications that have been reviewed by the Loan Committee, in amounts up to \$25,000, may be disbursed without the approval of the Presbytery.
2. Loan applications for amounts exceeding \$25,000, which have been reviewed by the Loan Committee and the Finance Committee, may only be approved by a 2/3rds majority of the Presbytery at a regularly stated meeting. If approval is granted, the withdrawal of funds from the Loan Fund shall be validated by the Treasurer or the Stated Clerk and may then be disbursed as an action of the Loan Committee.

***F. Presbytery Mission Fund***

1. By previous action of the Presbytery, four percent (4%) of the **Presbytery Mission Fund** shall be designated for use in the Presbytery's operating budget for the following year. The Treasurer of the Presbytery is responsible for the following:
  - a. To report that actual amount to the Finance Committee, where this shall be provided as information as part of that committee's report at the next Stated Meeting of the body.
  - b. To ensure that appropriate entries are made in accounting ledgers that reflect the increase to the PET Operating Budget and corresponding debit to the balance of the Presbytery Mission Fund.
2. Any request for disbursement from invested funds that exceeds 4% shall require a 2/3rds vote of approval by the Presbytery.