



St. Mark's Episcopal Church

Episcopal-Anglican

St. Mark's Episcopal Church

Financial Policies and Procedures Manual

Adopted December 2013

**as amended February 2020, May 2020, July 2020, February 2021, March 2022
and July 2022**

Contents

Section I – Overview and Purpose	5
Section II – St. Mark’s Financial Structure	6
A. Financial Officers and Their Roles.....	6
B. Overview of Accounts.....	8
C. Review of Contracts and Financial Documents	10
D. Contract Execution	10
Section III – Cash and Other Receipts	11
A. Cash Receipts	11
B. Credit Card and Electronic Donations	13
C. Non-cash Receipts	13
D. Returned Checks.....	15
Section IV – Disbursements	16
A. Recurring Payments.....	16
B. Non-recurring Payments	17
C. Credit Card Use, Debit Card Use, and Revolving Credit Account Guidelines.....	18
D. Check Creation and Validation	20
E. Payments to Parishioners	21
Section V – Financial Reporting	22
A. Monthly Financial Statements	22
B. Independent Financial Audit	23
C. Parochial Report.....	23
Section VI – Financial Planning	24
A. Fund Raising	24

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

- B. Annual Pledge Drive 25**
- C. Budgeting 26**
 - Section VII – Banking and Investments 27**
 - A. Bank Account Maintenance 27**
 - B. Investment Guidelines 28**
 - Section VIII – Insurance 30**
 - A. Property insurance 30**
 - B. Liability insurance..... 30**
 - Section IX – Financial Oversight Committee 31**
 - A. Financial Oversight Committee 31**
 - Section X – Short Term Rental Policies and Procedures 32**
 - A. Overview..... 32**
 - B. Definition 33**
 - C. General Policies 33**
 - D. Reserving the Rental Date..... 34**
 - E. Completing the Event Rental Request 34**
 - F. Day of the Event 35**
 - G. Weddings 35**
 - H. Funerals 36**
 - I. Community organizations or Diocesan events 36**
 - J. Nondiscrimination Policy 36**
 - Section XI – Long Term Rental Policies and Procedures 37**
 - A. Overview..... 37**
 - B. Definition 38**

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

C. Policies 38

D. Procedures 38

E. Nondiscrimination Policy 38

Glossary 39

Appendices -- Financial Documents and Forms used by St. Mark’s 40

Appendix I – Counter Documents 41

Appendix II – List of Routine Invoices 42

Appendix III – Sample of Information Provided to Independent Auditor 43

Appendix IV – Closing Checklist for Short Term Rentals 44

Appendix V – Terms and Conditions for Short Term Rentals 45

Section I – Overview and Purpose

The purpose of this manual is to present the policies and procedures of St. Mark's Episcopal Church relating to the acquisition, stewardship, and safeguarding of St. Mark's assets and liabilities. It also defines the proper recording, reporting and auditing of St. Mark's results of operations and other financial matters. The internal controls outlined in this manual are intended to adequately safeguard the cash, property and other assets of St. Mark's, ensure that all financial transactions are appropriately documented and approved by authorized personnel, that funds are spent in accordance with donor wishes and restrictions, and ensure timely and accurate financial reporting.

St. Mark's uses the calendar year for budget, audit and financial reporting purposes. The use of assets, and the assumption of liabilities, is the responsibility of the members and Vestry of St. Mark's and is not expressly covered in this manual. In developing these procedures, St. Mark's strives to adhere to the guidelines of the Episcopal Church as outlined in the [Manual of Business Methods in Church Affairs](#) (EMBM). This guidance incorporates the latest auditing and other "best practices" of financial management.

The Vestry of St. Mark's affirms its commitment to stewardship of the resources provided to St. Mark's and seeks to preserve capital through modest rates of return received through interest, dividends and appreciation of assets. Preservation and growth of capital is intended to support current and near to mid-term operational needs, and is not an [endowment](#). In seeking this growth, the Vestry upholds the ideals of [sustainable and responsible investing](#) (SRI), following the Episcopal Church's standards of avoidance, affirmative investing, and advocacy. In keeping with our social and moral values, we may accept lower rates of return, will not invest in certain industries, and will hold the companies we do invest in responsible for providing equitable pay and benefits to all employees, ensuring equal rights and opportunities for all employees, demonstrating a commitment to their local communities, and showing concern for and commitment to a safe and sustainable environment. We believe that these values uphold the dignity of every human being and help to preserve the world God gave us for future generations, and that the companies which follow these practices will have long-term profitability.

This manual was reviewed and approved by the Vestry of St. Mark's Episcopal Church on December 17, 2013.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

Section II – St. Mark’s Financial Structure

A. Financial Officers and Their Roles

Purpose – to identify the key personnel with financial responsibilities and outline their duties.

Treasurer – an appointed office approved the vote of a majority of the voting members of the Vestry for a 2-year term¹. The Treasurer is responsible for the accounting and reporting of all financial records. The Treasurer, in conjunction with the Financial Oversight Committee, makes investment recommendations and relays investment decisions and account information to the parish broker. Because the Treasurer has operational control over the major accounts of St. Mark’s Church, he or she must be bonded.² At St. Mark’s, this coverage is provided through the Church insurance policy covering Directors and Officers. The Treasurer is responsible for ensuring the proper documentation of the payroll system used by the parish.

Assistant Treasurer – an appointed office approved by the Vestry for a 2-year staggered term with the Treasurer³. The Assistant Treasurer reports to the Treasurer and is assigned duties as required by the Treasurer. The Assistant Treasurer’s primary responsibilities include, but are not limited to: 1) ensuring the proper entry of data into the payroll system used by the parish for the creation of paychecks for all paid staff and any independent contractors included in the Parish’s payroll system; 2) recording and documenting donations and payments received through the Parish’s office; 3) assisting the bookkeeper with data entry as directed by the Treasurer; and 4) maintaining the giving records, producing quarterly and annual giving statements to donors for tax purposes and working with the counters and Stewardship Committee to document receipts and pledges.

Office Administrator – is a paid position, whose official title could be either Administrative Assistant or Parish Administrator and is responsible for receiving and documenting bills and payment requests, receiving donations and payments made through the office, and acquiring office and other supplies. The Office Administrator is responsible for making sure any donations, payments, etc. received in the office are provided to the counters for depositing in accordance with the procedures in this Manual.

¹ Parish By-Laws, Article III Parish Officers and delegates, Section 2.

² Episcopal Canon 7.1.d; Episcopal Manual of Business Methods, Chapter VII.

³ Parish By-Laws, Article III Parish Officers and delegates, Section 2.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

Bookkeeper – The Vestry may authorize the hiring or contracting of a bookkeeper for St. Mark's. The bookkeeper is responsible for entering all accounts receivable and accounts payable information in the appropriate software, maintaining appropriate records, creating checks for signature and payment, and assisting the Treasurer, Assistant Treasurer, and auditors in resolving any discrepancies as well as any other duties as assigned by the Treasurer.

Counter Coordinator and counters – The Counter Coordinator and counters are members of St. Mark's who volunteer to count donations, payments, and other receivables of the Church. Recruitment of new counters is performed as needed by the Counter Coordinator and Rector.

Financial Oversight Committee (FOC) – is a standing committee of the Vestry with regular financial reporting and oversight responsibilities. See [Section IX](#) for a detailed description of membership and duties.

Rector – the Rector has budget responsibilities, hiring authority with the advice and consent of the Wardens, the Vestry, or their designees, and contract signing authority for contracts within the Vestry approved budget and limited to no more than \$500.00. The Rector cannot bind or commit St. Mark's to any contract or obligation in excess of \$500.00 without the express approval of the Vestry or its designee(s). The Rector's control over the use of the Parish's Discretionary Fund must comply with National Church's Canon III.9.6 and the guidelines of the Episcopal Diocese of Washington's Church Financial Operations Manual, Chapter V.

Senior Warden – an elected position with contract and check signing authority, and all other legal authority as provided by the National Church Title I, Canon 14.2 and the Maryland Vestry Act.

Junior Warden – an elected position with contract and check signing authority, and all other legal authority as provided by the National Church Title I, Canon 14.2 and the Maryland Vestry Act.

Cemetery Trustees – appointed by the Vestry to ensure the sound operation of the Cemetery Trust. This Trust is a separate account within the St. Mark's portfolio, and Trustees have contract and check signing authority solely for the Trust's assets and liabilities. For further details, see the separate Cemetery Trust.

Vestry Members – elected positions with budget and contract approval authority, and all other legal authority as provided by the National Church Title I, Canon 14.2 and the Maryland Vestry Act.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

B. Overview of Accounts

Purpose – to identify the various types of accounts used at St. Mark's and the intended use for each. Further details are provided in [Section VII](#).

Policy Statement – accounts will seek modest returns with minimal risk and expense, and be held in federally-insured institutions.

Procedures

1. The Financial Oversight Committee will review the institutions holding these accounts every 5 years to ensure they meet federal regulatory standards, St. Mark's policy guidelines, and provide the best return on investment for St. Mark's within those guidelines. Recommended schedule is to review liquidity accounts as a group, investment accounts as a group, and insurance policies as a group, with each group reviewed in a separate year.
2. Checking Account – serves as the primary operating account for St. Mark's. This account should be maintained at a qualified local or regional bank, and ideally be interest bearing with no maintenance fee. This account supports the cash flow for St. Mark's and should retain sufficient funds on hand to ensure prompt payment of incurred expenses. Income/receipts will normally be deposited into this account, most payments will be made via this account. Checks drawn on this account require two signatures, typically the Wardens. Authorized signers must be verified at least bi-annually with the bank.
3. Savings Account – may be established to seek a higher rate of return while maintaining [liquidity](#). This account should supplement the checking account. These accounts may be held at the same institution.
4. PayPal Account – established primarily to accept credit card and electronic donations. May be used to pay incurred expenses. Electronically linked to the checking account. See [Section III.B](#) for additional details on the operation and internal controls for this account.
5. Investment Accounts – may consist of stocks, bonds, or certificates of deposit that meet the investment standards outlined in [Section VII](#). Accounts that hold restricted use or designated use funds will be appropriately identified to ensure that payments from these accounts meet the intended use outlined by the donor or the Vestry when they were established.
6. Electronic banking – is authorized as outlined for the PayPal account, and to facilitate electronic transfers between the various St. Mark's accounts. Transfers between accounts

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

are approved by the Vestry and implemented by the Treasurer. Reference EMBM, Chapter II.B.

7. Petty Cash – no petty cash is held at St. Mark’s for administrative or humanitarian uses. Office administrative and routine building maintenance needs are handled via the church’s checking account, PayPal, Home Depot account, or credit card.
8. Parish’s Discretionary Fund -- The Parish Discretionary Fund ("PDF") is an account of the parish and the fund balance will be maintained and tracked in the general operating account. Although the rector or priest-in-charge may request the checks and will maintain the confidential records of the fund, the fund itself belongs to the parish and funds will be allocated in the annual budget. The bank account must be in the name of the parish, with the parish’s tax ID number on the account. Gifts to the discretionary fund are to be made to the parish, rather than to the rector or priest-in-charge as an individual. A gift to the parish is tax deductible to the donor, whereas a gift to the rector or priest-in-charge is not. The PDF is to be used for such “pious and charitable purposes as the [the rector or priest-in-charge] shall determine,” so long as the the rector's or the priest-in-charge's determination complies with the National Church’s Canon III.9.6 guiding principle of providing assistance to the needy. Donations and expenditures shall be tracked for auditing purposes. Accountability for the PDF will follow the guidelines included in the Episcopal Diocese of Washington’s Church Financial Operations Manual, Chapter V, as well as will adhere to the requirements for all St. Mark’s' accounts provided in St. Mark’s Episcopal Church’s Financial Policies and Procedures Manual. Hence, gifts to the poor, gifts to any recognized charitable organization, and funds used to assist members of the congregation with expenses such as rent, utilities, food, medical expenses, or tuition are within the general intent of discretionary funds. In most instances, disbursements should be made directly to the recipient organizations on behalf of the individual requesting assistance. Any request for assistance that exceeds the annual budget allocation must be approved by the Vestry or its designee, prior to disbursement of funds. The treasurer will assist the rector or priest-in-charge with expediting any emergency request for assistance. Given the confidential nature of the transactions, arrangements will be made by the Financial Oversight Committee for an objective person to review the discretionary fund statements on a confidential basis each month. The rector or priest-in-charge is responsible for maintaining a detailed, contemporaneous record of all Parish Discretionary Fund transactions.

The rector or priest-in-charge must report on the Parish Discretionary Fund to the Vestry in any month when disbursements are made or gifts are received. A written report on the Parish Discretionary Fund will be made to the Parish annually in the Annual Report of the Parish. All reports will be in summary form to maintain the confidentiality of transactions.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

Because discretionary funds are the property of the parish, they remain at the parish when the rector or priest-in-charge is called elsewhere. Discretionary funds are not to be used for the business or professional purposes of the rector or priest-in-charge. In no instance may Parish Discretionary Fund assets be used for the rector or priest-in-charge's personal expenses.

The Parish Discretionary Fund shall be audited as a routine part of the parish's audit.

9. St. Mark's' Special Accounts - designated accounts may be established to separate funds from comingling with regular operating account funds. As with all other accounts in this section, designated accounts will comply with the procedures and policies established by St. Mark's Vestry. If required by applicable laws, designated accounts shall be interest bearing accounts. Nothing in this section should be construed as allowing any ministry of St. Mark's to open or maintain any type of account for the collection of or disbursement of cash, funds or any other item of value.
10. Address for Church Documents – Financial documents, account statements, and/or any official documents or information related to St. Mark's Episcopal Church-Fairland shall be sent to its official address: 12621 Old Columbia Pike, Silver Spring, Maryland 20904.

C. Review of Contracts and Financial Documents

All contracts and financial documents that legally bind St. Mark's Episcopal Church-Fairland, its related entities, and/or its assigns shall be reviewed by legal counsel before execution by St. Mark's personnel or volunteers. This section does not apply to the contracting for Short Term Rentals of the Parish's Facilities since the approved documents for those types of events exist due to a review process and Vestry approval. See, Section X, Short Term Rental Policies and Procedures.

D. Contract Execution

All contracts and financial documents that legally bind St. Mark's Episcopal Church-Fairland, its related entities, and/or assigns for a sum in excess of \$500.00 shall be signed by no less than two individuals authorized by the Financial Policies and Procedures Manual of St. Mark's Episcopal Church-Fairland to execute such documents. This section does not apply to the contracting for Short Term Rentals of the Parish's Facilities since the approved documents for those types of events exist due to a review process and Vestry approval. See, Section X, Short Term Rental Policies and Procedures.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

Section III – Cash and Other Receipts

A. Cash Receipts

Purpose – The purpose of the cash receipts policy and procedures is to ensure that all cash and cash equivalents received by St. Mark's are properly accounted for, adequately safeguarded, promptly reserved for use, properly credited to the donor, and always acknowledged.

Policy Statement - All handling of cash receipts will include proper segregation of duties: separating and having a way to verify different steps in any transaction, request, approval authorization, execution and recording; and dual control, typically in the execution and recording steps. Weekly collections, including collections for special events and programs, are to be promptly deposited into the St. Mark's parish bank account. Donations intended for a specific use will be categorized and tracked as [permanently restricted assets](#), [temporarily restricted assets](#), or [unrestricted assets](#) to ensure they are used as the donor intended. Adequate records are to be maintained to ensure the proper recording of transactions.

Procedures

1. A group of volunteer [counters](#) will be responsible for counting, recording and depositing the weekly collections. Counters will perform their duties, at a minimum, in teams of two unrelated adults. Counters will rotate periodically (e.g. every month or two months), according to a schedule established by the Counters Coordinator. If a Counter is unable to perform the counting duties on a given day, that Counter must find a replacement. Counting is not to be performed by one individual alone.
2. The collection from the weekday service(s) will be collected by the Lay Eucharistic Minister and placed in a locked and secure location at St. Mark's until the next Sunday service.
3. Any checks received at the parish office will be placed in a locked and secure location at St. Mark's. Any cash payment received in the parish office will be documented with a receipt noting the date, amount, purpose and the payee. The receipt must be signed by the individual who receives the payment and retained in the receipt book kept in the office, for audit purposes. The Treasurer shall be immediately notified and will verify the cash balance received. Cash will be placed in a bank pouch and locked in the office safe until retrieved by the counters. The Office Administrator will maintain a log of all checks received at the office, noting the date, amount and payee. The Office Administrator will

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

assure that all such funds are provided to the Counters, at the earliest possible time, for inclusion in the Counter's weekly deposits.

4. The collection from the early Sunday service will be locked in the Sacristy closet between services and collected by the counters following the late Sunday service.
5. Counters will pick up the collection immediately following the late Sunday service. The weekday offering and office checks from the office safe or Sacristy closet are to be retrieved by the counters.
6. Counters count and record the weekly collections at the church immediately following the late Sunday Service, according to the procedures outlined on the collection forms for the counters ([Appendix I](#)). This includes completing a deposit slip in duplicate. Note that counting should not begin until both members of the counting team are present. Under no circumstance should the collection be removed to any other location.
7. In circumstances where there are events immediately following Sunday service or on holidays, the collection may be placed in a locked and secure location at St. Mark's until proper accounting can be performed on site.
8. The original copy of the deposit slip is placed in the night deposit bag, along with the checks and cash received. The carbon copy or a duplicate copy of the deposit slip is maintained in the parish office. The night deposit bag is taken to the bank by a counter and deposited immediately following completion of the counting. Night deposit bags are picked up the following week by a counter or other authorized individual and returned to the Church Office.
9. The collection forms are given to the Office Administrator, who makes copies for the Treasurer. The originals are maintained in the parish office. The Assistant Treasurer updates the giving records using the copy of the collection forms. The bookkeeper, working with the Treasurer and Assistant Treasurer, ensures that funds collected for specific missions, events or purposes, are accurately documented and the funds are placed in the appropriate account(s) to enable expenditures in support of those designated programs.
10. The Treasurer or designee reconciles the amount indicated on the copy of the deposit slip to the amount recorded by the bank on the bank statement and confirmation of deposit immediately investigating and resolving any differences.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

B. Credit Card and Electronic Donations

Purpose – the purpose of the credit card and electronic donations policy is to ensure proper recording of donations and transfer of funds to the appropriate operating account or investment fund.

Policy Statement – to facilitate donations at the convenience of our members and donors, St. Mark's will maintain a means of accepting credit card and electronic payment donations.

Procedures

1. St. Mark's may maintain a verified PayPal account linked to its operating (checking) account.
2. Donation buttons may be placed on St. Mark's' website and tailored to specific fundraising events or to general donations. Members and supporters donating via PayPal may use funds from their PayPal or related accounts, or a nationally-recognized credit card.
3. The password and user identification for the PayPal account shall conform to the technology security protocols in the Technology Use Policies and Procedures for St. Mark's Episcopal Church-Fairland.
4. Funds donated via the PayPal account must be transferred to the linked checking account on a monthly basis. A record of this transfer must be provided to the bookkeeper and the Treasurer.
5. Records of credit card, PayPal, and any other electronic donations must be provided to the keeper of the parish's donation records for inclusion in the donation records.
6. Payments can be made from the PayPal account provided funds are available and/or the account is linked to an active credit card. Payments from this account must follow the guidelines for credit card usage or other disbursements outlined below.
7. Other electronic donation mechanisms shall have oversight by the Wardens, the Treasurer, the Head Counter, the Chairs of the Stewardship Committee, FOC and any other designee of the Vestry.

C. Non-cash Receipts

Purpose – The purpose of the non-cash receipts policy and procedure is to ensure the proper recording of non-cash receipts, to provide an effective audit trail and to ensure that St. Mark's

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

receives the proper value for these donations, to safeguard the receipts and to provide appropriate recognition of the donations.

Policy Statement – Donations of non-cash (including non-check) items such as securities, bonds, or other negotiable instruments received in fulfillment of pledge obligations or as gifts shall be valued on the date received by St. Mark's. Non-marketable securities (e.g. those of a closely held company without a ready and determinable market value) are not recommended as an appropriate means for fulfilling pledge obligations or as other gifts to St. Mark's. Gifts of artwork, land or other property will be valued by an appropriate expert. Upon receipt, or knowledge of the intention, of a gift of any of the above items, the matter should be immediately brought to the attention of the Rector, Wardens, and the FOC Chairperson so that appropriate valuation and other arrangements can be made.

Procedures

1. Gifts of securities may be received in the collection plate, via mail or hand delivery to the office, or by electronic transfer to St. Mark's investment account(s). Securities received as certificates are to be given to the Treasurer immediately or placed in a locked and secure location at St. Mark's with immediate notification to the Treasurer.
2. Large gifts of securities (e.g. > \$2,000) should be confidentially reported to the wardens, Rector, and FOC Chairperson upon receipt. Special meetings of the FOC or Vestry may be called as necessary to discuss the treatment of large donations and bequests.
3. The gift is valued on the date it was received by St. Mark's. This amount is included as income under the appropriate category (pledge, memorials, donations, etc.) in the month the gift was received.
4. The Treasurer will prepare a receipt indicating the name of the security, the number of shares received, price per share on the date received (per ending price in the Wall Street Journal), total value on the date received, and any other pertinent information. The original is mailed to the donor, and a copy is maintained for parish records.
5. For securities to be sold, the Treasurer forwards the securities to the parish broker, with any necessary paperwork. The proceeds from the sale are deposited in the parish brokerage account and are transferred to the main operating account as needed.
6. When securities are sold, the Treasurer records the amount of the commissions paid on the sale and the gain or loss realized on the sale as part of the administrative expense for that month. Realized gain or loss is determined by subtracting the total sales price (before

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

any commissions are subtracted) from the value of the security on the date it was received by St. Mark's.

7. For securities that are held, the Treasurer will contact the parish broker to transfer the ownership of the security to St. Mark's. The certificates are to be held in a secure location (e.g. brokerage account or bank safe deposit box).

D. Returned Checks

Purpose – the purpose of the returned checks policy and procedures is to ensure that St. Mark's financial accounts and giving records accurately reflect transactions when a deposited check is returned for insufficient funds.

Policy Statement – Reasonable effort will be made to recover the full amount of any check returned for insufficient funds, along with all associated fees, so that St. Mark's does not incur any financial loss.

Procedures

1. The parish administrator will immediately notify the treasurer if a "notice of check returned for insufficient funds" is received.
2. The treasurer will research the matter and contact the maker of the check in writing within three business days, requesting reimbursement of the check amount plus any associated costs in guaranteed funds (cash, money order or bank check). The rector, wardens and chair of the Financial Oversight Committee will be notified of the situation.
3. If full reimbursement is not received in the church office by the tenth business day, the treasurer will make a second demand in writing, copying the rector, wardens and chair of the Financial Oversight Committee. The letter will be mailed certified, return receipt requested.
4. If full reimbursement is not received in the church office within ten business days following return of the mail receipt, the funds will be considered uncollectible and considered a loss to St. Mark's.
 - a. Treasurer will notify the bookkeeper to subtract the amount of the check from the associated income category for the relevant time period; and, to record the associated bank fee as an expense.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

- b. The church office, Thrift Shop manager, and head of the Counters will be notified that St. Mark's will not accept any further checks from the maker. Should a check be received, it will be returned to the maker and not deposited into St. Mark's bank account.
- c. If the original check was for pledge fulfillment or other charitable contribution to St. Marks, the maker's giving record total for the year will be debited for the amount that was uncollectible.

Section IV – Disbursements

A. Recurring Payments

Purpose – The purpose of the recurring payments disbursement policy is to ensure that all expenses of St. Mark's are bona fide and are within established budget guidelines.

Policy Statement – Invoices for recurring items (e.g. debt payments, payroll, utility payments, diocesan payments) will be promptly paid in an appropriate manner. Payment may be made in the form of a check drawn on the St. Mark's checking account, or an online payment that directs funds sufficient to pay the item may be drawn on the St. Mark's checking account.

Procedures

1. The Treasurer or designee will maintain a listing of recurring monthly invoices, which includes the type of payment, name of payee, frequency of payment and the typical (if not fixed) amount. This list will be provided to the Office Administrator. (See Appendix II). Invoices for recurring payments received at the parish office are opened by the Office Administrator, who provides the information to the bookkeeper. For payments to be made online, the Office Administrator includes a Request for Online Payment form in the information given to the bookkeeper.
2. For payments to be made by check, the bookkeeper processes a check for signatures.
3. For payments to be made online, the bookkeeper processes the payment pending signatures on the Request for Online Payment form.
4. The authorized check signers review the bills for accuracy and reasonableness, including investigating any unusual amounts, past due charges, etc. Any bills that seem unusually high

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

or low should be brought to the attention of both the Treasurer and the appropriate Committee (e.g. Buildings and Grounds), and the Wardens for further review.

5. Any payments that do not cause concern will be signed off by the authorized check signers, i.e., by signing the physical check for check payments or by signing the Request for Online Payment form for online payments.
6. The Office Administrator will enter the online payment in the vendor's website when the request is signed by the authorized check signers and print the online receipt provided by the vendor's website.
7. Once the invoice is paid, the Office Administrator will mark a copy of the invoice "paid" with the date and, in the case of physical check payments, the check number, and file the invoice with the relevant check stub or printed payment receipt for online payments in the disbursement files for that month/year.

B. Non-recurring Payments

Purpose – The purpose of the non-recurring payments disbursement policy is to ensure that all expenses of St. Mark's are bona fide and are within the established budget guidelines.

Policy – Invoices received for non-recurring items will be submitted by persons responsible for ordering the goods or services. The person responsible for ordering or incurring the expense must ensure that all goods or services were received, and that the payment amount is correct. Supporting documentation proving receipt of the goods or services will accompany all check requests. These requests are approved by the respective Committee chair, Vestry Liaison, or Warden and these individuals verify the specific budget line item to be charged. Expenses incurred in excess of budget allowances must have Vestry approval. Check signers designated by the Vestry will validate that all requests for which funds are to be disbursed have been approved by authorized personnel as defined above and are consistent with the mission of the designated ministry.

Procedures

1. Invoices received at the parish office are opened by the Office Administrator, who copies the invoice (if not received in duplicate). The Office Administrator will contact the individual responsible for the expense item and will obtain the following information to be noted on St. Mark's copy of the invoice:

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

- a. Amount approved for payment;
 - b. Whether budget funds are available; and
 - c. Budget line item to which the expense should be charged
2. If sufficient budget funds are not available, the individual responsible for the expense will obtain prior Vestry approval authorizing the individual to incur the expense which will be reflected in the Vestry meeting minutes or by special memorandum.
 3. The Office Administrator, the bookkeeper and all other individuals responsible will act in a timely manner, to ensure the no late fees are incurred and that any early payment discounts are taken. The Office Administrator will provide the invoices to the bookkeeper who will pay approved invoices upon receipt as outlined in section IV A above. The Office Administrator will send one copy of the invoice with the payment and retain the copy with the approval and the budget information.
 4. The Treasurer or the Treasurer's designee will verify that the budget funds are available by reviewing the prior month's monthly financial statement. If funds are not available, the Treasurer or designee will contact the person requesting payment to obtain approval from the Vestry or to return the invoice to the individual for payment. Once the approved invoice is paid, the Office Administrator will mark one copy of the invoice "paid" with the date and check number or online payment receipt and file it in the disbursements records for the month/year.
 5. If the individual responsible did not obtain prior Vestry approval for an item for which budget funds are not available, the individual must pay the invoice personally. The individual may submit the invoice to the Vestry for approval for reimbursement.
 6. The Treasurer will notify individuals responsible for budget line items when the expense for the line item reaches 80% of the yearly budget total, to allow the individuals time to request Vestry approval for additional funds, if required.

Note: St. Mark's and the Vestry are under no obligation to approve the reimbursement of expenses not brought to the Vestry for approval prior to incurring the expense as indicated above. The fact that the Vestry may approve one expense after the fact does not mean that any other expenses will be treated in this way

C. Credit Card Use, Debit Card Use, and Revolving Credit Account Guidelines

Purpose – The purpose of the credit card use, debit card use, and revolving credit account policy is to ensure that all uses of any credit cards, debit cards, and/or revolving credit accounts

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

of St. Mark's are bona fide, are within established budget guidelines, and meet standard fiduciary requirements of non-profit organizations.

Policy Statement – No credit card accounts, debit cards, or revolving credit accounts are to be opened without the specific approval of the Vestry, established by Vestry vote, upon recommendation by the FOC. The use of any credit card, debit card, or revolving credit accounts must remain within the budgetary restraints established in the Vestry approved budget for the calendar year. Additionally, all bills for the credit card or revolving credit accounts will be promptly paid in an appropriate manner. Any debit card authorized by the Vestry shall be used solely for legitimate Parish expenses, as provided for in the Vestry approved budget, or by subsequent explicit permission by the Vestry or its designee(s). Under no circumstances shall a St. Mark's' credit card, debit card, or revolving credit account be used to pay the personal expenses of any person or entity nor shall any debit card have associated with it a PIN (Personal Identification Number).

Procedures

1. Purchases with any credit card or debit card:
 - a. Must be directly related to the operation of Church.
 - b. Must be authorized by and within the Vestry approved budget for the calendar year.
 - c. Cannot be for personal expenditures under any circumstances even if individual intends and does pay for unauthorized expenditures.
 - d. After every use of the credit/debit card, the user of the card will as soon as practicable, but no later than 48 hours after the use of the card, provide written notification to the Chair of the FOC, the Treasurer, and the Vestry or its designee(s), which states: 1) the reason for the use of the card; 2) the vendor paid; and 3) the amount of the purchase.
2. Authorized Users
 - a. Sr. Warden, Jr. Warden and Vestry designated individuals.
3. Indemnification and User Agreement

Authorized users must execute an agreement in which they agree to: 1) use any credit or debit instruments or revolving credit accounts only as prescribed by the FPPM for its use, 2) agree to reimburse the Parish for any and all unauthorized use of any credit or debit instruments or revolving credit accounts, 3) agree to waive any and all rights of presentation and demand for repayment of any credit or debit instruments or revolving credit accounts, and 4) agree to pay all costs, including attorney's fees, to collect payment

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

for any actions arising from the unauthorized use of any credit or debit instruments or revolving credit accounts.

4. Oversight

- a. The Treasurer, or the Treasurer's designee, will be the reconciler of receipts, card statements, and bank account statements, and generate the request for the check to pay the monthly bill. The Treasurer will ensure that any credit card, debit card, and/or revolving credit account is being used according to the FPPM. Any perceived misuse of any credit or debit instrument or any revolving credit account shall be brought to the immediate attention of the wardens and Chair of the FOC.

5. Payment Policy

- a. Charges will be paid off by the due date to avoid interest payments and/or fees.

6. Receipts

- a. Must be submitted so that they can be reconciled with card and bank statements and to assure that any credit card, debit card, and/or revolving credit account is being used according to the FPPM.

D. Check Creation and Validation

Purpose – The purpose of the check creation policy is to ensure that all checks written on any St. Mark's bank or investment account and any online payments charged to any St. Mark's bank account meet standards of sound financial, fiscal controls and meet standard fiduciary requirements of non-profit organizations.

Policy Statement – All checks must be generated either through the software used to track St. Mark's' finances, or where the account has a standard checkbook, by that standard checkbook. Under no circumstances will a check be hand created for software assisted accounts. All online payments must be recorded in the software used to track St. Mark's finances. All checks and online payment requests, except for the Parish Discretionary Fund account, must be signed by two authorized check signers for the particular account.

Procedure

1. After a check request or online payment is approved according to the procedures of this Section IV, the Treasurer or the Treasurer's designee will create a check or make the online payment and record it using the established software used to track that account.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

2. For those accounts, which are not incorporated into the established finance software, a separate checkbook may be used. Before checks may be written from separate checkbook accounts, the procedure for requests found in this Section IV must be followed. This procedure does not pertain to the Parish Discretionary Account.
3. No check or online payment request for the approved reimbursement of expenses may be signed by an individual who is receiving that reimbursement. The procedures for reimbursement must adhere to the procedures found in this Section IV.
4. No check or online payment shall be approved for disbursement for reimbursement of expenses until the proof of the expenditure is provided to the Treasurer or the Treasurer's designee.

E. Payments to Parishioners

Purpose – The purpose of the payment to Parishioners policy is to ensure that all reimbursements for expenses meet standards of sound financial, fiscal controls and meet standard fiduciary requirements of non-profit organizations.

Policy Statement – All payments, whether for reimbursement or for services rendered, must be properly and appropriately documented. Moreover, all such payments and/or reimbursements must align with Internal Revenue Service and Diocese of Washington regulations, policies, and procedures.

Procedure

1. Reimbursement of actual expenses incurred will be provided upon presentation of receipts, invoices, or other written documentation, including but not limited to, a copy of a cancelled check evidencing that payment was made by the parishioner for goods or services provided to St. Mark's.
2. No parishioner shall receive any monetary compensation or financial benefit for his or her performance of a duty or service on behalf of a St. Mark's ministry or for any Parish event or activity paid for or from the church's operating or investment accounts.
3. The foregoing provision shall not preclude a parishioner from receiving compensation from another person or entity holding a private event when renting St. Mark's facilities.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

4. Furthermore, nothing in this section shall preclude the Vestry from approving the contracted employment of a parishioner, or a parishioner's relative, to fill any open position for which the individual has applied, met the qualifications of, and been selected for.

Section V – Financial Reporting

A. Monthly Financial Statements

Purpose – The purpose of the monthly statements policy is to ensure the proper recording, reporting and communication of financial status and changes to the Vestry and parishioners in a timely manner.

Policy Statement – Monthly financial statements will be prepared and presented to the Vestry and communicated to the parish.

Procedure

1. The Treasurer (or a designee) will prepare monthly financial statements that include:
 - a. Income and expense by category
 - b. Comparison to budget by budget category
 - c. Comparison to prior year (in summary at a minimum)
 - d. Status of bank and investment account balances, to include the status of designated funds within the main operating account (e.g. memorials, Addie Ellin Music fund, etc.)
 - e. Transfers between accounts
2. On a quarterly basis, the Treasurer will also provide an update to the Vestry on the status of all investment accounts, to include the source of the funds, current holdings and fund balances, additions or withdrawals since the last report, interest earned and portfolio return in comparison with past performance, investment costs and fees, pending or recommended changes, and shareholder issues if any.
3. The financial statements will be presented by the Treasurer to the Vestry in accordance with vestry guidelines for approval.
4. The statement will be published and made available to the parish.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

B. Independent Financial Audit

Purpose - The purpose of the independent financial audit policy and procedure is to ensure the proper safeguarding, recording, reporting and communication of financial status and changes in financial status, and compliance with diocesan requirements.

Policy Statement – On an annual basis, St. Mark’s will employ an independent certified public accountant to audit the financial statements of St. Mark’s. The audit will be performed to comply with the requirements of the Diocese of Washington.

Procedure

1. The Treasurer, Financial Oversight Committee chairperson, or other designee will act as the liaison with St. Mark’s external auditor. The FOC will recommend to the Vestry the auditor to be used each year, and will work with the Wardens to finalize the auditor’s contract.
2. The liaison will determine through discussion with the auditor what information is required and arrange for meetings, delivery of records, etc. The audit encompasses all financial products and processes of St. Mark’s. (Typical list attached as Appendix III, page 31).
3. The audit report and financial statements will be delivered to the Diocese of Washington by the established deadline. (Normally by September 1).
4. The audit report, financial statements, and any internal control recommendations provided by the auditor will be provided to the Vestry at the September Vestry meeting (or earlier, if available).
5. A copy of the audit report will be filed in the parish office.

C. Parochial Report

Purpose – The purpose of the Parochial Report procedures is to ensure that St. Mark’s complies with the reporting requirements of the Diocese of Washington.

Policy Statement – St. Mark’s will complete the Parochial Report and submit it to the Diocese of Washington by the deadline (normally March 1).

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

Procedure

1. The Treasurer or designee will complete the financial portion of the annual Parochial Report by compiling the information necessary as follows:
 - a. A statement of assets and liabilities
 - b. Report of operating results
 - c. Salary and benefits information for paid personnel
 - d. Insurance information
2. The Parochial Report preparer will complete the form and provide it to the Rector and Vestry for review and signature. The Office Administrator will forward the signed original in sufficient time to meet the Diocesan deadline.
3. A copy of the Parochial Report will be maintained in the parish office.

Section VI – Financial Planning**A. Fund Raising**

Purpose – The purpose of the Fund Raising policy and procedures is to ensure that all parish fund raising programs, including pledge drives, are handled in a confidential manner, as appropriate, that program efforts are maximized, and that the proper recording of transactions and safeguarding of assets occurs.

Policy Statement – The Vestry has the primary responsibility for establishing, organizing and overseeing all parish fund raising programs, in accordance with the Parish By-Laws. The tasks of fund raising programs may be delegated to committees or parish organizations at the direction of the Vestry. The Vestry (working with parish organizations) will be responsible for general scheduling of events to avoid conflicts and maximize the results of a fund-raising program.

Procedure

1. The Vestry will designate chairpersons and committees to perform fund raising events (including the annual pledge drive), will provide expectations and general guidelines for programs, and determine the use of all fund-raising profits.
2. Where appropriate, the Vestry will approve fund raising committee charters prior to the “kick-off” of any major event.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

3. The fund-raising committee chairperson will provide periodic reports at regularly scheduled vestry meetings or at special meetings as called. These reports will include a summary of financial results (e.g. money received, expenses incurred, net profits) and other data relative to the programs (number of parishioners involved, contacted, etc.)
4. Early in each calendar year (e.g. by the vestry retreat), the Vestry (with the assistance of the other parish organizations) will generate an annual schedule showing all major fund raising events and resolve conflicts in order to maximize the efforts of each event.
5. Fund raising events will follow cash receipts procedures, where appropriate, ensuring dual control over cash assets, prompt depositing of cash receipts, and other adequate safeguards.
6. Fund raising events that are similar in nature to an annual pledge drive (e.g. capital funds drive or other long term campaigns) will follow pledge drive procedures outlined below, as applicable.

B. Annual Pledge Drive

1. The annual pledge drive will be conducted each autumn in such a manner to provide pledge drive results to the Financial Oversight Committee during the annual budgeting process.
2. The pledge drive chairperson (or stewardship chairperson) will be responsible for obtaining pledge cards for use during the pledge drive.
3. Parishioners will return pledge cards to the stewardship committee chairperson or his/her designee. A confidential means will be provided for the parishioners to return their cards.
4. The stewardship chairperson will tabulate the information on the cards as they are returned and provide summary reports to the Vestry at Vestry meetings. The summary reports will include:
 - a. The number of cards returned to date
 - b. The number of pledges received to date
 - c. The total dollar amount of pledges received to date
 - d. The average pledge amount
 - e. The range of pledge amounts
 - f. The number of cards returned with \$0 pledge
 - g. The number of cards outstanding

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

5. Following the completion of the pledge drive, the stewardship chairperson will provide a list of all pledges (amounts and names) to the Office Administrator for use in the subsequent recording of pledges received. For any pledge cards received after the completion of the pledge drive, the applicable information will be provided to the Office Administrator. A list of members who have pledged, and those not pledging but requesting envelopes, are provided to the Counters to facilitate the recording of pledge payments.

C. Budgeting

Purpose – The purpose of the budgeting procedures is to ensure the timely and effective planning of parish programs, use of parish resources and funding of expenses for the upcoming year.

Policy Statement – On an annual basis, the Financial Oversight Committee shall determine a proposed budget for the upcoming fiscal year, to be presented to the full Vestry for approval. St. Mark's strives for a balanced budget that will include funds to be set aside for long-term major maintenance and repairs such as roofing, HVAC, etc. as outlined in the Buildings and Grounds long-term plan. The proposed budget is to be presented to the Vestry for approval no later than the Vestry meeting immediately preceding the end of the calendar year. The approved budget shall be presented to the parish within 30 days of approval.

Procedure

1. To prepare the budget, the FOC shall obtain information from the Rector, Standing committees, and parish organizations regarding program plans and proposed expenses for the upcoming year. The FOC, in collaboration with Building and Grounds and other Committees soliciting on-going contracted services, will ensure that contracted services are re-bid at least every 5 years to a minimum of 3 bidders.
2. The FOC will also obtain pledge and other income information from the stewardship chairperson and Wardens for the upcoming year.
3. Using this information and the prior year budget and actual financial results, the FOC shall prepare a preliminary budget. This budget shall be discussed with the Rector prior to presentation to the vestry.
4. The preliminary budget shall be presented to the Vestry for discussion and approval, no later than indicated above; however, one month prior to the annual meeting is preferable.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

5. Approval of the proposed budget will require a vote of the Vestry members according to the Vestry guidelines. In the event the budget as presented by the FOC is not approved, the Vestry and members of the FOC shall revise the budget until agreement is reached.
6. Upon approval of the budget by the Vestry, the FOC will notify all chairpersons of standing committees and parish organizations of the approved budget allotment to their respective group. This will be completed prior to the presentation of the budget at the annual parish meeting.
7. Copies of the approved budget are to be distributed to the Rector, Vestry, Treasurer, Office Administrator, bookkeeper, FOC and organization and committee chairpersons. A copy of the budget will be made available to the parishioners within 30 days of approval.

Section VII – Banking and Investments

A. Bank Account Maintenance

Purpose – The purpose of the bank account maintenance policy and procedures is to ensure that St. Mark's funds are adequately safeguarded, earn an appropriate rate of return for the risk deemed allowable, and are properly accounted for and included in financial reporting.

Policy Statement – St. Mark's funds are to be maintained in financially sound banking and investment institutions which meet or exceed U.S. federal standards of performance for their industry. These institutions will be reviewed every five (5) years to verify their financial standards, cost of service, and adherence to St. Mark's Sustainable and Responsible Investment (SRI) criteria. For traditional banking operations, the Vestry prefers local or regional banks with strong balance sheets that also meet our SRI criteria. By banking locally, we help to support our neighbors and the local community. Bank and investment accounts will be properly reconciled and maintained.

Procedure

1. New Parish bank accounts are to be opened only at the direction of the Vestry.
2. Parish bank accounts should seek to earn the highest amount of interest (or income) available with an acceptable level of risk and for the lowest account maintenance fees, in order to maximize the earnings on the account.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

3. Investments other than in checking, savings, money market or certificates of deposit must have prior approval from the Vestry.
4. Transfer of funds between the investment accounts and the bank operating fund accounts can only be made with the written authorization of the Treasurer, Financial Oversight Committee Chairman, or the Senior Warden based on prior Vestry approval.
5. The parish bookkeeper will reconcile parish bank and investment accounts on a monthly basis in a timely manner. Items that are not reconciled are to be investigated and resolved on a timely basis.
6. All parish bank and investment accounts are subject to the annual independent financial audit. Bank statements, account reconciliations, and receipts or evidence of transactions will be provided by the Treasurer when requested for the annual audit, the parochial report or at any other time deemed necessary by the Vestry or the FOC.
7. Banks, brokerages and other financial institutions where St. Mark's has accounts will be reviewed for suitability every 5 years by the FOC. If the existing institution fails to meet our suitability criteria, the FOC will research at least 3 alternative sources for this service and provide recommendations to the Vestry regarding making a change.

B. Investment Guidelines

Purpose – to define the specific socially responsible investing guidelines to be applied to St. Mark's portfolio, as well as other investments standards.

Policy Statement – St. Mark's will seek investments of moderate growth and low to moderate risk with the intention of preserving principal and having growth and income to offset inflation. Income from interest, dividends and appreciation of assets will be used, along with principal, to fund near- and mid-term operations. Margin loans are prohibited.

St. Mark's will not invest in companies which produce tobacco products, alcohol, or firearms, to include major defense contractors, or are involved in gambling or pornography. A specific list of [prohibited defense contractors and tobacco producers](#) is maintained by the Episcopal Church.

When investing in banks or bonds, St. Mark's will avoid those issuers charging usury levels of interest above 30% on loans, in addition to the other SRI screens. Bonds will be of a grade/rating of AA or higher, or a fund whose overall composition is AA or higher.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

St. Mark's will strive to invest in companies which

1. Provide equitable pay and benefits for all employees
2. Ensure equal rights and opportunities for all employees
3. Demonstrate a commitment to their local communities
4. Protect the environment and ensure sustainability of their operations through recycling of materials, improved energy efficiency and use of renewable energy

Procedures

1. The Financial Oversight Committee will work with the broker managing St. Mark's investment portfolio to minimize the fees and other costs of investment and determine acceptable risk based on
 - a. What is the money used for- i.e. operating account, capital improvements
 - b. How liquid should the funds be
 - c. What is the risk acceptance for the organization, how much risk to take
 - d. Are the investments diversified among asset classes
 - e. When will the funds be needed, short term, intermediate, or long term. How much time do you have to move through market cycles.
2. The FOC and broker will also review the SRI guidelines and determine appropriate investment recommendations and present these to the Vestry for approval.
3. The Treasurer and FOC may authorize the broker to continue to acquire additional shares of approved investments as market conditions warrant.
4. The FOC, in conjunction with the broker, will review the portfolio and market conditions at least yearly and make any recommendations for changes to the Vestry for approval.
5. Every two years, or more often if needed, the FOC and broker will determine if there is a need to reallocate funds among the different asset classes in the portfolio. Reallocation within the approved portfolio does not require Vestry action but should be brought to the Vestry's attention in the normal reporting process.
6. The FOC will review and vote proxy statements in accordance with the SRI guidelines.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

Section VIII – Insurance

Purpose – to protect the buildings and grounds of St. Marks in the event of crime, damage or catastrophic loss, and the on-going operations of St. Mark’s from crime and negligence.

Policy Statement – Responsible stewardship requires the protection of the Church’s people and property from certain risks.⁴ The physical plant, contents, and operations of St. Mark’s shall be adequately insured to allow timely restoration of facilities and continuation of St. Mark’s operations. Health insurance and other employee benefits are supported by St. Mark’s and implemented on an individual agreement basis following Diocesan guidelines.

A. Property insurance

1. Property insurance shall reflect the total value of the assets being protected.
2. Be obtained from reputable companies that adhere to the industry standards for service, reliability and financial stability.
3. Shall be reviewed annually with the insurer to maintain adequate coverage.
4. Shall be re-bid/competed every 5 years to ensure companies maintain standards of service and to achieve the best coverage at least cost. This will involve at a minimum a property appraisal by an independent appraiser every 5 years.

B. Liability insurance

1. Churches strive to keep their property free of defect and safe for all visitors, and ensure that their operations cause no harm to individuals. A general liability policy should have a policy limit of \$1 million per occurrence.
2. Cemetery Liability should also be considered in collaboration with the Cemetery Trustees.
3. The FOC should review on a periodic basis the need for additional kinds of liability insurance and make recommendations to the Vestry. This can include Directors and Officers liability, Network Security and Privacy Liability, among others.

⁴ EMBM, Chapter VII - Insurance

Section IX – Financial Oversight Committee

A. Financial Oversight Committee

Purpose –to establish the goals and responsibilities of the FOC and its interaction with the Vestry and other organizations of the church.

Policy Statement – The FOC will be a standing committee of the Vestry with tasks as the Vestry determines. The FOC will also have regular financial reporting and oversight responsibilities, on which it will report to the Vestry on a monthly basis.

Procedure

1. The FOC shall be comprised of at least two members of the Vestry, other parishioners, and the Treasurer. The Rector and the Vestry shall appoint a chairperson for the FOC, whose term shall be a minimum of one year.
 - a. The Chair of the FOC shall appoint, with the concurrence of the FOC, a Vice Chair whose duties shall be to act in the place of the FOC Chair in the absence of the Chair and all other duties as assigned by the Chair. The Vice Chair must be a current member of the FOC. The term of the Vice Chair will coincide with the term of the Chair. The Vice Chair serves at the pleasure of the Chair.
2. The FOC will meet monthly, or more frequently as needed, to discuss and perform duties as assigned by the Vestry and determined by the committee directly.
3. The regular duties of the FOC will include the following:
 - a. Review of monthly financial reports
 - b. Assistance with the preparation of the annual budget
 - c. Assistance in fund raising programs and the annual pledge drive
 - d. Review and recommendations to the Vestry for major purchases, capital improvements, proposed fund-raising programs, etc.
 - e. Coordination of the independent audit, including a review every 3 years of the appropriate auditor.
 - f. Monthly reporting to the Vestry

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

- g. Long term financial goals and planning proposals
- h. Periodic review on a 5-year basis of the institutions used for liquidity accounts, investment accounts, and insurance policies.
- i. Periodic review of this manual every 5 years, updating as needed with the Episcopal [Manual of Business Methods in Church Affairs](#).

Section X – Short Term Rental Policies and Procedures

A. Overview

This section covers the rental policies and procedures for St. Mark’s Episcopal Church for short term rentals. Weddings, funerals and community group rentals have been given their own sections due to their specific issues. Short term rentals, also called event rentals, are covered by a reservation application form.

These policies and procedures have been established pertaining to all parties involved in short term rentals for any available St. Mark’s rental space and cover the scheduling of short term rental events, the completing of reservation application forms, and the overseeing of St. Mark’s rental spaces during short term rental events.

The table below lists the rental spaces that St. Mark’s makes available:

Area	Capacity Limits
Sanctuary	299
Parish Hall	180 seated affair 230 standing affair
Trailer	50
Classroom	20
Nursery	<i>Not available at this time</i>
Music Office	<i>Not available at this time</i>
Back porch – future	<i>Possible future use</i>
Parking lot	<i>TBD</i>

Costs are variable. For more detailed information about sizes of the rental spaces and costs, see

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

the Parish Administrator, the Administrative Assistant, or the Junior or Senior Warden.

Note: These maximum capacity limits are dictated by the Montgomery County Fire Marshal and cannot be exceeded. If a larger group is expected, St. Mark's cannot accommodate them.

B. Definition

Event rentals generally occur for one-time events or events that cover a maximum of 5 days and do not recur on a regular basis, either weekly or monthly. Recurring events are considered long term rentals that require a tenant lease contract (described in Section XI of this document).

C. General Policies

This section lists some of the policies that all event rentals must follow. There are multiple terms and conditions for rentals that are applied to specific events, weddings, funerals or community groups.

1. Alcohol at events hosted by the general public is limited to beer and wine. Events sponsored by parishioners or tenants may include hard liquor. For events where any type of alcohol is served and where tickets are sold or donations are solicited, all renters are required to obtain a Montgomery County Temporary Liquor License. <https://www.montgomerycountymd.gov/ABS/licensure/license/one-day/>
2. Whenever the general public or a member of one of our tenant organizations sponsors an event that extends beyond 7PM, St. Mark's will obtain the security services of the Montgomery County Police Department (MCPD) for the hours from 7PM to closing. There is an hourly charge to be paid by the renter for these services. This policy does not apply to parishioner sponsored events or events sponsored by our tenant organizations.
3. There is an extra fee if the kitchen is used for any event or if food is served from the kitchen. Refer to the reservation application form for the current fee.
4. The times shown on the reservation application form must include adequate set-up and clean-up times. They are NOT the times of the actual event. In most cases, a minimum set-

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

up time of 1 hour is required, as is a minimum of 1 hour for clean-up. Obviously, if it is a large event (such as a wedding reception for 150 people), longer times should be allowed for both set-up and clean-up. There will be a professional cleaning crew responsible for major cleaning. However, the renter is still responsible for minimal cleaning after the event. The renter is required to walk through the closing checklist with the closer to verify that policies have been adhered to. Refer to Appendix IV for a copy of the closing checklist.

5. If the classroom or trailer is requested, the intended use of that space must be noted. St. Mark's will determine if any planned use might cause undue harm to the space. The use of these spaces may be denied.

D. Reserving the Rental Date

1. While an initial request for a rental date may be taken over the telephone or from an email request or any other electronic communication, the renter must submit a completed and signed reservation application form. This form must be signed by the St. Mark's representative and one of the wardens. If the reservation date conflicts with any St. Mark's event or any previously scheduled special event, the application will not be accepted. The rental date and time are not guaranteed to the renter until a deposit has been received and the application accepted.
2. Each rental space desired shall be checked separately. It is advised that the St. Mark's representative walk the spaces with the renter so the renter can determine at this point, rather than the day of the event, exactly which spaces will best serve his/her needs (and which spaces are not available to the renter due to previous commitments).

E. Completing the Event Rental Request

1. The St. Mark's representative completing the application must initial at the top of the reservation application form in case any questions arise later about any aspect of the application. There are separate forms depending on who is requesting the rental space: one for a member of St. Mark's or a tenant organization or its members (Parishioner and Tenant Space Reservation Application) and another form for an outside renter (Event Space Reservation Application). Parishioners and tenants receive a discount.
2. If the requester is not the leader of the organization, but will be the main contact, then both the leader's and the contact's telephone number and email address must be given.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

3. A 25% reservation fee is due no later than 48 hours after submitting the application. The remaining portion of the charges for the rental must be received no less than 21 days before the event or the event will be cancelled and all sums paid by the renter forfeited.
4. The St. Mark's representative will review each item on the reservation application form and on the Terms and Conditions section (see Appendix V) and the renter must initial each item on the forms to signal acceptance of each provision. The renter will receive a copy of the reservation application form, the Terms and Conditions and the closing checklist. One of the Wardens must give final approval by signing the reservation application form.
5. If the date/times of the event are outside regular office hours, an opening/closing fee will be charged for each day of the event. If the event will start during office hours but run into the evening, only a closing fee will be charged.
6. A security deposit is included as one of the charges of the total rental charge. If the renter meets all the requirements as outlined under the Terms and Conditions of the reservation application form and the closing checklist and vacates the facilities at the contracted time, the deposit will be returned to the renter in full. **Any** violations of the Agreement shall result in a forfeiture of the entire security deposit.

F. Day of the Event

1. While St. Mark's does not require that the person opening the building remain to "chaperone" the event, it is advisable that s/he remain for a short while to determine that no rules previously discussed with the renter (alcohol without permission, balloons, etc.) will likely be violated. If it appears they will be, the leader of the renting organization must be approached and asked to prevent such violations.
2. At the end of the event the person closing the event shall walk through the closing checklist provided with the reservation application form. The closer should also note on the renter's closing checklist the actual time the renter vacates the building. This will facilitate the billing for any additional hours the premises are occupied beyond those agreed to.

G. Weddings

Wedding receptions shall follow all of the short term rental policies. In addition wedding participants need to follow the Wedding Guidelines that can be found TBD.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

H. Funerals

Funeral repasts generally adhere to the short term rental policies. There are exceptions. For details regarding specifics for funeral functions refer to the Funeral Guidelines that can be found TBD.

I. Community organizations or Diocesan events

St. Mark's makes its rental spaces available to community groups, if possible. Community groups generally are groups which need to rent space for a one-time event, weekly events, or monthly events. These groups shall be allowed rental space with no charge provided they meet the following conditions:

1. Are a non-profit organization
2. Have a parishioner or tenant member who belongs to this organization and will be responsible for any issues that might arise regarding their usage of St. Mark's rental spaces
3. Use the rental space for less than 3 hours per week for fewer than 50 people
4. Do not use the kitchen
5. Bring in their own supplies and clean up fully after themselves

If the community organization does not have a parishioner or tenant member who can be responsible for this community organization, an opening and closing fee will be charged for each meeting.

Community groups renting on a regular basis shall fall under the tenant lease rental. Community group meetings may be superseded by parish events, any paid event rentals or approved tenant events. They may reschedule to another night or another rental space if it is available. If possible, these groups will be notified 2 weeks prior to any rescheduling.

J. Nondiscrimination Policy

St. Mark's does not discriminate on the basis of ethnicity, race, color, national origin, veteran status, sex, sexual orientation, gender identity, gender expression, marital status, pregnancy, childbirth or related conditions including lactation, age, disability, genetic information, or any other factor prohibited by applicable law; follows the applicable policies and governing principles of the Episcopal Church pertaining to nondiscrimination; and requires all tenants and users of its facilities to do likewise while on St. Mark's property.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

Section XI – Long Term Rental Policies and Procedures

A. Overview

This section covers the rental policies and procedures for St. Mark's Episcopal Church for Long Term rentals. Long term rentals are called tenant rentals and are covered by a contract. Specific contract agreements for tenants supersede anything written in this section of the FPPM.

These policies and procedures have been established pertaining to all parties involved in long term rentals for any available St. Mark's rental space.

The table below lists the rental spaces that St. Mark's makes available:

Area	Capacity Limits
Sanctuary	299
Parish Hall	180 seated affair 230 standing affair
Trailer	50
Classroom	20
Nursery	<i>Rented by a current Tenant 24/7</i>
Music Office	<i>Rented by a current Tenant 24/7</i>
Back porch – future	<i>Possible future use</i>
Parking lot	<i>TBD</i>

Costs are variable. For more detailed information about sizes of the rental spaces and costs, see the Parish Administrator, the Administrative Assistant, or the Junior or Senior Warden.

Note: These maximum capacity limits are dictated by the Montgomery County Fire Marshal and cannot be exceeded. If a larger group is expected, St. Mark's cannot accommodate them.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

B. Definition

Any organization choosing to rent space on a regular basis, either weekly or monthly, will be covered under tenant lease rentals. These rentals are covered by signed contracts between St. Mark's Leadership and the tenant representative and are in effect as outlined in the contract.

C. Policies

1. St. Mark's reserves the right to cancel a tenant contract due to noncompliance with any rules and regulations that are specific to this tenant or rules and regulations that St. Mark's must comply with according to Montgomery County or the Episcopal Diocese of Washington.
2. Some community groups who rent on a regular basis may fall under the tenant lease rental. For more details on community groups see Section X, subsection I of this document.
3. Tenant organizations and their members will receive discounts when renting space for any event rental. For details refer to Section X, subsection E, item 1 of this document.

D. Procedures

The following procedures are required in order to complete the contract process:

1. The prospective tenant will meet with the Parish Administrator, the Rector and the Senior or Junior Warden to discuss details and costs.
2. Once all parties have agreed to the details and basic rules and regulations, a St. Mark's representative will draft a contract.
3. The contract shall be reviewed by St. Mark's General Counsel, the Rector and the Wardens.
4. After St. Mark's representatives have approved the contract, it will be sent to the prospective tenants. If changes are needed, the Parish Administrator will update the contract until all parties reach an agreement or a refusal.

E. Nondiscrimination Policy

St. Mark's does not discriminate on the basis of ethnicity, race, color, national origin, veteran status, sex, sexual orientation, gender identity, gender expression, marital status, pregnancy,

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

childbirth or related conditions including lactation, age, disability, genetic information, or any other factor prohibited by applicable law; follows the applicable policies and governing principles of the Episcopal Church pertaining to nondiscrimination; and requires all tenants and users of its facilities to do likewise while on St. Mark's property.

Glossary

Counters – volunteer members of the parish who count cash and checks received each week. Operating in at least two-person teams, they summarize the weekly cash inflow to St. Mark's from all sources and deposit those assets with Sandy Spring Bank.

Endowment – a capital fund intended to support operations through interest and dividends, while preserving the principal.

Liquidity – capable of ready conversion into cash.

Permanently restricted assets – contributions whose use by the organization is limited by donor-imposed restrictions that do not expire, or cannot be satisfied by actions taken by the organization

Statement of Financial Position (SFP) – is the primary financial statement that provides information about an organization's assets, liabilities and net assets and about their relationship to each other at a particular point in time. This statement is also referred to as the Balance Sheet, or Statement of Assets and Liabilities. The SFP also allows for the assessment of the organization's liquidity, solvency, and financial flexibility needed to obtain external financing and satisfy its day-to-day debts.

Sustainable and Responsible Investing (SRI) – an investment discipline that considers environmental, social and corporate governance criteria (ESG) to generate long-term competitive financial returns and positive societal impact.

Temporarily restricted assets – contributions whose use by the organization is limited by donor-imposed restrictions that either expire with the passage of time or can be satisfied or removed by actions taken by the organization. For St. Mark's, an example is donations specified for the Parish Hall extension.

Unrestricted assets – assets that are neither permanently nor temporarily restricted by requests of the donor. These donations are generally constrained only by the broad limits resulting from the mission of the organization and its operating environment.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

Appendices -- Financial Documents and Forms used by St. Mark's

Appendix I - Counter documents

Appendix II - List of routine invoices

Appendix III – Sample of information provided to auditor

Appendix IV – Closing Checklist for Short Term Rentals

Appendix V - Terms and Conditions for Short Term Rentals

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

Appendix I – Counter Documents

Documents used by the counters to record contributions are available on the St. Mark's website. See the [Organizational Information page](#), the St. Mark's Policies and Procedures section. The link is located under the link to this document – the St. Mark's Financial Policies and Procedures Manual.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

Appendix II – List of Routine Invoices

PEPCO – electricity company

Comcast – telephone/internet

Washington Gas – gas (heating/stove)

WSSC – Water and sewer

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

Appendix III – Sample of Information Provided to Independent Auditor

1. Operating statements for 20XX
2. Vestry minutes for 20XX and through June for 20XX
3. Account information
 - a. bank statements (entire year plus the January 20XX)
 - b. canceled checks
 - c. check registers
 - d. investment account statements
 - e. credit card statements
4. Disbursement receipts for the entire year
5. Payroll records for 20XX (copies of W-2s, etc.)
6. Insurance values of assets as of 12/31/XX
7. Pledge envelopes
8. 20XX Parochial Report ([blank form](#) and [instructions](#)).

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

Appendix IV – Closing Checklist for Short Term Rentals

Closing Checklist for Rental: _____

Parish hall

- _____ Tables (if used) and coffee bar must be wiped down.
- _____ All extra tables removed from storage room must be returned to storage.
- _____ Extra chairs must be stacked no more than 8 high on chair carts and returned to storage with **nothing placed on the red walkway** in that closet.
- _____ Neither the portable altar nor the piano and piano bench are to be moved or used as tables.
- _____ All trash and debris shall be placed in the trash cans.
- _____ Tables and chairs must be returned to their original configuration.

Kitchen (if used)

- _____ All counters must be wiped down.
- _____ All food and serving equipment brought in by renter must be removed; nothing may be left in the refrigerator or freezer.
- _____ Any cooking utensils belonging to St. Mark’s (pots, pans, etc.) used by renter must be washed and returned to their original location.
- _____ All trash and debris must be placed in the trash cans.

Bathrooms

- _____ All used paper towels and other trash must be placed in the trash cans.
- _____ All stall doors must be unlocked.

Classroom, Trailer (if used)

- _____ All furniture must be returned to its original position.
- _____ Nothing is to be removed from any bulletin boards.
- _____ Windows shall be closed and latched.
- _____ All trash and debris shall be placed in the trash cans.

Time building vacated _____ Closer _____

Renter: _____ Initials _____

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

Appendix V – Terms and Conditions for Short Term Rentals

Applicant’s Initials

Premises Occupancy

- Renter may not enter the facilities before the specified start time. _____
- Renter must have facilities clean and ready for closing inspection no later than the specified end time. _____

Refunds

- If applicant requests cancellation of this reservation no later than 21 calendar days before the scheduled event, St. Mark's will retain the reservation fee paid, and refund any additional money paid. _____
- Cancellation requested less than 21 calendar days before the scheduled event will result in St. Mark's retaining all funds paid. _____

Set up, use of St. Mark's tables and chairs

- Renter is responsible for setting up the room(s) to accommodate their event. _____
- The tables and chairs in the room(s) rented may be used. _____
- If the event will take place in the Parish Hall, additional tables and chairs may be taken from the chair/table closet. _____
- All facilities must be returned to the configuration in which they were found at the conclusion of the event, i.e., the number and placement of tables and chairs that were there at the renter’s entry to the facility must be in the same place and number at the conclusion of the event. _____
- All tables and chairs taken from the chair/table closet must be returned to the closet in the same configuration (stacked chairs on dollies no more than 8 high, placement of chairs and tables) in which they were found. **Nothing must be placed on the red walkway in that closet.** _____

Additional Equipment/Services

- St. Mark's does not provide a stage, audio-visual equipment, or any other types of additional equipment or services. Renters must provide all equipment needed for their event. _____
- Erection of exterior tents are not permitted unless approved at the time the space reservation application is submitted. _____

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG

- The portable altar in the Parish Hall is not to be moved or used as a table.
- The piano in the Parish Hall is not to be moved or used without permission at the time the space reservation application is submitted.

Decorations

- Rice and Birdseed are **prohibited**.
- Balloons that rise of their own volition, *e.g.*, helium balloons, **are prohibited**.
- Wall decorations may only be attached with masking tape. **Scotch tape, pins and the like are not permitted.**

Kitchen Use

- Renters must provide their own linens, china, glassware and silverware. Use of St. Mark's linens and tableware is not permitted.
- Renters must provide their own cooking utensils, pots and pans. If any accessible St. Mark's pots and pans are used, they must be washed, dried and returned to their original location.
- Refrigerator use is restricted to marked shelves, as agreed upon when space is first requested. No freezer use is permitted.
- Access to the stove must be requested in advance and all applicable procedures reviewed with St. Mark's staff when space is first requested. The key to the stove must be returned to the St. Mark's staff when the closing inspection is conducted.

Take Down and Cleaning

Cleaning the premises after the event must include all of the following:

- All trash must be placed in the trash cans
- Tables, counters and the coffee bar must be wet-wiped clean
- No food or beverage may be left in the premises
- Any decorations put up for the event must be removed from the premises.

12621 Old Columbia Pike, Silver Spring, Maryland, 20904

Phone (301) 622-5860 * FAX (240) 560-6613 * email: office@STMARKS-SILVERSPRING.ORG