

**First Parish Church**  
**Liability Account and Reserve Fund Policy**

As Amended by Standing Committee May 10 and June 14, 2016

1. **Creating New Accounts.** Liability Accounts and Reserve Funds may only be created by vote of Standing Committee, preferably at the recommendation of the Treasurer and Finance Committee. Specific purposes & governance of each Reserve Fund (Fund Charter) to be included in the motion that creates the fund.
2. **Fund Sources.** To the extent that a fund has specific regularly identified funding sources that are expected to be automatically credited each year/month they are identified for each individual account in the fund charter. All funds may also receive funding from any of the following sources:
  - a) Specific targeted gifts as designated by the individual(s) making the gift
  - b) Amounts transferred from operating budget via line item allocation as voted by the Finance Committee, Standing Committee and approved by the Congregation as part of the annual budget process
  - c) End of year allocation of operating budget surplus recommended by Finance Committee and approved by Standing Committee
  - d) Income generated by the investment of the fund, which will be based on an allocation of short-term interest earned on overall operating fund investments
3. **Disbursements.** Spending from Liability Accounts will be based on Church Policy guidelines and generally will be based on once a year adjustments approved by the Finance Committee with appropriate notification to Standing Committee and Congregation as part of annual budget process. Spending from Reserve Funds will be based on the recommendation from the authorized Committee or individuals as provided in the Fund Charter. Fund Charters may also require authorization from either the Finance Committee or Standing Committee. Unless otherwise specified in the Fund Charter, authorizations by the Finance Committee are limited to a maximum of \$25,000 per request. All transactions within Reserve and Liability accounts must be published quarterly and communicated to Standing Committee and Committee Chairs responsible for a Reserve Fund.

**Fund Charters**

**FACILITIES: 3004 – Chapel**

Fund Source: One time targeted funding.

Fund Purpose: Capital improvements to Sears Chapel

Fund Disbursement: Recommendation by Facilities & approved by Finance Committee or Standing Committee

Recommendation: Once current funds are depleted this fund will be closed and ongoing Chapel maintenance will be paid from 3505 Real Estate Maintenance reserve account

**FACILITIES: 3005 - Parking**

Fund Source: One time targeted funding as part of initial Memorial Garden funding (the “Hanson Fund”).

Fund Purpose: Capital improvements to parking & driveways

Fund Disbursement: Recommendation by Facilities & approved by Finance Committee or Standing Committee

Recommendation: Once current funds are depleted this fund will be closed and ongoing parking maintenance will be paid from 3505 Real Estate Maintenance reserve account

**FACILITIES: 3505 - Real Estate Maintenance**

Fund Source: Reserve Funding allocation from Operating budget

Fund Purpose: Capital improvements to any Church real estate

Fund Disbursement: Recommendation by Facilities & approved by Finance Committee or Standing Committee

**FACILITIES: 3506 - Parsonage Maintenance**

Fund Source: Reserve Funding allocation from Operating budget

Fund Purpose: Capital improvements to Conant and Ripley Parsonages

Fund Disbursement: Recommendation by Facilities & approved by Finance Committee or Standing Committee

**FACILITIES: 3510 - Snow Removal and Utility**

Fund Purpose: Reserve to cover budget shortfalls for either snow removal or utility operating expenses

Fund Disbursement: Recommendation by Facilities & approved by Finance Committee or Standing Committee

**FACILITIES: 3512 - Church School Wing**

Fund Source: Net rental received from one time Church School wing rental to a local synagogue.

Fund Purpose: Capital improvements to Church School Wing

Fund Disbursement: Recommendation by Facilities & approved by Finance Committee or Standing Committee

Recommendation: Once current funds are depleted this fund will be closed and ongoing parking maintenance will be paid from 3505 Real Estate Maintenance reserve account

**COMMITTEE ACCOUNTS:**

**DENOMINATIONAL AFFAIRS 3401 - Denominational Events**

Fund Purpose: Scholarships for participation in denominational events, e.g., General Assembly

Fund Disbursement: Recommendation by Denominational Affairs & approved by Finance Committee or Standing Committee

**DENOMINATIONAL AFFAIRS 3405 - Torda Partnership**

Fund Purpose: To support First Parish partnership with Torda Unitarian congregation

Fund Disbursement: Recommendation by Denominational Affairs & approved by Finance Committee or Standing Committee

**MUSIC 3002 - Music Fund**

Fund Purpose: To fund special music events

Fund Disbursement: Recommendation by Music Committee & approved by Finance Committee or Standing Committee

**MUSIC 3100 - Music 40th Anniversary Fund**

Fund Source: General Reserve account 3509 allocation,

Fund Purpose: To fund special music events

Fund Disbursement: Recommendation by Music Committee & approved by Finance

Committee or Standing Committee

Recommendation: Remaining balance after all 40th Anniversary costs are accounted for will be transferred back to General Reserve account 3509.

**MUSIC 3502 - Hymnals**

Fund Source: Hymnal dedications paid by parishioners in 2004+

Fund Purpose: To repair or replace hymnals

Fund Disbursement: Recommendation by Music Committee & approved by Finance Committee or Standing Committee

**MUSIC 3507 - Organ Maintenance**

Fund Purpose: To fund capital repairs for organs

Fund Disbursement: Recommendation by Music Committee & approved by Finance Committee or Standing Committee

**OUTREACH (AND DENOMINATIONAL AFFAIRS) 3003 - Outreach & CCC/UUA**

Fund Purpose: Unclear

Recommendation: Currently a negative balance of less than \$300. Recommend that fund be closed and adjusting entry made to General Reserve account to cover negative balance.

**OUTREACH 3014 - Mideast Refugee Fund**

Fund Purpose: To support Refugee Relief efforts coordinated by Outreach Committee in response to the 2016 Middle East refugee crisis caused by the Syrian Civil War.

Fund Source: Fundraising activities coordinated by Outreach Committee. The fund is the sum of money contributed to FPCW in the name of Refugee Relief and money contributed directly to the effort and held in a separate account at Cambridge Trust.

Fund Disbursement: Recommendation by Outreach Committee and approved by the Finance Committee or Standing Committee.

**CHURCH SCHOOL: 3490 - Church School Reserve**

Fund Purpose: Long term program and outreach funding

Fund Sources: Church school plate donations unspent at the end of each fiscal year as part of Church School outreach or other Church School program

Fund Disbursement: Recommendation by Church School Committee & approved by Finance Committee or Standing Committee

**OTHER RESERVE ACCOUNTS:**

**OTHER 3001 - Silent Poor**

Fund Purpose: To aid the needy among First Parish Congregation and immediate community as identified by the Senior Minister

Fund Source: Bequest by Horace Sears; interest from principal invested with UUA account 610526

Fund Disbursement: At discretion of Senior Minister not requiring any committee approvals.

**OTHER 3006 - Art Gallery Fund**

Fund Purpose: To support The First Parish Art Gallery expenses

Fund Source: Gift from Mary Jo & Mel Rines

Fund Disbursement: Recommendation by Art Committee & approved by Finance Committee or Standing Committee

Fund History: Created with the Art Gallery in 2000 to pay for lighting & hangers and Maintenance

**OTHER 3007 – Sunday Flowers**

Fund Purpose: expenditures for flowers related to regular church services

Fund Sources: Targeted donations, and memorial gifts

Fund Disbursement: Managed by Flower Committee and designated individuals who are given the authority by Standing Committee each year. No other committee approval is required for expenditures from this account during the year.

**OTHER 3008 - Discretionary Fund – Minister**

Fund Source: Net of Ministers Discretionary account 5008 from Operating Budget

Fund Purpose: Any expenditure not covered elsewhere, at Minister's discretion

Fund Disbursement: At discretion of Senior Minister not requiring any committee approvals.

**OTHER 3009 - Program Fund**

Fund Purpose: to fund new and expanded programming

Fund Source: Initially funded from targeted donation in 2000-2003 "It's Our Turn" capital campaign. Has been re-funded from budget surpluses over time

Fund Disbursement: Recommendation primarily by Senior Church or Church School, but also open to other committees who propose a new program to enhance the First Parish experience for the congregation or its extended community. Program proposals, and associated spending, must be approved by Standing Committee -preferably with the recommendation of the Finance Committee. Approval must include a cap on total program cost, whether or not will create new separate Reserve Fund and Fund Charter, and process for spending authorizations to be submitted and approved.

**COMMITTEES 3010 Library Fund**

Fund Purpose: Maintenance of First Parish library

Fund Disbursement: Managed by Library Committee and designated individuals who are given the authority by Standing Committee each year. No other committee approval is required for expenditures from this account during the year.

**OTHER 3011 – Bristol Lodge**

Fund Purpose: Provide funding for Bristol Lodge expenses

Fund Source: Targeted donations

Fund Disbursement: Managed by designated individuals who are given the authority by Standing Committee each year. No other committee approval is required for expenditures from this account during the year.

**OTHER 3012 – Courtyard**

Fund Source: One time targeted gift.

Fund Purpose: Maintenance of courtyard garden enclosure at main entrance of church building

Fund Disbursement: Recommendation by Facilities & approved by Finance Committee or Standing Committee

Recommendation: Once current funds are depleted this fund will be closed and ongoing parking maintenance will be paid from 3505 Real Estate Maintenance reserve account.

**OTHER 3013 – Memorial Garden**

Fund Source: Memorial donations and one time gift ("Hanson Fund")

Fund Purpose: Maintenance of Memorial Garden

Fund Disbursement: Managed by Memorial Garden Committee and designated

individuals who are given the authority by Standing Committee each year. No other committee approval is required for expenditures under \$500 from this account during the year. Requests of \$500 or over must be approved by Finance Committee or Standing Committee

**OTHER 3015 – Major Guest Speakers Fund**

Fund Purpose: To attract a world-class speaker to FPCW periodically, ideally for a sermon, an after church forum or an evening presentation.

Fund Source: \$50,000 Gift from Carol McMullen and Sean Rush deposited 4/25/16.

Fund Disbursement: Upon Selection by the Senior Minister with approval of the Finance Committee. Interest shall accrue to the fund, but both income and principal may be used as necessary.

Fund Conditions: (1) Carol McMullen and Sean Rush should be notified as soon as each speaker is engaged; (2) acknowledgement of “Mr. or Ms. Smith’s appearance at First Parish Weston is supported by a grant from Carol McMullen and Sean Rush”; and (3) altar flowers provided by the fund for speaker’s appearance and acknowledged as “In loving memory of Beth and Bob Charpie”.

**Other 3099 – (Other) Ministerial Housing**

Fund Purpose: To provide supplemental income for retired First Parish ministers

Fund Disbursement: Recommendation by Senior Minister & approved by Finance Committee or Standing Committee

Recommendation: As per vote of Finance Committee June 9, 2009, balance of fund will be paid to retired ministers of First Parish and account will then be closed.

**Other 3504 - Office Equipment**

Fund Source: Office and Admin Operating Budget

Fund Purpose: To repair or replace major office equipment (e.g. copiers/computers)

Fund Disbursement: Recommendation by Senior Minister & approved by Finance Committee or Standing Committee

**OTHER 3508 - Sabbatical**

Fund Source: Reserve Funding allocation from Operating budget

Fund Purpose: To pay for guest preachers during ministerial sabbaticals

Fund Disbursement: Recommendation by Senior Minister & approved by Finance Committee or Standing Committee

**OTHER 3509 - General Reserve Account**

Fund Purpose: For unbudgeted capital, operating, or program expenditures not covered by other Reserve Fund accounts

Fund Disbursement: Requests for disbursements can originate from any committee.

Authorization for each request over \$5,000 must be approved by the Standing Committee. Authorizations of \$5,000 or under can be approved by either the Finance Committee or Standing Committee.

**OTHER 3920 - Reserve Staff**

Fund Purpose: to provide staff bonus

Fund Disbursement: Recommendation by Senior Minister & approved by Finance Committee or Standing Committee