

CLERGY DISCRETIONARY FUND POLICY FOR THE DIOCESE OF CENTRAL FLORIDA EFFECTIVE OCTOBER 2021 (Part A)

General information	The purpose of the Rector (or Clergy) Discretionary Fund (CDF) is to provide funds for the Rector/clergy to use for pious and charitable purposes, or for uses that are consistent with the parish's mission.
Setting up the account	<p>The CDF Account belongs to the Church, and should</p> <ul style="list-style-type: none"> • be in the corporate name of the Church, • use the Church's FEIN number. • Be established by Vestry motion • Be located at the same bank as the church operating fund • Have the CDF Bank statement sent to the church address • Be reconciled by a person other than the Rector/clergy. • Not have a debit card tied to this CDF account.
Authorized signers On the CDF account	<ul style="list-style-type: none"> • The Rector/Vicar (possibly other parish clergy) • Two trusted persons other than clergy as designated signers • Should be updated by the Vestry on this account annually. • May not include any clergy spouse or clergy family members
Source of funds The CDF may be funded	<ul style="list-style-type: none"> • By a once per month undesignated "loose" offering • from a line item in the church budget • from a designated endowment fund (interest only) • donations from individuals • honoraria voluntarily submitted by the clergy
Record keeping requires	<ul style="list-style-type: none"> • clear, orderly records of all deposits, expenditures and transactions. • Maintaining an accurate check register (suggest skipping lines between entries to include pertinent data) • If a receipt is lost or damaged, a signed and dated note should be put in the file documenting the expenditure.

SAMPLE **St Swithin's CASH ASSISTANCE DISBURSEMENT**

CASH ASSISTANCE TO: _____ **from:** the Rev.

Date: _____ **Amount:** _____

For: (check all that apply)

☐ Food
☐ Gas
☐ help with rent/utilities
☐ help with travel, bus ticket, etc.
☐ other

RECEIVED BY: X

Please have the person who received the cash sign on this line

The Rector/Clergy Discretionary Fund is NOT to be used

- As a means for Individual and/or personal gifts to the Rector
- in any way that would benefit the Rector or Rector's immediate family
- For purchasing books or supplies for the church or the Rector
- to benefit any Seminary or college
- for Clergy Continuing Education or travel
- for anything that could be included in the budget (vestments, clergy shirts, maintenance, special projects)
- for business meals or entertainment

OPERATIONAL GUIDELINES

- Make sure that all checks/payments from the General Fund Account have been deposited to the CDF (Get a list of these transactions from the church treasurer)
- Review payees of all checks and ensure that the purpose of the expenditure is noted on the check register (rent, utility/food, etc.)
- Review all notes/receipts and file them
- Reconcile the CDF account monthly and file the reconciliation report
- Files and/or folders (paper or digital) of the CDF Bank Statements and reconciliation reports should be maintained by someone other than the clergy and kept in the "cloud."
- All paper copies of CDF records should remain in locked filing cabinets with limited access.
- The CDF check register should be kept current
- The Vestry should adopt a written policy that the balance of the CDF remains in the parish when the clergy departs.
- If possible, the CDF checks should **not** be written to individuals. (to vendors is ok (mortgage company, management company, FPL or utility, etc))
- The Vestry should adopt a written policy that emergency cash assistance should be limited to a fixed amount. Any Cash disbursements over the fixed amount should be cleared in advance by the Sr. Warden. The policy should include that anyone receiving cash should sign a receipt (see above) that is to be filed with the vendor records
- If clergy need to be reimbursed for cash given to a person in need, then someone other than the Rector/clergy should write and sign the reimbursement check.
- Disbursements from the CDF that may be out of the ordinary or raise a question during an audit should be communicated to the Sr. Warden as soon as possible when the gifts are made.
- There should be a written Vestry policy that any passwords or user names associated with this CDF account are known to all signers on the account and password protected in the cloud.
- It should be communicated to authorized signers on the CDF account that any contributions made to the CDF for the direct benefit of a named individual ("pass through" gifts) are not charitable gifts and should not be accepted or funneled through the CDF.
- No church employees may receive funds from the CDF. If this does happen any funds from the CDF given to an employee must be added to the employee's W-2 wages.
- Before the departure of any clergy the Senior Warden must complete a review of the CDF 30 days before the departure of the Rector/clergy. If this CDF audit is not completed in a timely manner, the Bishop reserves the right to delay sending a Letters Dimissory to your new Diocese.
- The Rector should maintain confidentiality regarding the identity of the person receiving assistance.
- The Vestry or finance Committee may impose additional guidelines, but these guidelines should be seen as the minimum standards for fiduciary oversight of the CD
- All donations from individuals to the CDF are to be deposited in the general fund, and recorded on donor's statements, and then transferred to the CDF