

REQUEST TO SPEND (PURCHASE ORDER) POLICY

PURPOSE:

To ensure financial integrity, to help each church department head to manage their budgets more effectively, and to provide an accurate accounting trail for major expenditures in order to adequately address cash flow requirements.

POLICY:

1. A Purchase Order (P.O.) form that includes information about intended expenditures is to be filled out and approved **prior** to the commitment or expenditure of funds for any purchase made on behalf of the church of \$_____ or more.
2. This policy applies to all staff and volunteers of the Church. Staff members are responsible for communicating this policy to appropriate volunteers.
3. Previously approved contractual agreements, such as payroll, utilities or insurance payments, are excluded from the Purchase Order Policy.
4. A completed and approved P.O. is required for expenditures of any amount for a Church Department that has exceeded its annual budget prior to the end of the fiscal year.
5. Individuals who fail to abide by this policy may lose their spending privileges.

PROCEDURE:

1. Fill out a P.O. form. If requesting funds for an event, use one P.O. for the entire event and include an Event Worksheet. If more than one accounting number and/or name is required, include all numbers that will be used on the single P.O.
2. Give the P.O. to the Department Leader, the _____, the Controller and/or the _____ for required approvals as noted in the Approval Authority Matrix.
3. Once the P.O. has been approved, give it to Accounting who will assign a P.O. number. Accounting will keep the original copy for their records and the duplicate will be returned to the requestor. Please give the P.O. number to the vendor when you place your order. The vendor will need to reference this number on their invoice. This number will assist in the tracking of the expenditure.
4. Hold the duplicate copy of the P.O. until you receive the merchandise, or until a check is needed to pay for services rendered
5. Once merchandise has been received or service has been rendered, the requesting employee will submit to Accounting a check request or approved invoice along with a copy of the P.O. and appropriate expense documentation (invoice, receipts, statements, contracts, bids, packing slips, etc.).
6. If the expense is paid for personally use the PERSONAL EXPENSE REIMBURSEMENT POLICY

ATTACHMENT: Request to Spend (Purchase Order) Form

These samples are provided as input to assist you in developing procedures, but are not a substitute for considering the risks at your church and establishing your own policies and procedures to reduce those risks to acceptable levels. Transformation Ministries provides these as a convenience for its churches but directly states to you, the user that Transformation Ministries is not providing these to you as legal advice or even a substitute for legal advice. Use of these samples is at your own risk. Laws change and best

practices change, sometimes rapidly. It is your church's responsibility to stay abreast of changes in laws and best practices. It is recommended you always consult with your attorney and/or CPA as part of the process of developing your policies and procedures.