

Christian Reformed Church in North America **International Operations Financial Policies** **Updated—June 2019**

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Introduction

Statement of Commitment

We believe that all resources are gifts from God and that we are accountable as CRC agencies to those whom we wish to assist and those who require assistance. Therefore, we will be truthful in how we report on the nature and extent of our work and how we will use the funds and other resources provided. We will provide accurate and timely program and financial information as specified in the CRC policies and the requirements of our donors.

Regular Review and Acknowledgment of Policies

This document contains important financial policies that field staff must follow when developing and managing their financial systems. It is vital to make this policies document available to all field staff. This document outlines key policies pertaining commonly to CRC agencies and individually to World Renew and Resonate Global Mission. Further, the policies in this document should be reviewed annually so that field staff can remain familiar with them. Field staff leaders acknowledge completion of this annual review by filling out, signing the following “Annual Affidavit Regarding Financial Policies”, and sending the completed signed form to the appropriate Home Office Finance Contact.

Home Office Finance Contacts

Resonate Global Mission: Kay Trenshaw at ktrenshaw@crcna.org

Back to God Ministries International: Keith Bobrowski at kbobrowski@crcna.org

World Renew: Anne Howell at ahowell@crcna.org or

Mike Heinen at mheinen@crcna.org

Internal Field Audit Team contact: Joan Norman at jnorman@crcna.org

Annual Affidavit Regarding Financial Policies 2019

(Please submit completed form to Home Office Finance each July.)

I have completed the annual review of CRC International Operations Financial Policies with my staff. I understand each of the policies listed. My questions, if any, have been resolved with Home Office Finance. Except as noted below, my staff and I have complied with the stated policies and will continue to do so in the coming fiscal year. If at any time I become aware of non-compliance to any of these policies I will immediately report the incident to the Home Office Finance Contact and the CRCNA Internal Field Audit Team contact.

Exceptions (list policy number and explanation):

Signature of Country Finance Supervisor Date _____

Signature of Field Accountant / Field Bookkeeper Date _____

Checklist

- Review “Financial Policies for International Operations” document with all on-field staff annually.
- Sign form with authenticated signatures and submit to the appropriate Home Office Finance Contact no later than July 31.

Terminology

Organizations often use names, job titles, and phrases that are unique to their organizations. This terminology section aims to define names, job titles, and phrases as they pertain to finance-related policies for CRC international ministries.

Accounting Basis – The main difference between cash basis and accrual accounting lies in the timing of when revenue and expenses are recognized. Cash Basis accounts for revenue only when the money is received and for expenses only when the money is paid out. There must be an actual physical cash transaction (inflow or outflow) for an item to be recorded. Advances issued to partner organizations and employee travel advances are treated as petty cash funds. Modifications (exceptions) to strict Cash Basis accounting are 6050 Home Office Notifications, field vehicle depreciation, and payroll-related liabilities. Accrual accounting recognizes revenue when it is earned (Accounts Receivable) and expenses when they are incurred (Accounts Payable).

Agency - for the purposes of this document refers to the CRC agency (Back to God Ministries International, Resonate Global Mission, and/or World Renew)

Agency Leadership Team - Consists of the executive director(s) and other senior leadership responsible for making strategic and tactical decisions within an agency. The agency leadership team is called “BTGMI Leadership Team” within Back to God Ministries International, “Resonate Global Mission Leadership Team” within Resonate Global Mission, and “Co-directors Priorities Advancement Council” (CPAC) within World Renew.

Bank Signatory - Is someone who is authorized to initiate transactions or change service on a given bank account. A bank signatory can do any or all of the following actions - disburse funds, transfer monies, request copies of bank statements / transaction reports from the bank, close accounts or change the level of service offered by the bank.

BTGMI – Refers to “Back to God Ministries International.” This CRC agency is entrusted with the primary responsibility of evangelism through worldwide Christian media.

Country Finance Supervisor - Refers to the agency employee assigned with the lead responsibility to maintain strong internal controls over field financial resources, ensure compliance to financial policies and oversees the accounting function. Resonate Global Mission Country Team Leaders, in locations where they still exist, and World Renew Country Consultants are the Country Finance Supervisors. For those fields without a Country Team Leader / Country Consultant, the Regional Leader will assign a field staff person this role.

CRCNA – Refers to “Christian Reformed Church in North America.” This is the umbrella organization of the Christian Reformed Church (CRC) in the United States and Canada. Policies mandated by the CRCNA supersede any conflicting policies adopted by CRC agencies.

CRCNA IOFP Standard Procedures – stands for Christian Reformed Church in North America – International Operations Financial Policy Standard Procedures.

Field Accountant / Field Bookkeeper – Refers to the person(s) directly responsible for recording on-field financial activity, preparing financial reports, and providing analyses to on-field staff. This role may include the work of an office assistant, office manager, business manager, finance manager, etc.

Field Accounting Manual – Refers to documented procedures, checklists, and forms that define the local field office’s accounting practices and internal control structure. The field accounting manual must align to the CRC Financial Policies framework, and comply with local government regulations and reporting expectations.

Field Staff – Refers to both international employees and national hires.

Global Area Director - supervises the work performed by an area group of Regional Leaders.

Grant - Payments made to partner groups or other organizations. To be a grant, Agency must have oversight of the program/project but not (1) management of the work or (2) control of the money. A grant must be documented with a written agreement that includes the type of oversight: financial review or program-objective review.

Home Office – Refers to either the U.S. (Grand Rapids) or Canada (Burlington, Ontario) offices.

Home Office Finance Contact – Refers to the primary contact person each field has within the Grand Rapids, Michigan or Burlington, Ontario, Financial Services offices.

IOFP – Acronym for this document, International Operations Financial Policy

International Employee – Refers to staff paid from U.S. or Canada offices.

Ministry Team Leader – Refers to World Renew’s senior manager who supervises the work performed by a regional group of Country Consultants.

National Hire – Refers to staff hired and paid locally.

Partner Organizations – These refer to local non-government organizations (NGO) that have partnered with, in terms of mentoring and grant funding, in order to carry out program ministry. (Excludes Resonate Global Mission Partner missionaries)

Regional Leader – supervises all employees and ministry work performed in a particular region; this may include supervision of Country Team Leaders.

Resonate Global Mission – Refers to the group entrusted with the primary responsibility of evangelism and strengthening church leadership.

USD – Refers to currency in United States dollars.

World Renew – Refers to the CRC agency entrusted with the primary responsibility of managing community development and disaster response work.

1. General Policies

- 1.1 The latest version of the *CRCNA International Operations Financial Policies* document must be reviewed at least annually. Agency management is responsible for their employee's adherence to the financial policies.

An annual review is required so that overseas field staff can become familiar with all financial policies outlined within the CRCNA-IOFP. It is important the document staff review is the current version. Both the first page of the financial policies document and affidavit specify the edition year.

The annual review can be documented by

- sending an email to staff with the policies attached,
- a meeting agenda showing with the review as an agenda item,
- meeting minutes that note that the review had been completed, or
- other written documents that contain a list of the field staff included in the review and the date of the review

The Country Finance Supervisors will retain the documentation for future audits.

- 1.2 All field operations will follow the Standard Procedures within this document. Variance from the procedures, even when required by local government, must be disclosed on the annual affidavit.

The affidavit policy variance disclosures need to specify

- The policy number in which there is an identified variance
- A description of the variance
- An explanation why the variance occurred
- A timeline for making correction or explanation why no action will be taken

- 1.3 The Country Finance Supervisors have the primary responsibility to maintain strong internal controls over on-field financial resources. Regional Leaders / Ministry Team Leaders have a secondary responsibility.

Strong internal controls are procedures and processes that:

- **Safeguard assets.** The segregation of duties prevents a single individual from requesting, authorizing, verifying, and/or recording business expenditures.
- **Ensure reliable financial reporting.** Internal controls help to maintain the validity of financial data; they also equip management to make more educated judgment calls.
 - Completeness. All records and transactions are included.
 - Accuracy. The correct amounts and other relevant data are recorded.
 - Validity. The transactions captured or recorded were real and appropriate.
 - Authorization. The proper authorization levels are in place to cover such things as approvals, payments, data entry, and computer access.
 - Timeliness. Financial reports are available in a timely manner for decision usefulness.
- **Maintain compliance. Comply** to regulatory and statutory filing or reporting requirements.

1.4 Field staff must adhere to CRCNA and agency specific policies. It is the responsibility the Country Finance Supervisor and the Field Accountant/Field Bookkeeper to disclose, as exceptions on the affidavit, non-compliance of the following policies, codes and standards:

- *CRCNA Code of Conduct*
- *CRCNA Conflict of Interest Policy*
- *CRCNA Credit Card Agreement*
- *CRCNA Joint Operations Standards [FS updated 2018]*
- *CRCNA International Employee Handbook*

1.5 World Renew operations must adhere to the following additional policies and guidelines and non-compliance must be disclosed:

- *World Renew Anti-Fraud and Corruption Policy.*
- *Grants and Above-Budget Policies*
- *World Renew International Disaster Response (IDR) Financial Management and Accounting Guidelines*
- *The World Renew Code of Conduct*
- *World Renew Child Safeguarding Code of Conduct*
- *The World Renew Child Safeguarding Policy*

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|---|
| <ul style="list-style-type: none">○ Staff are required to report the appearance of a violation (suspected violation) through proper channels for evaluation of the situation.○ All Resonate Global Mission and BTGMI fields operating jointly with World Renew are required to comply with <i>World Renew Anti-Fraud and Corruption Policy</i> regardless of which country registration is used. |
| <ul style="list-style-type: none">○ A full listing of World Renew policies can be found on the World Renew Corporate intranet site. On the home page of that site is a "Policies" web link. |

1.6 Field financial operations must comply with local government laws and regulations concerning financial reporting, record retention, foreign currency purchases, employment practices, and tax reporting. If local government regulations require variances from these policies, then they must be disclosed on affidavit.

Country Finance Supervisors will obtain written documents from an attorney, a CPA and/or other professional expressing opinion of the agency's compliance to relevant government laws and regulations. The document(s) will be retained by the Country Finance Supervisors for future audits.

1.7 All ministries are required to register and operate as is legally required by the host country. Such host-country registration should be protected and should not be extended for use by other organizations, individuals, and

operations that are not under the direction, control, or supervision of the CRC agency.

- 1.8 Field staff do not enter into any loan agreements with third parties whereby the mission borrows funds. Field operations are therefore funded by Home Office bank wire transfers and on-field revenues.
- 1.9 The transfer of funds to or from individuals or organizations outside of agency-approved program activities is prohibited. In other words, field staff should decline requests to facilitate international fund transfers to unaffiliated individuals / organizations (also known as pass-through or flow-through activity).
- 1.10 Partner organization grant agreements, memorandums of understanding, and funding agreements must comply with the standards outlined in the agencies' policies, procedures, and templates.

In addition to agency standards, the agreements must contain these requirements:

- The grant purpose and duration
- A listing of conditions that need to be met before grant amounts are released
- The budget showing planned revenues and clearly showing what the Agency portion will be
- The budget showing planned expenses in appropriate categories
- The expected time table and amounts of grant payments
- Protocols for initiating grant payment requests and independently verifying receipt of fundings
- The right by the Agency to have unfettered access to partner organization financial records
- Partner organization records will be retained for a minimum of seven years
- The agreement must be signed by authorized representatives of the Agency and the partner organization

- 1.11 Partner organizations that receive \$50,000 USD equivalent or more in combined annual funding / grants annually from one or more agencies must undergo a financial audit from a locally licensed, Agency-approved accounting firm or financial examination from a qualified Agency-approved volunteer or Home Office Finance employee.
- 1.12 In situations where a field office is closing, field staff will discuss the action plan with Home Office Finance. At a minimum, this action plan will include close-out of on-field bank accounts, sale or transfer of on-field assets, and transition plans for staff and partner organizations.

2. Cash Policies

- 2.1 On-field reconciled cash holdings should not exceed 45 days of operating funds plus evacuation funds.

Permission to exceed 45 days of cash holding must be in writing and the Country Finance Supervisor will retain the documentation for future audits.

- 2.2 The amount and allocation of evacuation funds among field staff are clearly identified within fund balance financial reporting to Home Office

Finance. The funds must be returned immediately when no longer necessary.

- 2.3 Fund transfers are requested by authorized staff, as defined in the agency's field accounting manual, using the standard wire transfer protocol.

Requests must include bank wire instruction:

1. Name of bank,
2. Bank office or branch address if known,
3. Bank identification (such as SWIFT code),
4. Exact beneficiary name,
5. Beneficiary address if known,
6. Bank account number,
7. The intermediary bank, if needed,
8. The amount to transfer and the currency to be transferred,
9. How the requested funds will be used, in general terms.

Resonate Global Mission has the following additional requirements for wire transfer requests:

10. Subject line to read (exact wording): "Wire request," country and date
11. Email requests are to be sent to: resonatefinance@crcna.org with CC to Regional Leader
12. Finance will not process wire transfer requests from non-CRCNA email.
13. When an email request is for a wire transfer (or payment) to a new bank account or to a new vendor, the requester is to telephone Joan at (616.224.0736) to verify the amount of the transfer, and who is to be paid.

- 2.4 Third-party grant funding should be sent to the Canada or U.S. office (whichever applies), and field staff must avoid receiving grant monies from third-party funding sources directly on-field.

World Renew policy states that the Chief Financial Officer and the grants officer must be notified of all grant funding agreements prior to final submission to grantor

- 2.5 Field staff should not offset income / revenue against on-field expenses. Revenue and expenses are reported at gross value and are reported separately within the on-field accounting system (see 3.3).
- 2.6 Foreign currency purchases are to be made through a reputable bank, or alternate systems that are in compliance with local laws.
- 2.7 Field staff must comply with import/export currency control regulations when transporting cash across countries borders.

Field staff must familiarize themselves with applicable regulations for each country visited.

For example, there is no limit on the amount of money that can be taken out of or brought into the United States. However, if persons traveling together have more than US\$10,000 it must be declared upon arrival or before departure. Alternately, Canada's declaration threshold is C\$10,000 or the equivalent in another currency (e.g. ≈USD 8,500)

- 2.8 Prior Home Office approval is required before bank accounts can be opened or closed. Requests to change bank accounts should be directed, in writing, to the World Renew Chief Financial Officer /Resonate Global Mission Finance Manager.
- 2.9 Authorized staff within the agency must retain direct control and oversight of any bank accounts used by the agency. All bank accounts must be titled to the agency if the agency has legal registration in host country. Partners or affiliated organizations must not use bank accounts titled to the agency.
- 2.10 The field accountant / bookkeeper must not be a signatory on the bank accounts. Only staff authorized by the Regional Leader or Ministry Team Leader will be signatories and have access to checkbooks and bank information.

Generally, only World Renew and Resonate Global Mission employees hired by the home office may be signatories on the field transfer bank account. When there is no practical operational alternative, a national employee may be added to the signer list

- 2.11 Field staff must not be signatories on partner organizations' bank accounts.
- 2.12 Bank and petty cash reconciliations must be prepared and reviewed monthly prior to compiling the monthly financial reports.

Petty Cash Reconciliation:

- A. Cash Count
- a. Count cash at the end of the day on the last business day of the month or before the beginning of the day the first day of the month.
 - b. Two persons will count the cash together. One will count; the other will re-count to verify the total.
 - c. The cash count sheet is signed and dated by both persons counting.
- B. Review by Country Finance Supervisors
- a. Compare the cash count to the balance in the general ledger.
 - b. If the amounts match, sign and date the cash count sheet.
 - c. If the amounts do not match, investigate and note the resolution on the cash count sheet. Sign and date the sheet.
 - d. The signed count sheet should be filed with bank reconciliation(s) for future audits

Bank Reconciliation

A. Reconciliation:

- a. The Field Accountant / Field Bookkeeper will reconcile the bank account(s) within the accounting software.
- b. Fields using accounting software may not use Excel spreadsheets.
- c. The Field Accountant / Field Bookkeeper will prepare a reconciliation packet for each bank account that contains:
 - i. The bank statement
 - ii. Reconciliation Summary
 - iii. Cleared transactions list
 - iv. Uncleared (outstanding) transaction list
 - v. General ledger printout of the cash account.
- d. Fields that do not use an accounting software should create similar forms for review.
- e. The Home Office Finance Contact can provide sample templates.

B. The Country Finance Supervisors review:

- a. Mathematical calculation: Bank statement balance less outstanding transactions should equal the general ledger balance.
- b. Investigate outstanding checks over 3 months old, large gaps in check numbers, overdrawn accounts, returned checks, and general ledger entries without matches in the reconciliation.
- c. Note the resolution for all investigations on the bank reconciliation. Sign and date the sheet. File the signed reconciliation for future audits.

3. Disbursement Policies

3.1 All disbursements must be approved by authorized staff and properly supported by complete documentation.

All disbursements from any account must be controlled and reviewed by the program director or country finance supervisor. Field disbursements must be well documented and supported by hard copy from vendors or grantees when available.

Withdrawal slips, check copies, wire transfer confirmation or ACH confirmations show the **method** of payment and are not, by themselves, valid expense documentation. These documents should be attached to source documents as a proof of payment. (see D and E below)

Employee expense (travel) reports are a **summary** of expenses and are not, by themselves, valid expense documentation. For each item on the employee expense (travel) report, there should be a supporting document attached to the report

Record expense in the accounting system or monthly field report in the currency paid. Do not translate each transaction but, instead, use the built-in exchange conversion tools within the system or report.

All source documents should be in English or have a very brief English translation. The account (budget line, expense code, general ledger account) should be written on the receipt..

- A. Source (supporting) documents must contain the following information:
- a. The payee/vendor name
 - b. A description of a business transaction
 - c. The date of the transaction
 - d. A specific amount of money spent

- B. Examples of source documents are:
- a. Sales receipt. This can be used as evidence of cash purchase for a disbursement of funds. A receipt is received at the time of purchase and lists the quantities of items, brief descriptions of items, prices, total amount due, and the amount of the payment. Example: A fuel receipt.
 - b. Credit card receipt. A credit card receipt is not, by itself, a valid expense document unless it lists the items purchased. Often credit card receipts are generated for the payment of a bill. Both the bill and the receipt, together, are the valid documentation.
 - c. Supplier invoice. This source document supports the issuance of a cash, check, or electronic payment to a supplier.
 - d. Grant agreement / MOU. This source document supports grant payment to partner organizations.
 - e. Payroll sheets. This supports the issuance of a paycheck or electronic payment to an employee. Unless a grant donor requires otherwise, the employee contract is sufficient.
 - f. Bank statement. This document supports adjustments for bank fees or interest earnings.
 - g. Voucher (employee/agency-generated receipt). Receipts may be difficult to obtain in some countries. If vendor receipts are not available, it is acceptable to create a receipt / voucher containing the required information (see A).
 - i. Vouchers must be signed by the payee.
 - ii. Vouchers must be written the same day as the expense was incurred.
 - iii. A notebook or expense log containing the required information and signatures may be substituted for individual vouchers.

3.2 Partner organization grant payments must be supported by appropriate signed grant agreement / MOU documentation. The Home Office Finance Contact can provide appropriate guidelines for government codified cost principles for non-profit organizations.

3.3 All disbursements must be properly classified to the appropriate account category based on the nature or type of purchase.

- A. Account categories may not be assigned based on budget availability as an alternative to classifying costs by the nature or type of the disbursement. (For example, travel costs cannot be classified to the housing account if the housing budget is underspent.)
- B. The agency-wide chart of accounts is intended to guide staff in the account category selection process. The agency-wide chart of accounts list can be provided by the Home Office Finance Contact upon request.

3.4 Field staff should not offset expenses against on-field income / revenue. Expenses and revenue are reported at gross value and are reported separately within the on-field accounting system (see 2.5).

3.5 Field staff must consult with the Home Office Finance Contact before paying for volunteer housing and/or stipends.

Whenever possible reimbursements / payments to volunteers should be processed through Home Office Finance. Volunteer reimbursements / payments are generally approved by Home Office agency staff and Home Office Finance ensures that any payments comply with Canada / USA tax reporting requirements.

- 3.6 All field staff are prohibited from overspending available donor-restricted funds (over and above budget projects).
- 3.7 The overall disbursement limit is the approved budget. When budgets are changed, fields will follow agency processes, policies, and procedures.
- 3.8 Field staff are expected to monitor, on a monthly basis, the accuracy of this financial information and to alert the Home Office Finance Contact regarding any corrections.

4. Advances Policies

- 4.1 If deemed necessary for carrying out agency work, specific-purpose mission advances can be issued (i.e., travel advances). Additional advances may not be issued when a previous one has not been fully accounted for.

- The amount of these specific-purpose mission advances must be reasonable to the amount of anticipated out-of-pocket costs.
- They require appropriate written supervisor approval
- They must be settled / resolved within ten days after the event by the return of any unspent funds and the submission of a properly prepared expense report.

Expense reports should contain the following information:

- Name of the person being paid
- Purpose of the travel and travel dates
- Date on which an expenditure was incurred (matches the date on the related receipt)
- The nature of the expense (such as transportation, lodging, meals, or other)
- The amount of the expense (matches the amount of the related receipt)
- The account to which the expense should be charged
- A subtotal for each type of expense
- A subtraction for any prior advances paid to the employee
- The grand total of the amount of reimbursement requested

To confirm the purpose of the travel, documentation should include information like attendees, agenda, meeting minutes, syllabus, program, itinerary, summary reports, etc. as applicable.

- 4.2 If deemed necessary for carrying out agency work, an operating / imprest mission advance may be issued to a field staff person or partner organization (i.e., petty cash fund or mission advance).

The amount of the advance must be reasonable to the average level of anticipated spending for the field staff or partner organization (a.k.a. advance holder)

The field accounting system must clearly identify the advance holder.

There must be a written agreement specifying:

- The amount in US dollars or local currency
- The fund's purpose (by grant, mission, program, individual, etc.)
- The requirement for the holder to submit monthly expense reports.
- The signatures of
 - a. The field staff and his / her supervisor, or
 - b. The partner organization representative and Ministry Team Leader / Regional Leader
- Any remaining balance from the advance must be fully repaid to the agency before the field staff terminates his / her employment or the partner organization's funding discontinues.

Partner organization advances are expensed when an approved disbursement report, with supporting receipt documentation, is submitted by the partner organization.

4.3 Partner organization grants are expensed at the time funds are released.

To be a grant, the Agency must have oversight of the program/project but not (1) management of the work or (2) control of the money. A grant must be documented with a written agreement that includes the type of oversight: financial review, program-objective review or both.

4.4 Without exception, it is prohibited to use agency funds to pay personal expenses, for personal loans, prepaid compensation, unearned vacation / sick time, personal advances or salary advances of any sort.

5. Reporting and Accounting System Standards

5.1 Field staff are expected to report to the Home Office Finance according to procedures outlined in the agency's field accounting manual and to the Standard Procedures within this document.

International operations fiscal year is July 1 through June 30.

In on-field accounting systems, staff will use a chart of accounts listing that summarizes (rolls up or totals) to the account categories used agency-wide.

Field staff are encouraged to add account sub-categories in their on-field accounting system as needed in order to help them make better spending decisions or comply with local government or grant reporting requirements. For example, sub-account categories for vehicle expenses may include fuel, maintenance, insurance, and repairs. Create as few sub-accounts as are needed.

Field staff shall translate monthly financial reports to USD using the actual exchange rate, and into English prior to submitting these reports to Home Office Finance.

5.2 Only direct expenses may be charged to a project or activity. Field staff are prohibited from allocating indirect expenses or marking-up costs charged to visiting groups / other fields / Home Office departments / agencies. When there is a need to implement indirect expense allocations of on-field costs to on-field budgeted projects, field staff are expected to follow prescribed Home Office Finance methods of accounting so that indirect costs allocations can be clearly tracked.

5.3 Allocations of expenses to Home Office departments and between fields must be based on a mutually agreed formula and calculation. Allocations cannot exceed actual expenses.

5.4 Month-end, quarter-end, and year-end procedures for managing on-field financial systems should be documented by means of checklists

- A. These checklists need to be updated regularly in order to document completion of key tasks.
 - a. They include the date completed, the staff who completed the task, what the task is and, in general terms, how the task is completed.
 - b. They are generally ordered in the sequence they are to be completed and can be divided by the staff who complete the tasks.
- B. Field staff are expected to cross train in order to ensure key financial tasks are competently completed in a timely manner.
- C. At a minimum, checklists should include
 - a. Standard entries (e.g.: allocations, allowances, accruals, intercompany, HON, etc.)
 - b. Reconciliations (e.g.: bank, petty cash, general ledger accounts, Fund Balance)
 - c. Payments (e.g.: taxes, utilities, grants, etc.)
 - d. Reviews (e.g.: Balance Sheet, Income Statement, budget-to-actual analysis, reports)
 - e. Reports (e.g.: reports to field staff and to home office, distribution list)
 - f. Tasks (e.g.: computer backup and anti-virus/spyware updates, maintenance logs, policy reviews)
- D. Quarter-end (September 30, December 31, March 31, and June 30) should include additional items that occur only at quarter end.
- E. Fiscal Year-end: (June 30) should include
 - a. Closing procedures
 - b. Key audit requirements
 - c. Review CRCNA IOFP and sign the affidavit
 - d. Home office requirements,
 - i. Submit fiscal year-end bank statements and bank reconciliations to Home Office Finance.
 - ii. Submit listing of signatories for on-field bank accounts and custodians over petty cash funds.

See Appendix 1 for examples

5.5 World Renew fields will use modified cash-basis accounting. Resonate Global Mission fields may use accrual-basis accounting if appropriate for the size and complexity of the operations. (See Terminology: Accounting Basis)

The main difference between cash basis and accrual accounting lies in the timing of when revenue and expenses are recognized.

Cash Basis accounts for revenue only when the money is received and for expenses only when the money is paid out. There must be an actual physical cash transaction (inflow or outflow) for an item to be recorded. Advances issued to partner organizations and employee travel advances are treated as petty cash funds. Modifications (exceptions) to strict Cash Basis accounting are 6050 Home Office Notifications, field vehicle depreciation, and payroll-related liabilities.

Accrual accounting recognizes revenue when it is earned (Accounts Receivable) and expenses when they are incurred (Accounts Payable).

6. Fixed Assets and Information Technology (IT) Policies

6.1 Field staff should take reasonable steps to safeguard agency-owned assets.

Safeguarding of assets is defined as those policies and procedures that prevent unauthorized acquisition, use or disposition of the company's assets. Examples: locking doors, utilizing security passwords, regularly changing passwords, employing security staff, using lock boxes / drawers, fireproof safe or cabinet, appropriate insurance, etc.

6.2 Field staff are prohibited from purchasing or disposing of agency land and buildings located overseas unless governing body approval is given.

- A. For real assets valued over \$100,000, the CRCNA Director of Finance and Operations (John Bolt) shall review the purchase, sale, or gift agreement before execution. Resonate Global Mission staff must also obtain prior written approval from the Agency Director (Zachary King) for the purchase or disposal of overseas land and buildings. Resonate Global Mission purchases will be a current-year expense, not capitalized, when either of the following criteria are met:
- a. It is the intention within the objectives of Resonate Global Mission to convey the properties to the national churches or governments within ten years, and Resonate Global Mission will not demand payment on long-term agreements from church related organizations to which land and buildings may be sold; or
 - b. Recovering any significant portion of these capital costs is uncertain because of restrictions on foreign ownership of property and/or exchange control regulations in the foreign field.

6.3 Field staff must obtain prior written approval from the World Renew Chief Financial Officer / Resonate Global Mission Global Area Director(s) for the purchase or disposal of an international field vehicle

6.4 Field Staff must keep a log of routine maintenance and repairs of all agency-owned fixed assets.

- A. At a minimum, fields will follow the Manufacturer's Routine Maintenance Schedule.
- B. The asset maintenance log should include:
- a. Asset name and identification number
 - b. Date of maintenance
 - c. Name of person/business completing the log
 - d. What was inspected
 - e. Notes about the repair, recommendation, or inspection

See Appendix 2 for a sample vehicle maintenance log

6.5 Field staff must maintain a fixed asset listing for purchases valued at \$1,000 USD equivalent or more. Fixed assets valued at less than \$1,000 USD may be listed at the discretion of field staff. The listing should specify

the asset description, date of purchase, purchase cost, insurance coverage (if any), and custodian name.

- 6.6 Insurance policies must be evaluated annually to ensure they meet the minimum coverage required by local laws, grant agreements, and/or other agency specifications.
- 6.7 Anti-virus and anti-spyware protection must be updated regularly. Default settings should ensure that these updates are done automatically.

Staff should consult CRCNA IT department for implementing and establishing anti-virus and anti-spyware software with appropriate default settings.

- 6.8 Agency data on computer hard drives and network drives must be backed up no less than weekly. The back-up needs to be stored in a secured location, separate from the computer.

Staff should consult CRCNA IT department for implementing systems that will back-up computer hard drives and network files at an appropriate frequency.

- 6.9 CRCNA-owned computer equipment must be disposed of in accordance with CRCNA Information Technology (IT) Department policy.
- 6.10 CRCNA-licensed software may only be installed on CRCNA-owned computer equipment.
- 6.11 Computer software should be reviewed and upgraded regularly in consultation with CRCNA Information Technology (IT).
- 6.12 Field staff are forbidden to use pirated software on CRCNA-owned computer equipment and/or in the course of doing their Agency work.
- 6.13 Computers used for CRCNA financial activities must be fully compatible with CRCNA mandated software and Home Office Finance required reports.
- 6.14 Email communications discussing confidential financial and/or personnel information should be facilitated only through secure CRCNA Google email accounts.

When communicating with Home Office Finance please respond to any inquiries or requests for information in a timely manner and make sure the related email chain is preserved (included). This will ensure clearer communication. For those situations when timely response is not possible please negotiate an estimated response deadline.

Please do not reuse older, unrelated chains of e-mail correspondence in order to save a little time in identifying email recipients

When traveling or on vacation, please utilize auto-response notifications so that others may become better aware of possible delays in responding back to email inquiries.

End of Financial Policies for International Operations.

Appendix 1

Example of checklist organized by task:

Month-end		July 2025	
<i>Date completed</i>	<i>Assigned to</i>	<i>What</i>	<i>How</i>
31-Jul-25	Accountant and Country Consultant	Petty Cash count	Physical PC Count form
10-Aug-25	Accountant	Bank Rec	QuickBooks
11-Aug-25	Country Consultant	Review Bank Rec	Per procedure
11-Aug-25	Country Consultant	Balance PC to QB	Per procedure
26-Aug-25	Accountant	Payroll Taxes	Write check & mail

Example of checklist organized by staff

Month-end		July 2025	
Accountant			
<i>Date completed</i>	<i>What</i>	<i>How</i>	
31-Jul-25	Petty Cash count	Physical PC Count form	
10-Aug-25	Bank Rec	QuickBook, give to Country leader	
26-Aug-25	Payroll Taxes	Write check and sent to tax authority	

Month-end		July 2025	
Country Consultant			
<i>Date completed</i>	<i>What</i>	<i>How</i>	
31-Jul-25	Petty Cash count	Physical PC Count form	
11-Aug-25	Review Bank Rec	Per IOFP--Procedures	
11-Aug-25	Balance PC to QB	Per IOFP--Procedures	

Appendix 2

Vehicle Maintenance Log

Vehicle Toyota Tundra 2018 Date of Maintenance November 20, 2025
 Registered to World Renew Mileage 12,200
 VIN (or other ID) 1GHEW41HEXHE109186 Completed by (name) J Norman

Inspected <input checked="" type="checkbox"/>		Repair / action needed / mechanic notes
Monthly		
Check engine light (is it on?)	<input type="checkbox"/>	_____
Lights	<input type="checkbox"/>	_____
Tire inflation, tread, and condition	<input type="checkbox"/>	_____
Windshield washer fluid	<input type="checkbox"/>	_____
Cleaning interior and exterior	<input type="checkbox"/>	_____
3 & 9 months /3,000 & 9000 miles (5,000 km & 15,000 km)		
Automatic transmission fluid	<input type="checkbox"/>	_____
Belts	<input type="checkbox"/>	_____
Battery and cables	<input type="checkbox"/>	_____
Engine oil and filter	<input type="checkbox"/>	_____
Exhaust	<input type="checkbox"/>	_____
Fuel filter	<input type="checkbox"/>	_____
Hoses	<input type="checkbox"/>	_____
Power steering fluid	<input type="checkbox"/>	_____
6 months /6,000 miles (10,000 km)		
Wiper blades	<input type="checkbox"/>	_____
Chassis lubrication	<input type="checkbox"/>	_____
Polish/wax exterior	<input type="checkbox"/>	_____
Engine air filter	<input type="checkbox"/>	_____
12 months /12,000 miles (20,000 km)		
Brakes	<input type="checkbox"/>	_____
Cabin air filter	<input type="checkbox"/>	_____
Coolant (Antifreeze)	<input type="checkbox"/>	_____
Steering and suspension	<input type="checkbox"/>	_____