

FINANCE HANDBOOK  
Regional Synod of Albany  
2023

This Finance Handbook is developed to outline and describe the protocol which will be followed by the Regional Synod of Albany (hereafter called the synod) in managing the income, expenses, and budgets related to the ministries of the Regional Synod of Albany.

The synod designates the responsibility of financial management to a number of individuals and committees of the synod, including: the Albany Synod Finance Committee, the Synod Board of Trustees, the Synod Executive Committee, the Synod Administrator, the Finance Manager, and others. (Please see Appendix 1, The Bylaws of the Regional Synod, for the Board and Committee responsibilities.)

Attached to this handbook are the following documents already approved by the Albany Synod:

1. Bylaws of the Regional Synod of Albany
2. Investment Policy Statement
3. Current Year Authorization Schedule
4. Current Chart of Accounts
5. Current Year Budget
6. Coming Year Budget

### **Process for Income management**

The synod receives income in three general ways. Income is received through contributions from individuals and congregations, through assessments paid by the six classes of the synod, and as pass through contributions. Pass through contributions are those which are received at the synod office but are intended for ministries associated with the synod. Generally speaking, most contributions received are mailed to the synod office.

The mail is handled in the following manner.

1. Mail is processed primarily by the Synod Administrator who separates out financial items from other correspondence.
2. Items that require payment are reviewed and coded according to the chart of accounts and dated with authorization for payment.

3. Contributions received are also noted according to the chart of accounts and dated for deposit.
  - a. Contribution from congregations and individuals are designated to receive an appropriate thank you letter from the Finance Manager.
  - b. Other contributions are categorized according to the purpose for which they were sent. For example, payment of assessments are marked as paid by the individual classis on the payment schedule.
  - c. Pass Through contributions for Camp Fowler and the Utica Fund for Montgomery Classis are deposited in the synod's general fund and checks are prepared and sent to the specific organization in the amount of the contribution. Pass Through contributions for Churches Learning Change (CLC) payments are deposited in the CLC account managed by the synod as are the Faithwalking payments. Tuition payments for the Albany Synod School of Ministry (SoM) are deposited in the general fund under the SoM budget line. The appropriate staff are notified by the Finance Manager of the specific payments received and by which churches or individuals.
  - d. From time to time, the synod receives payments for the SoM, CLC, and Faithwalking through PayPal. These payments are managed by the Finance Manager and cataloged accordingly.

### **Process for Budget preparation and management**

The budget preparation process begins fifteen (15) months before the start of the applicable budget year. This is because the synod meets once a year, in May, where the proposed budget is presented for approval. In the preceding October, the Synod Administrator reviews the current budget with the Finance Committee and identifies areas where substantial changes will need to be made for the next year's budget. This information is shared with the synod's Executive Committee at their November meeting. Following the close of the current budget year, the Synod Administrator and Finance Manager review the financial statement and prepare a draft budget for presentation to the Finance Committee in February. The Finance Committee shares the draft budget with the Executive Committee at their March meeting and each offers recommendations. In April, the proposed budget is presented to the Albany Synod Committee on Accounts for their review and recommendation. This is a group of five delegates, appointed by their classis, to the Regional Synod meeting in May. The Committee on Accounts is appointed by the synod Nominations Committee. The Committee on Accounts recommends the budget at the annual meeting where the synod votes on their recommendation.

When the budget has been approved, the Synod Administrator and Finance Manager do a monthly review and share the report with the Finance Committee and the Executive Committee in preparation for their respective meetings.

### **Process for Investment management**

The synod uses the services of Fenimore Asset Management, Inc. for the oversight of the investment funds. The synod is guided by the Investment Policy Statement for decisions related to the invested funds. (See Appendix 2 for the Investment Policy Statement) The Finance Committee meets each year, in February, with a representative from Fenimore to review the prior year's activity and performance. The synod uses funds from the investments to support budget shortfalls and the synod's grant ministries. Two signatures are required to facilitate the transfer of funds from the investments directly into the synod's general fund. Periodically, the Finance Committee updates the Investment Policy Statement and recommends any changes to the Synod Executive Committee for approval.

### **Authorized Signatories**

Following the annual assembly, held each year in May, the Synod Board of Trustees names the three individuals who have authority to approve the transfer of funds from the investments to the synod's general fund. Two signatures are required for all transfers. Also, the Synod Executive Committee names the same three individuals who have authority to sign checks from the synod's checking accounts. Currently, the three individuals named as authorized signatories are the Synod Administrator; the Synod President; and the Synod Past President because of their proximity to the Regional Synod office. Synod staff members are not permitted to sign checks that are made payable to themselves.

### **Authorization Schedule**

Each year, in their October meeting, the Finance Committee recommends an authorization schedule identifying which staff person has authority to voucher payment for ministry expenses. The authorization schedule (See Appendix 3) is reviewed and approved by the Executive Committee.

The voucher form is processed for the Finance Manager to execute the checks for payment of the ministry expense. Vouchers are only submitted for expenses other than regularly scheduled ones incurred by the synod or its ministries.

## Summary of Albany Synod Financial Accounts

The synod established a number of financial accounts which are directly connected to the ministries of the synod.

The **General Fund** supports the overall operating income and expenses connected to the budget of the synod. Expenses include staff salary and benefits; facility management; office management; program and mission management.

The **Discretionary Fund** for the Ministries Coordinator. These are funds that can be used confidentially by the Ministries Coordinator for special situations and circumstances other than the regular ministries of the synod. They may not be used to benefit directly or indirectly the Ministries Coordinator or her/his family, nor for special projects which might present an actual or potential conflict of interest or the appearance of impropriety.

The **PayPal** Bank account for when payments for services are done through that vehicle.

The synod has a **Line of Credit** with a \$100,000.00 limit to ensure that ministry expenses are met in the case of an emergency.

The synod keeps a small amount in a **Petty Cash** account for hospitality needs as they may arise.

The **Churches Learning Change Fund** which is limited to the income and expenses related to that ministry.

The **Faithwalking Account** which is limited to the income and expenses related to that ministry.

It is important to note that the CLC and FW ministries are shared with both the Synod of New York and the Synod of Mid-Atlantics so it is crucial that these accounts remain separate from the other Albany Synod accounts.

Each of these accounts are monitored on a regular basis. Bank statements are reconciled as they are posted with information shared by the Finance Manager to the Synod Administrator. Bank statements can be reviewed online at any time through the bank's secure online banking portal.

## Management of Credit Cards

The synod provides business credit cards to the Synod Administrator and the Ministries Coordinator. Receipts must be submitted to the Finance Manager and correctly coded so the credit card statements can be accurately reconciled.

While the other synod staff do not have business credit cards, they can submit vouchers and receipts for reimbursement for out of pocket business expenses as long as they are within the limits established by the current year's budget.

Reimbursement for out of pocket business expenses is to be done on a quarterly basis.

## **COMPENSATION POLICIES**

### **Salary**

The Executive Committee, upon Personnel Committee recommendation, establishes salaries.

Salary changes may be granted by the Executive Committee upon Personnel Committee recommendation and contingent on available funds. Changes in salary are based on current salary. New employees will be hired for a probationary period of one year, with professional development reviews as determined by the Personnel Committee. Upon completion of the probationary period of employment, any salary increase that is granted will be prorated until the end of the fiscal year.

The standard pay period is bi-weekly for all staff. Paydays are the Friday following the end of the bi-weekly pay period. Staff members are required to carefully inspect their paycheck upon receipt, and if they notice an error in their check, they must report it immediately to the Synod Administrator. Staff may also designate, by written authorization, one or more bank accounts for automatic deposit of their paychecks.

Albany Synod is required by law to take certain deductions from a staff member's paycheck each time one is prepared. Among these required deductions are federal, state and/or local income taxes and contributions to Social Security and Medicare. Albany Synod may make other paycheck deductions that are required by applicable law, by court order for wage garnishments, for staff member benefit, for the recovery of overpayments due to clerical or mathematical errors and for repayment of advances. Any such deductions will be in accordance with applicable law and regulations.

All deductions will be itemized on a staff member's pay stub. The amount of the deductions may depend on earnings and on the information staff members furnish on their federal and state withholding forms regarding the number of dependents/exemptions they claim. The detailed pay stub indicates precisely how much a staff member's earnings were deducted for these purposes. Albany Synod recommends staff review these pay stubs for accuracy and retain their last pay stub for each year to compare with their W-2.

### **Professional Development Review Process**

The Personnel Committee establishes, reviews, and oversees the implementation of the professional development review process. The Personnel Committee will use the establishment of SMART goals (Specific, Measurable, Attainable, Relevant and Time-Bound) identified by the staff, for their professional development, as criteria for the review process along with the employee's position description.

Performance will be measured according to the following:

A performance improvement plan will include specific time intervals and measurable goals that are mutually agreed upon between the employee and immediate supervisor. Three (3) months will generally be considered an acceptable time frame to expect sustained improvement. Failure to make the required improvements during the first, or an extended time interval, will be considered cause for involuntary separation from employment.

The Personnel Committee, annually, reviews the performance goals for the employees. An employee's performance is documented by the chairperson of the Personnel Committee. Any employee who disagrees with the performance review shall first discuss issues with the chairperson and, if agreement is reached, the chairperson will prepare a written evaluation. The review will be signed by the employee and the chairperson and provided to the Personnel Committee for consideration.

If agreement regarding the performance review is not reached, the employee shall have the option of preparing a written statement for the Personnel Committee citing the reasons for objecting to the chairperson's written review. The employee may request a meeting with the Personnel Committee.

An employee may appeal the Personnel Committee's decision to the Executive Committee in writing and within thirty (30) days of the performance rating notification. The written appeal shall be presented to the Synod President. The Executive Committee's decision is final.

### **Housing Allowance**

In accordance with IRS regulations, housing allowances for ordained ministers are included in the salary received. Such personnel must submit, for Executive Committee approval, an estimate of actual housing costs as defined by IRS regulations. This estimate is then entered into the minutes of the Albany Synod Executive Committee at its fall meeting and provides the basis for an exclusion from taxable income for the following year.

### **Gifts, Gratuities, or Honorarium**

#### **1. Purpose**

The purpose of this policy is to protect the employees of the Regional Synod of Albany from accusations of wrongdoing.

#### **2. Requirements/ Procedures**

- a. Employees may not accept or solicit money, gifts, and/or favors from persons, churches, groups, organizations, contractors or clients when such money, gifts and/or favors may be considered for services from, or contracts with the Regional Synod of Albany or its ministries.
- b. Any employees receiving unsolicited gifts, gratuities, or honorarium worth \$100.00 or more from persons, churches, groups, organizations, contractors, or clients doing business with or associated with the Regional Synod of Albany or its ministries shall immediately report such to their

supervisor who will report it to the Synod Administrator. The supervisor and Synod Administrator will make a determination as to the acceptability of the gift, gratuities, or honorarium and will determine its disposition or how to return it. The Personnel Committee shall be informed of such gifts, gratuities, or honorarium and the subsequent action in a timely fashion.

- c. All employees engaged in the award and administration of contracts or other financial awards, BY ACCEPTING (i.e. consenting to the term and conditions of) THIS HANDBOOK, agree that they will not solicit or accept personal gratuities, favors, or anything of significant monetary value from contractors or potential contractors.
- d. Employees violating this policy may be subject to disciplinary action up to and including termination of employment.

## **BENEFITS**

### **Disclaimer:**

Albany Synod values the health and welfare of its staff and strives to aid staff members in the maintenance of their health and welfare by providing certain benefits. Eligibility for benefits is dependent upon a variety of factors, including employment definition and classification, as well as length of service. This portion of the handbook contains a very general description of the benefits Albany Synod offers to eligible staff. Please understand this general explanation is not intended to, and does not, provide staff with all the details of these benefits. Therefore, this handbook does not change or otherwise interpret the terms of the official plan documents. To the extent that any of the information contained in this handbook is inconsistent with the official plan documents, the provisions of the official documents will govern in all cases.

Please note that nothing contained in the benefit plans described here shall be held or construed to create a promise of employment or future benefits, or a binding contract between Albany Synod and its staff or their dependents, for benefits or for any other purpose.

Staff may also contact the Synod Administrator regarding questions or a referral to the correct resource to assist with questions and/or they can provide a copy of the Summary Plan Descriptions and other official plan documents.

### **Medical Insurance**

Albany Synod offers group medical insurance through either the medical program of the RCA or another similar group medical insurance program provided the cost is no greater than the program of the RCA.

Albany Synod provides group medical insurance for all employees working 30 hours or more per week and their dependents.

Qualifying lay employees may choose their medical insurance from the non-RCA group medical insurance program(s) offered by Albany Synod or participate in the RCA group plan and pay the difference between it and the more costly alternative plan offered by Albany Synod.

Occasionally employees may have other medical insurance coverage. This could be a result of being covered under a spouse or domestic partner's plan. In such instances, if the spouse or domestic partner's employer requires them to make employee payroll contributions to pay for the coverage, Albany Synod will provide a stipend equal to those employee payroll contributions, consistent with requirements in the IRS Code Section 105. The employee will need to provide proof of coverage and the associated costs in order to receive the stipend.

Staff members should consult the Summary Plan Description for more complete information about eligibility and the details of the health insurance plan. A copy of the Summary Plan Description is provided to staff members upon becoming eligible for health insurance benefits and copies of the Plan Document and Summary Plan Description are available from the Synod Administrator..

Medical coverage for terminated staff members will continue through the end of the month following the last day worked.

### **Health Flexible Spending Account (FSA)**

Albany Synod offers eligible staff the option to set aside part of their pay through payroll deduction, on a pre-tax basis, into an account they can use to pay certain eligible out of pocket medical, dental, and vision expenses as outlined by the IRS Section 125 regulations and plan limits.

The health flexible spending is requested by the employee and approved by the Executive Committee at its fall meeting for the following year. Employees must submit a detailed report of unreimbursed health expenses quarterly for reimbursement. Any unused portion of the approved amount will not be provided to the employee.

### **Continuation Coverage/COBRA Coverage**

Except in cases of gross misconduct terminations, the Consolidated Omnibus Budget Reconciliation Act (COBRA) gives certain former staff members, spouses, former spouses, and dependent children the right to temporary continuation of group health benefits (called "continuation coverage") at group rates in certain instances where coverage under the plan would otherwise end. New York State law requires small employers, with less than twenty (20) employees, to provide the equivalent of COBRA benefits. Staff members are entitled to thirty-six (36) months of continued health coverage at a monthly cost to the employee of one hundred two percent (102%) of the actual cost to Albany Synod, which may be different from the amount deducted from a staff member's paycheck.



## **Life Insurance**

Group Life insurance is offered through the Reformed Church of America (RCA) for eligible staff. Albany Synod will make the premium payments for the coverage on behalf of the staff. (Note: Part time ministers must work 20+ hours per week to be eligible)

## **Disability Insurance**

Long-term disability coverage is offered through the RCA for eligible staff. Albany Synod will make the premium payments on behalf of the staff.

Albany Synod provides New York State Disability Insurance for all lay employees at the minimum level required by the state. Allowable employee contributions are deducted from salary payment.

## **Social Security**

Albany Synod voluntarily participates in the Federal Social Security program (FICA) in the required amount for lay employees.

## **Worker's Compensation**

Lay employees are protected by Worker's Compensation Insurance in the event of a job-incurred disability.

## **Unemployment Compensation**

Lay employees are covered by the New York State Unemployment Insurance program. The synod does not pay federal unemployment tax.

## **Retirement Plan**

Upon employment by Albany Synod, a new employee is eligible to enroll in the Reformed Church Retirement Plan, subject to meeting the requirements of that plan. Albany Synod will pay the stipulated amount for ministers into the Reformed Church in America Retirement Plan.

Eligibility for participation of lay persons in the Reformed Church in America Retirement Plan is limited to full-time employees (at least 30 hours per week). Albany Synod will pay the 11% of annual salary into the Reformed Church Retirement Plan.

Employees may also request Albany Synod to make additional contributions to the Reformed Church in America 403(b) Plan in lieu of salary and consistent with the regulations of the Board of Benefit Services and the IRS.

## **Whistleblower Policy**

Albany Synod requires its staff members (current and former), as well as all persons who provide Albany Synod with contracted services (each, a "Protected Person"), to observe high standards of business and personal ethics in the performance of their duties on Albany Synod's behalf. As staff members and representatives of Albany Synod, Protected Persons are expected to practice honesty and integrity in fulfilling their responsibilities and are required to comply with all applicable laws, regulations, local ordinances, executive orders, and judicial and administrative decisions, rulings, and orders. All Protected Persons are encouraged and enabled, without fear of retaliation, to report any activity, policy, or practice of Albany Synod that:

- (1) a staff member reasonably believes is in violation of any law, rule, or regulation; or
- (2) a staff member reasonably believes poses a substantial and specific danger to the public health or safety, raise concerns regarding suspected unethical and/or illegal conduct or practices on a confidential and, if desired, anonymous basis so that Albany Synod can address and correct inappropriate conduct and actions.

This policy is not intended as a vehicle for reporting violations of Albany Synod's applicable policies, problems with co-workers or supervisors, or for reporting issues related to alleged employment discrimination or sexual or any other form of unlawful harassment, all of which should be dealt with in accordance with the Prohibition of Discrimination, Harassment and Retaliation and other applicable policies outlined in this handbook.

Protected Persons are responsible to report, in good faith reasonable belief, any concerns they may have regarding actual or suspected activity, policy or practice of Albany Synod's which may be illegal or a threat to the public health or safety, including but not limited to, or in violation of Albany Synod policies, all laws, regulations, local ordinances, executive orders and judicial and administrative decisions, rulings and orders with respect to, without limitation, fraud, theft, embezzlement, accounting or auditing irregularities, bribery, kickbacks, and misuse of Albany Synod's assets, as well as any violations or suspected violations of Albany Synod's business and personal ethical standards, as such standards related to Albany Synod in accordance with this policy.

Any concerns should be reported as soon as practicable to the Synod Administrator or to any federal, state, or local department or executive branch of government. Concerns may be reported verbally or in writing, including by e-mail, using the contact information set forth below:

Rev. Robert Hoffman, Synod Administrator, by calling (518) 496-1844 or by email at [rev.robert.hoffman@gmail.com](mailto:rev.robert.hoffman@gmail.com). If the Synod Administrator is the subject of the report, the concern should be reported to the chairperson of the Personnel Committee of ASEC.

The most effective investigations are based on the timely receipt of reports, so Protected Persons are encouraged to make reports as soon as a violation is suspected. In response to a report, Albany Synod will conduct a prompt and thorough investigation. The confidentiality of

the individual making the report will be maintained to the extent practicable within the limitations of the law and the legitimate needs of the investigation.

Albany Synod prohibits retaliation against any staff member who files a good faith complaint under this policy. Albany Synod will not take any retaliatory action against a staff member because such staff member:

- (1) Discloses or threatens to disclose to a supervisor or to a public body an activity, policy, or practice that the staff member reasonably believes is in violation of law, rule, or regulation or that the staff member reasonably believes poses a substantial and specific danger to the public health or safety;
- (2) Provides information to, or testifies before, any public body conducting an investigation, hearing, or inquiry into any such activity, policy, or practice of the Company; or
- (3) Objects to or refuses to participate in any such activity, policy, or practice.

The protection against retaliatory action pertaining to disclosure to a public body (in section (1) above) shall not apply unless the staff member has made a good faith effort to bring the activity, policy, or practice to the attention of the Executive Director or Human Resources Team of FBoT and provide a reasonable opportunity to correct such activity, policy, or practice. However, this good faith effort requirement shall not apply where:

- (1) there is an imminent and serious danger to the public health or safety;
- (2) the staff member reasonably believes that reporting to the supervisor would result in a destruction of evidence or other concealment of the activity, policy, or practice;
- (3) such activity, policy, or practice could reasonably be expected to lead to endangering the welfare of a minor;
- (4) the staff member reasonably believes that reporting to the supervisor would result in physical harm to the staff member or any other person; or
- (5) the staff member reasonably believes that the supervisor is already aware of the activity, policy, or practice and will not correct such activity, policy, or practice.

Retaliatory action includes any adverse action taken by Albany Synod to discharge, threaten, penalize, or in any other manner discriminate against any staff member exercising rights under this policy, including:

- (1) adverse employment actions or threats to take such adverse employment actions against a staff member in the terms of conditions of employment, including but not limited to discharge, suspension, or demotion;
- (2) actions or threats to take such actions that would adversely impact a former staff member's current or future employment; or
- (3) threatening to contact or contacting United States immigration authorities or otherwise reporting or threatening to report a staff member's suspected

citizenship or immigration status or the suspected citizenship or immigration status of a staff member's family or household member, to a federal, state, or local agency.

Any staff member who retaliates against an individual who has made a good faith report under this policy may be subject to disciplinary action, up to and including termination. Any individual who believes that they, or any of their associates, have been retaliated against under this policy should immediately notify the Synod Administrator or the chairperson of the Personnel Committee. Filing a knowingly false and baseless complaint is a violation of this policy.

## **Capitalization Policy**

This policy applies to all transactions related to the acquisition of tangible property by the Regional Synod of Albany.

The term “tangible property” refers to all tangible property acquired or produced by the synod, including materials and supplies. All such tangible property both with an acquisition cost of more than \$5,000 and with an economic useful life of more than 12 months shall be capitalized.

Amounts paid to acquire or produce tangible property not exceeding \$5,000 shall be charged to the appropriate de minimis property expense accounts. Amounts paid to acquire or produce tangible property having an economic useful life [as defined by the IRS regulation section 1.162-3(c) (4)] of 12 months or less are to be charged to the appropriate de minimis property expense account.

## **Conflict of interest**

The purpose of this policy is to protect the employees of the Regional Synod of Albany from accusations of wrongdoing.

### **Requirements/ Procedures**

- a. Employees may not accept or solicit money, gifts, and/or favors from persons, churches, groups, organizations, contractors or clients when such money, gifts and/or favors may be considered for services from, or contracts with the Regional Synod of Albany or its ministries.
- b. All employees engaged in the award and administration of contracts or other financial awards, BY ACCEPTING (i.e. consenting to the term and conditions of) THIS HANDBOOK, agree that they will not solicit or accept personal gratuities, favors, or anything of significant monetary value from contractors or potential contractors.
- c. Employees violating this policy may be subject to disciplinary action up to and including termination of employment.

## **.Financial Reviews**

As stated in other places already, certain financial reviews are done by the staff of the synod and are presented to the Finance Committee, the Board of Trustees, and the Executive Committee on a regular basis. A full financial review is done at the end of each fiscal year by a reputable outside organization. For the past two years, this review has been done by Phil Beckett CPA, P.C. and his staff.

## **Document and records destruction**

Financial records on paper are kept in the locked office of the Finance Manager. They are retained for seven years at which time they are shredded. Digital records are kept on a flash drive and stored in the same locked office.