

KingsWay Community Church Financial Advisory Board

Statement of Purpose

The Financial Advisory Board (“Board”) provides counsel to the Elders in areas of financial stewardship for KingsWay.

Structure

1. The Board will maintain at least three church Members in addition to Elders. Members must be in good standing as determined exclusively by the Elders.
2. The Board will be led by a chairperson as selected by the Elders.
3. The Board Chairperson will nominate a secretary to keep minutes of all called meetings. Minutes will be archived by KingsWay personnel for access by any Member of KingsWay.
4. The Board members will have no set term and may relinquish their board seat at any time without cause of their own choosing or be removed at any time without cause at the direction of the Elders.
5. A called Board meeting can not be held without the presence of the Chairperson, one Board Member and One Elder.
6. The Board exists at the sole discretion of the Elders and can be dissolved by the Elders at any time for any reason.

Operating Guidelines

1. The Board will provide an advisory role to the Elders on financial, business, personnel and administrative matters.
2. The Board functions as non-binding, advisory only and has no decision making authority. Elders retain all binding decision making authority for all matters related to KingsWay.
3. The Board retains no authority to incur or modify existing debt on behalf of KingsWay or authorize cash or credit purchases of any kind.
4. The Board will review monthly financial reports and meet quarterly to review financial progress and forecasting and make recommendations as needed on financial decisions.

5. The Board will review results of independent reviews of financial operations to be conducted annually by individual(s) independent of the Elders and the Board or independent financial audits as required by a financial institution. (see 6C below for additional detail as it relates to audits of annual financial statements)

6. The Board will advise on the development of the annual operating budget, capital budget and preparation of financial statements for KingsWay.

A. The **operating budget** will include projections of all revenues and expenses associated with the ongoing operation of KingsWay including but not limited to compensation and benefits of all paid staff. The operating budget will be fixed for 12 months.

B. The **capital budget** will include a prioritization of any foreseeable depreciable repair made to an existing asset, and/or purchase of land, furniture, fixtures, or equipment over the value of \$1,000. The initial capital budget will be projected for three years and prioritized no less than quarterly based on actual purchases from free cash flow or debt financing. The Board retains no authority to direct the use of existing or future free cash or incur debt on behalf of KingsWay. The Board will advise Elders on use of cash or debt financing to execute the capital budget. The capital budget is non-binding and can be modified without consent of Board for emergency needs as determined by Elders subject to post-expense review by the Board.

C. The **annual financial statements** (income statement, balance sheet, and statement of cash flows) will be prepared by church staff under the direction of the Elders and be approved by the Board. The Elders may determine not to pursue an audit at their discretion. The Board will not function as an independent auditor or have any audit authority over the financial operations of KingsWay. The Board will review the results of any audit and provide recommendations to Elders.

7. The Board will advise on financial operating targets including but not limited to one time financing campaigns, recommendations for use of free cash flow, recommendations on sale of assets, etc.

8. The Board will coordinate periodic financial updates for KingsWay Members in the form of written materials, online postings, and/or oral presentations during Members Meetings. These updates will be noted as un-audited, and must be approved in advance by Elders before distribution.

9. The Board will seek to be transparent, inclusive and open to any Member of KingsWay that desires more information on any Board matter. The Chairperson or designee will make him/herself available by phone to any member of KingsWay with questions within a reasonable timeframe from initial contact by the member and offer access to all meeting minutes as appropriate.

10. The Board reserves the right to call upon additional members of KingsWay and extra-local resources at anytime in order to uphold the purpose of the Board.