
FINANCIAL CONTRACTOR

Newington Baptist Church Financial Contractor Policy & Procedures

Article 5 - Board of Directors Section 3-4: To establish governing principles, policies, and determining practices for the Church, including the creation and/or approval and maintenance of policies and procedure manuals, which will contain all controlling policies and procedures governing any and all aspects of the Church's affairs, including, but not limited to, committee task descriptions and policies regarding the handling of funds, use of facilities, and employment policies and practices;

Article 10 Section 1 Church Operation Manual: The Policies and Procedures Manual of Newington Baptist Church will provide more specific and detailed information on how NBC will operate beyond what is covered in the Constitution and Bylaws. The purpose of the Policies and Procedures Manual is to define orderly functional processes, and to protect the Church from financial, criminal, civil, and reputational risks. This Manual should include policies for all Ministries that require particular attention to detail in their processes to reduce risk or increase accountability. The manual will be maintained by the Church Administrative Assistant on the church website and other cloud storage.

Year:	B.O.D. Signature:	Date of Review:
2020	Gerald German	2/15/2020
2021	No Review due to COVID	
2022	Gerald German	3/09/2022
2023	Sharon Shelton	3/07/2023
2024	Gerald German	4/26/2024
2025	Gerald German	6/17/2025
2026	Gerald German	4/3/2026

Policy and Procedures Established 2019
NEWINGTON BAPTIST CHURCH
6169 Main Street, Gloucester, Va. 23061

Newington Baptist Financial Contractor Policies and Procedures

Purpose

Define the role, responsibilities, qualifications, oversight, recordkeeping, continuity, and review process for any external financial contractor engaged by Newington Baptist Church to perform accounting, payroll, reporting, and related financial services.

Scope

This policy applies to all contracted financial services supporting Newington Baptist Church and Newington Courthouse Preschool (NCP), including bookkeeping, payroll, accounts payable, financial reporting, tax filings, and related duties.

Contractor Role, Reporting, and Core Responsibilities

Role and Reporting

The financial contractor provides professional accounting and bookkeeping services and reports to the Church Treasurer and the Stewardship Committee.

Core Responsibilities

The contractor shall perform the following duties:

- **Accounting and Recordkeeping:** Post receipts and record disbursements in accordance with generally accepted accounting principles using the church's designated accounting software; maintain complete files for invoices, receipts, bank statements, and supporting documentation.
- **Bank Reconciliation:** Open and reconcile bank statements jointly with the Treasurer on a regular basis.
- **Accounts Payable and Payroll:** Prepare and issue checks for approved payables and process payroll for all employees on the agreed schedule; maintain payroll records.
- **Financial Reporting and Compliance:** Produce monthly financial statements and reports for the Stewardship Committee and quarterly reports for business meetings; prepare required government filings and IRS reports.
- **Giving Records:** Maintain giving records using the church's specified software.
- **Preschool Accounting:** Maintain bookkeeping, payables, payroll, and financial reporting for Newington Courthouse Preschool.
- **Audit Readiness and Inquiries:** Maintain records and be prepared to support audits or financial reviews requested by the Board of Directors; receive and respond to authorized financial inquiries.

"This service is now a yearly contract for Newington financial accounting services."

"The Financial Contractor and Treasurer will jointly open and reconcile bank statements."

Qualifications, Access, and Security

Minimum Qualifications

- Proficiency with QuickBooks for Nonprofits, Microsoft Excel, and Windows based office systems.
- Knowledge of Generally Accepted Accounting Principles (GAAP) applicable to nonprofit organizations.
- Experience preparing payroll, tax filings, and nonprofit financial statements.

System Access and Controls

- Grant the contractor only the system access necessary to perform assigned duties.
- Sensitive access (online banking, payroll direct deposit setup) requires documented dual control and Treasurer authorization.
- Contractor must follow the church's data security expectations and protect confidential financial information.

Insurance and Indemnification

- Contractor must carry professional liability and cyber/privacy insurance as specified in the contract and provide certificates of insurance prior to beginning services.

Engagement, Oversight, Documentation, and Record Retention

Contract Term and Review

- Services will be contracted for a defined term with annual performance and fee review by the Stewardship Committee prior to renewal.

Oversight

- The Treasurer and Stewardship Committee will monitor contractor performance, review monthly reconciliations and reports, and escalate concerns to the Board of Directors.

Documentation and Recordkeeping

- The contractor must maintain a complete contract file that includes the signed contract, amendments, invoices, bank reconciliations, payroll records, tax filings, and correspondence.
- Financial records shall be retained in accordance with the church's records retention schedule and made available for review by the Stewardship Committee, auditors, or the Board upon request.

Backup Bookkeeping Services (Continuity Requirement)

Primary Contractor Responsibility

If the contracted financial contractor is temporarily unable to perform the services required by its contract with Newington Baptist Church, the contractor must arrange for and provide a qualified backup bookkeeping firm to perform those services without interruption.

Payment and Billing

- The primary contractor will pay the backup bookkeeping firm for services rendered during the substitution period.
- Newington Baptist Church will continue to pay the primary contractor in accordance with the existing contract terms.

Selection, Notification, and Transition

- The backup firm must meet the same qualifications and standards required of the primary contractor, including software proficiency, nonprofit accounting knowledge, confidentiality, and insurance requirements.
- The primary contractor must notify the Treasurer and the Stewardship Committee immediately if it becomes unable to perform services and must provide a written transition plan that includes: the identity and qualifications of the proposed backup firm; expected duration; timeline for transfer of duties and access; and confirmation of compliance with confidentiality and insurance requirements.
- The primary contractor will provide a copy of the executed backup agreement to the Treasurer and the Stewardship Committee; the agreement will be retained with the contractor's contract file.

Continuity and Auditability

- The backup firm must maintain complete and auditable records of all transactions processed during the substitution period and deliver those records to the primary contractor and the Treasurer at the end of the backup engagement.

Enforcement

- Failure to comply with this backup requirement may be treated as a material breach of contract and may subject the contractor to corrective action, contract termination, or other remedies available to Newington Baptist Church.

Termination, Transition, and Review

Termination and Transition

- Contracts will specify termination rights for cause and for convenience, including notice periods and final accounting procedures.
- Upon contract termination or nonrenewal, the contractor must deliver all financial records,

electronic files, and passwords to the Treasurer and provide a documented transition plan to ensure continuity.

Review

- Review Cycle: This policy will be reviewed by the Stewardship Committee and the Board of Directors at least every three years or sooner if operational needs change.