



Circle of Love Foundation Financial Policies

Stewardship

Circle of Love Foundation's leaders believe in the Gospel of Jesus Christ and prayerfully chose to pursue kingdom value within these parameters:

- God, the Creator and sustainer of all things is the one who works within us to accomplish more than we can ask or think. He is a God of infinite abundance.
- We acknowledge the supremacy of the Gospel as our chief treasure. We are called to lives of stewardship, as managers of all that God has entrusted to us.
- A Christian's attitude toward possessions on earth is important to God. There is a link between how we use our possessions in the kingdom of God and our eternal reward.
- God entrusts possessions to Christians and holds them accountable for their use, as a tool to grow God's eternal kingdom, as a test of the believer's faithfulness, and as an opportunity to let their lives reflect God's values.
- A Christian's giving reflects their gratitude for what God has provided and involves growing in an intimate faith relationship with Christ as Lord of their lives.
- We recognize that it is the work of the Holy Spirit that prompts Christians to give. Therefore, fund-raisers must never manipulate or violate their sacred trust with ministry partners.
- Our God-centered worldview promotes cooperation, rather than competition, and places the giver's relationship to God above the ministry's agenda.
- We rely on God to change hearts more than on human methods, resulting in joy-filled generosity of believers willing to fully fund God's work here on earth.

Fund-Raising

Circle of Love complies with the following Standards:

- All representation of facts, descriptions of the financial condition of the member or narratives about events must be current, complete and accurate without

material misrepresentation or exaggerations of facts or use of misleading photos.

- Fundraising appeals will try to communicate realistic donor expectations as to what their gift will actually accomplish.
- Statements made in fund-raising appeals regarding the use of the gift will be honored as will instructions which may accompany the gift.
- Funds that are received for programs that are not a part of our present or prospective ministry will be treated as restricted or channeled through another organization that can carry out the donor's intent.
- If any premium or incentive is given as part of a fund-raising project the value of which is not insubstantial, the fair market value of the premium or incentive will be disclosed to the donor and that portion of the gift will not be deductible for tax purposes.
- Compensation of professional fund-raisers will not be based on a percentage of contributions raised.
- Any officer, director, or principal of Circle of Love must not receive royalties on any product used for fund-raising or promotional purposes.
- Tax-deductible gifts must not be used to pass money or benefits to any named individual for personal use.
- Donors of property or gifts-in-kind will be responsible to determine the fair market value of such gifts. Gifts valued over \$500 may need to be professionally appraised. Circle of Love Foundation will issue a receipt describing the gift.
- Circle of Love Foundation will make every effort to avoid accepting a gift which would knowingly place a hardship on the donor.
- Donor-restricted gifts are expended under the discretion and control of the board of Circle of Love Foundation. We avoid earmarked gifts and communicate our policies to our donors.
- The board of Circle of Love does not borrow from restricted net assets.
- Circle of Love Foundation does not extend loans to the board members of the organization and does not permit the use of the organizations credit cards for personal purchases.

Compensation

- Circle of Love Foundation board members serve without compensation. However, they may be reimbursed for expenses incurred in the fulfillment of their board duties.
- The CEO (or President) also serves with no compensation. However, if a time arises where it is necessary to pay the CEO, compensation will be based on appropriate data regarding comparable the compensations of other CEOs in similar positions.

Transparency

- Circle of Love Foundation complies with all federal public disclosure rules of form 990 and the organization's audited financial statements and annual report.
- The annual report including the figures from the audited financial statement is posted on our website.
- Donors are periodically updated on the organizations accomplishments.
- The board is provided with significant information and relevant materials when making decisions.

Conflict of Interest

Circle of Love Foundation has adopted and follows a conflict of interest policy. Board members are responsible to alert the board of any conflict of interest matters.

Handling of Cash Contributions

Circle of Love Foundation only receives significant amounts of cash donations at the annual banquet and at pre-field team meetings for mission trips. Our policies are as follows:

- The offering from the banquet should be kept separate from the money from the sale of any fund-raising items. Any cash from the offering which is not in a sealed envelope should be counted by the fund-raising chairman and another board member. The cash should be placed in an envelope. The envelope should be sealed and amount should be marked on the outside. Both persons should initial the envelope. The rest of the envelopes should be gathered together and placed in a cash bag. The person in charge of entering the gifts and another volunteer board member will open the sealed envelopes together and count the money and enter the gifts in the accounting program.
- Cash from sales or other fundraising efforts should be counted by the fund-raising chairman and another board member. The cash should be placed in an envelope. The envelope should be sealed and the amount marked on the outside and initialed by the persons who counted it. If any item was sold for an amount significantly more than its fair market value, the donor will be issued a receipt for the amount above the fair market value only. Other sales will not be issued a tax deductible receipt.
- Cash, checks and credit card slips from the sale should be placed together in a cash bag and given to the person designated to open the envelopes and enter the income into the accounting program. This person will open the cash envelope in the presence of a volunteer board member.

- Cash received at a pre-field team meeting will be counted by the team leaders and the assistant team leader or any available board member in the presence of the donor. Each person's contribution will be placed in a sealed envelope and the name of the donor and amount marked on the outside. The two persons counting the money will initial the envelope. The sealed envelopes will be conveyed to the person responsible for entering the donations in the accounting program and the envelopes will be opened by this person in the presence of a volunteer board member.

Credit Card and Electronic Transfers

Circle of Love Foundation accepts funds by electronic transfer through PayPal and by direct transfer from banks. Donors may discontinue these gifts at any time. Donors are given a chance to authorize credit card gifts on a one time, monthly, or quarterly basis at the banquet and through the newsletters. Credit card information is treated as confidential. The cards with the credit card information are kept in a locked location and are shredded in a crosscut shredder when all authorized gifts have been given. Information is not stored electronically. Donors may discontinue their giving at any time by calling, writing or e-mailing the treasurer or CEO. Donor information is never sold and is only disclosed as required by law.

Mission Trip and Travel Expenses

The board of Circle of Love Foundation recognizes that cash is necessary for expenses incurred on a mission trip. Such expenses include ground transportation, visas on arrival, tips, excess luggage, medicine, meals, hotels, and ministry expenses. Credit cards and prepayment will be used when possible. Cash will be withdrawn and given to the team leader or assistant team leader. Each team leader will be provided with a Circle of Love Trip Expense Log. Trip expenses will be recorded as incurred. The date, expense, amount in dollars or foreign currency, purpose and how paid, and whether a receipt was issued will be recorded. Every effort to get a receipt for amounts over \$50 should be made. If this is not possible, every effort should be made for both the team leader and the assistant to witness the transaction. Sometimes it is best for the field facilitator to handle the money. An accounting of how cash was spent with receipts should be obtained at the end of the trip.

- When incurring trip expenses, team leaders should exercise discretion and good business judgment.
- Team leaders should be cost conscious and spend ministry money carefully and judiciously in line with good stewardship.
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- Team leaders should report expenses and acquire documentation as the money is spent.

- The expense report should be given back to the treasurer or other designated board member within two weeks of completion of travel.
- Receipts should be submitted for each expenses but are required over expenses over \$50 and should include vendor's name, date, service provided if not obvious, total expense including tips. A credit card receipt of statement may be used to document the vendor and the date of the expense provided other required details are fully documented.
- If a corporate credit card is used for travel or other organization related expenses, the documentation of expenses as above must still be met and charges may not be made for "non-reimbursable charges, as described below.
- With the approval of the CEO and the team leader, team members may incorporate personal travel or business with their ministry related trips. However, members should not arrange ministry travel at a time that is less advantageous to Circle of Love Foundation or involving greater expenses in order to accommodate personal travel plans. Any additional expenses incurred as a result of personal travel, including but not limited to extra hotel nights, additional stopovers, meals or transportation, are the sole responsibility of the individual and will not be reimbursed by Circle of Love Foundation. If air travel different than the team is required, the individual will need to pay the difference in airfare and must let the team leader know in advance of the purchase of the ticket. Any extra expenses to change a ticket will be the responsibility of the individual as well.
- Air travel reservations will be made 2-3 months in advance when possible to take advantage of reduced airfare. Personnel traveling on behalf of Circle of Love Foundation may accept and retain frequent flier miles and compensation for denied boarding. However, they may not deliberately patronize a single airline to accumulate frequent flier miles if less expensive comparable tickets are available on another airline.
- Persons traveling on behalf of Circle of Love Foundation may be reimbursed for the reasonable cost of hotel accommodations. Convenience, cost of staying in the city where the hotel is located, safety, and the proximity to other venues should be considered in determining reasonableness.
- Personnel traveling on behalf of Circle of Love Foundation may be reimburses on a per meal basis at the following rates when they actually incur the cost of a meal. They will not be reimbursed for meals paid for or provided by others. Breakfast, \$8.00; Lunch, \$12.00; dinner, \$20.00. All meals for a day, \$40.00. Exceptions to the above limits may be made where available meal options require higher expenditures. Exceptions will require a receipt.
- Personnel are expected to use the most economical ground transportation appropriate under the circumstances.
- Personnel may be compensated for the use of their personal cars when used for ministry business. In such cases, mileage will be allowed at he currently approved IRS rate per mile. Parking, toll expenses, and charges for hotel parking, will be reimbursed. The cost of parking tickets, fines, car washes, and valet service are the responsibility of the member ad will not be reimbursed.
- On-airport parking is permitted for short business trips. Off-airport facilities should be used for longer trips.

- Reasonable expenses incurred for business meetings or other types of business-related entertainment will be reimbursed only if the expenditures are approved in advance by the CEO of Circle of Love Foundation and qualify as tax deductible expenses. Documentation including: date and place of entertainment, nature of expense, names, titles, and corporate affiliation of those entertained, complete description of the business purpose of the activity including the business matter discussed, vendor receipts showing the vendor's name, a description of the services provide, date and total expenses including tips.
- Reasonable ministry-related telephone, fax and internet charges due to the absences of members from the individual's place of business are reimbursable. In addition, reasonable and necessary gratuities that are not covered under meals may be reimbursed.
- Any expenses that could be perceived as lavish and inappropriate for a ministry will not be reimbursed by Circle of Love Foundation. Such expenses include: first class tickets or upgrades, limousine travel unless no other alternatives are available, movies, liquor or bar costs, club memberships, participation or attendance at golf or tennis tournaments, NASCAR races, or other sporting events, purchase of golf clubs or other sporting equipment, spa or exercise charges, clothing purchases, and expenses of spouses, friends or relatives accompanying members on a trip. Members should calculate the added cost for double occupancy and related expenses and adjust the reimbursement request.

Financial Oversight

- The board of Circle of Love Foundation shall be provided with the Profit and Loss sheet for Circle of Love Foundation on a monthly basis.
- Circle of Love Foundation will undergo an independent yearly audit of its accounts.
- The independent yearly audit results will be presented to the board in the month following its completion.
- The Annual Report of Circle of Love Foundation shall be presented to the board on a yearly basis in the month following the yearly audit.
- The Circle of Love 990 Form which is submitted to the IRS shall be presented to the board on a yearly basis in the month following submission.
- The treasurer of Circle of Love Foundation shall be provided with the QuickBook records, the bank statement and the bank reconciliation report on a monthly basis.
- An accounting of the budget and funds spent on each mission trip shall be presented to the board of Circle of Love Foundation in the month following the trip.
- Purchases over \$1000 shall be approved by the board.
- The treasurer or other board member with financial expertise shall obtain bids on the independent audit every 5 years.

