

6-1: CAPITAL EXPENDITURE PLANNING

1. Responsibility Centre: Financial Management Committee

2. Rationale or Purpose

BCUC has a continuing need to update its facilities. Capital expenditures can help to improve the environment of the church and also lead to increased efficiency, so that operating costs rise less quickly.

3. Policy Statement

This policy outlines the procedures used in the planning and funding of capital projects for all committees.

4. Scope

This policy applies to capital expenditures to renovate church facilities as well as capital investments in new church facilities and additions including single-year budget items and multi-year budget items.

Larger expenditures (e.g. for building additions, furnace or roof replacement) require special procedures such as the opening of a Capital-Directed Fund to accumulate needed funds over a period of time. In these cases, funds may be collected over a period of several years and special fund-raising efforts may be required.

When an existing item is to be replaced, the expenditure is ~~only~~ considered to be capital when it can be demonstrated that the new item will be of significantly higher quality than the item being replaced, or that the service it provides is enhanced over that provided formerly.

5. Procedures

The timetable for the capital budget process is as follows:

- a) September: :
 - i) request for capital needs is sent to ~~from~~ all committees from Church Board
- b) October:
 - i) interim report to Board at October meeting
 - ii) priority setting meetings and consultation among the Board and committees
- c) November/December
 - i) preliminary priority list compiled by ~~to~~ Financial Management Committee
 - ii) priority list to Church Board for discussion and recommendation
 - iii) Identification of potential projects to the Stewardship Committee.
- d) January
 - i) capital budget and fund raising proposals including Building Maintenance and Repair, Capital Directed Funds and capital projects to Church Board for recommendation.

- e) February
 - i) recommendations for capital budget and fund raising proposals presented to Congregational Meeting for approval or modification
- f) March
 - i) fund raising activities for capital budget are initiated by Church Board or its designate.

6. Roles/Responsibilities

While all Chairs of Committees are able ~~required~~ to have input into this process, major responsibilities reside with the Chairs of the following Committees: Financial Management, Property Management, Stewardship, and Church Board.

The responsibility for maintaining this policy rests with the Financial Management Committee.

7. Definitions

A capital item is one which will be of significantly higher quality than the item being replaced, or that provides new or enhanced services over that provided formerly.

8. References:

- a) *BCUC Policy Manual*, Property Management section, 12-1: Facilities - Renovation Policy
- b) *BCUC Handbook*, Terms of Reference of the Financial Management Committee:
"The Committee...1. manages BCUC's annual financial planning cycle, including
 - a) coordinating the preparation of the forecast of expenditures for each area of responsibility within the Church
 - b) forecasting anticipated revenues
 - c) preparing an annual financial budget on behalf of the Church Board, which recognizes priority programs, within the available resources of the Church."

9. Approval authority: The Church Board

10. Reviewed: Financial Management Committee: October 2016

Approved: Church Board: November 16, 2016

Replaces: January 2014