

Antioch Baptist Church Policy Statement

Title: Contract Authorization Procedure

Purpose

This policy augments the procedure for approval of contracts within the Church to ensure legal compliance, alignment with church strategic, budgetary and spiritual objectives, and risk management.

Scope

This process applies to all types of contracts entered on behalf of the church, including but not limited to supplier agreements, service contracts, employment contracts, rental agreements, and other pertinent obligation instruments. The policy recognizes that large-dollar purchases require greater scrutiny, however, the basic tenet of this procedure applies regardless of the size of the purchase.

Background

The existing church policy establishes purchase review and approval authority based on dollar thresholds (Reference Table 2-1 of the Financial Policy Manual). This policy does not impact that authority. This policy proposes procedures to avert the execution of unfunded and unauthorized contracts, which places the church at risk and undermines the budget monitoring process. When the designated review steps are bypassed, this potentially results in the issuance of significant unauthorized contracts on behalf of the church where there are no funds in the budget to support those contracts.

Procedures

All expenditures are subject to budgetary limitations, and the availability of funds **must be certified prior to initiating any expenditure**. In addition to the existing authorized signers, ***all contracts must be signed by the Director of Finance***. The purpose of this procedure is to ensure that the critical step of funds certification is not bypassed.

Responsibilities

Table 2-1 outlines the following purchase approval authority:

Budget Ministry Directors – up to \$250.

Director of Finance – above \$250 up to \$1,000.

Executive Pastor – above \$1,000 up to \$5,000.

Executive Pastor & Trustee Chair – above \$5,000.

Table 2-1 also outlines the applicable reviewing responsibilities.

Effective Date

This policy was adopted by the Finance and Budget Committee and became effective on August 12, 2025.