



## **MVS TREASURER'S MANUAL**

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## Introduction

Mennonite Voluntary Service (MVS) is a program of Mennonite Mission Network. The following general guidelines outline standard financial procedures and responsibilities.

**Selection of the treasurer** - Each unit will, in consultation with the local leadership, select an individual to serve as treasurer. Careful consideration should be given to the abilities of the individual chosen for this important responsibility. Normally, an MVSer fills this role. In some cases, someone from the local leadership may be assigned to work closely with the unit treasurer or to act in that role themselves.

**Responsibility of the treasurer** - It is the treasurer's responsibility to receive all unit funds, oversee their safekeeping, make expenditures in keeping with MVS policy, and maintain accurate records reflecting these activities. The treasurer will prepare a monthly financial report itemizing expenditures and receipts for the Mennonite Voluntary Service office (MVSO), and will report to the local unit and local leadership on a monthly basis. It is suggested by the MVSO that the unit take into consideration the duties of the treasurer when assigning other unit responsibilities.

**Responsibility of congregation and local leadership** - MVS units are generally dependent upon locally generated stipend funding for their direct operating expenses, unless otherwise arranged by the MVS staff. It is the expectation of the MVS program that unit expenditures will not exceed receipts on an ongoing basis.

Local leadership and sponsoring congregations are responsible for planning for the long-term financial viability of the MVS units in their communities. This responsibility includes general oversight of expenditures as well as arranging for adequate income.

Local leadership members should receive monthly financial reports from the unit treasurer. They should examine the unit's books and other records at least twice annually to ensure that required practices are being followed. Closer supervision should be exercised following the appointment of a new treasurer or any accounting difficulties.

The MVSO strongly recommends that the local leadership or someone from the MVS support committee be knowledgeable regarding the financial policies and the procedure for completing the monthly financial report, so that this person can be responsible to train the new treasurer as they enter the unit. The MVSO also recommends someone from local leadership be familiar with the MVSO online reporting system password for the unit in the event of an unexpected change in treasurers. We remind all units that, just as we expect all MVSers to turn in their house keys when they leave, we require all financial reporting system passwords to be reset with the appointment of a new treasurer or designated local leadership person.

The MVSO requires a local bank account be established in the name of "Mennonite Mission Network operating as 'name of location' Mennonite Voluntary Service Unit." While Mennonite Mission Network banks with Bank of America, we will give discretion to the local leadership to choose an established banking institution that best suits their unit. Please take special consideration of monthly or annual banking fees that may be charged for the account at some institutions. Additionally, the MVSO requires, at a minimum, that the unit treasurer, a member

of local leadership, and a member of the Mennonite Mission Network finance department be signatories on the local bank account (please be in discussion with the MVSO as to who at Mission Network is designated with this responsibility when dealing with your bank). The account should be established as “any one of three to sign.” Some units choose to have more than these three persons as authorized signors on the account. Though the MVSO places no restriction on the number of authorized signatures on the account, we suggest caution in having too many people having access to the local bank account for reasons of security and simple record-keeping logistics. Additionally, please remember you will need to change signing authorities every time any of these listed persons ceases to be a part of local leadership or the MVS unit.

**Responsibility of the MVS staff** - Members of the MVS staff receive, correct and approve monthly financial reports from units. The MVSO also administers all central unit accounts (see “Financial system below for details).

MVS directors regularly discuss financial and accounting concerns with treasurers (as well as unit and local leadership) during their unit visits. They may also periodically examine unit books and records.

**Tax identification number** - All MVS units are considered official affiliates of Mennonite Mission Network by the Internal Revenue Service. The following tax identification number may be supplied to U.S. financial institutions and other agencies when opening new accounts: U.S. Taxpayer identification # 35-0893507.

## **Financial System**

**Working cash fund** - All MVS units have a local working cash (imprest) fund for day-to-day operations. The amount of money in a working cash fund will vary from unit to unit, but will remain constant from month to month. Generally, it should be equal to expenditures necessary for approximately one month of operation.

**Monthly reporting** - Each month, the unit treasurer will submit a report detailing all of the unit’s expenditures and receipts via the MVSO online financial reporting mechanism.

**Maintaining the working cash fund** - If the unit’s receipts have exceeded its expenditures for the month, the MVSO will electronically deduct the surplus amount from the local MVS bank account after confirmation with the treasurer. When expenditures exceed receipts, the MVSO will electronically credit the local bank account an amount equal to that month’s deficit. In this way, the local working cash fund should remain constant from month to month. The treasurer will then report this surplus or deficit transaction in the month in which it occurred.

**Central accounts** - The MVSO maintains central accounts on its books for each MVS unit. Each month, the unit’s surplus or deficit is posted to this account when the financial report is received. Account balances are cumulative and are carried forward from year to year. In consultation with individual units and local leadership, MVS directors maintain control of and responsibility for continuing surpluses and deficits carried on the MVS books.

**Mutual aid** - This system allows units experiencing financial difficulties to continue operating without undue crisis. It eliminates the need to close units that may have experienced temporary setbacks, and also avoids the necessity of having to borrow funds from outside sources. Thus, the MVS financial structure is based upon the principle of mutual aid, and provides an attractive alternative to profit-oriented commercial financial institutions.

**Jubilee** – Following the end of the MMN fiscal year, all unit surplus and deficit numbers will be shared with all units to provide opportunity for the sharing of resources among units. Units with significant surpluses are invited to share with units running a deficit or those expressing a specific need and/or project according to an annual formula established by the MVSO. To do this, units should notify the MVSO as to any needs they may have or any significant expenditures they anticipate, so all units can be made aware of these giving opportunities. Units are encouraged to see this event as an opportunity to celebrate the spiritual discipline of cheerful giving.

## **General Bookkeeping Procedures**

**Recordkeeping** - The unit treasurer should maintain all files, including financial reports and correspondence related to financial matters. All bills, receipts, canceled checks, bank statements, etc., for each month should be filed together for future reference, and be made available in the event of a request for audit from the MVSO. All financial records (receipts, bills, cancelled checks, etc.) must be kept for five years plus the current year before being destroyed.

Each unit treasurer should set up a method of bookkeeping to record all unit disbursements and receipts for each month. This can be accomplished either by hand on a ledger sheet and then transferred to the MVS financial system, or by using Quicken or another accounting program and transferring the data, or simply by recording the transactions daily into the MVS online reporting system. Set up your bookkeeping method to correspond with the financial reporting system led by the MVSO, so that you can easily transfer the information from your system into the MVS financial reporting site should you choose to use that method.

**Paying bills** – Set up a routine to pay all bills and write out checks for stipends, assessments, rent, petty cash, etc., at the same time each month. Doing this at the beginning of each month or at the middle of the month may be the best time for your unit. The critical piece is that you establish a regular pattern of bill payment to ensure that no bills go unpaid, thereby making sure your MVS unit pays no late charges or any service disruptions.

### **How to reconcile a bank statement**

Most unit financial difficulties begin with problems in the local checking account. Reconciling, or balancing, the account with the bank statement each month can eliminate many small problems before they become larger headaches.

Many banks supply simple instructions for reconciling accounts with the monthly statement, often with a format conveniently located on the reverse of the bank statement. The following basic steps may also be helpful.

**1. Check off posted transactions.** In your check register (checkbook) mark all checks,

deposits, withdrawals, and any other transactions recorded on the statement by the bank.

2. **Enter credits and debits.** Enter into your checkbook register any bank charges, interest payments, or other credits/debits recorded on the bank statement.
3. **Total unposted checks and deposits.** Separately total:
  - Checks you have written that have not been posted to your account and not reflected on your bank statement.
  - Deposits you have made that have not been credited to your account as reflected on your bank statement.
4. **Reconcile balances.** Perform the following calculation:

Closing statement balance	_____
Uncredited deposit(s)	+ _____
Subtotal	_____
Outstanding checks	- _____
Current balance	_____

The current balance should agree with the checkbook balance.

**5. Hints for solving problems:**

- Check arithmetic in the balance calculations.
- Check arithmetic in the check register.
- Make sure that amounts of checks and deposits are the same on the statement and register.
- Be sure that all transactions have been included in the register

## Posting

Each transaction (receipt or disbursement) should be described as one entry in the financial reporting system. Expenditures or receipts may be broken down and itemized in more than one category when necessary.

For example, a unit treasurer might write a single \$65 check to a volunteer to cover personal allowance and reimbursement for use of a vehicle. Expenses would then be recorded under specific categories as follows:

Monthly MVS allowance	\$50
Transportation, local	\$15

The total expense of \$65 would be subtracted from the previous checkbook balance to get the new balance and ensure your unit accounts remain reconciled.

## **MVSO Expenditures and MVSO Receipts**

**Expenditures** – The MVSO expense categories are used to account for expenditures made by the local unit on behalf of the MVSO. Examples of these expenses might include recruitment transportation purchased by the unit, or medical expenses in excess of the established deductible.

These expenses should be totaled and reported on the monthly financial reporting system under the transportation heading, medical, or whatever category applies to that expense.

**Reimbursements** – Since most reimbursements will be made through the monthly working cash adjustment transaction, a separate check will not be sent to the unit. Every attempt will be made to capture all transfers of cash within the end-of-the-month reconciliation and transfer to or from the central MVSO account to your local bank account. On occasion, a significant expense may arise where your local bank account cannot accommodate the charge. In such instances, the MVSO can arrange for funds to be credited to your local bank account at a time other than the month-end reconciliation. Every effort should be made to minimize these events by planning for large purchases to every extent possible.

## **Working Cash Adjustments**

Each month, the unit's working cash balance is adjusted to the pre-established amount.

**Surplus** – A surplus occurs when the working cash adjustment transaction requires the treasurer to authorize a deduction in the local bank account to be remitted to the MVSO.

**Deficit** – A deficit occurs when the working cash adjustment transaction requires that the MVSO remit funds to the unit's local bank account. This is requested through the financial reporting system.

**Changing the working cash balance** – It may occasionally be necessary to change the amount of a unit's working cash fund. Increased expenses may require a larger fund. A decrease in expenses may make a smaller working cash balance advisable.

A request should be made to the MVSO to set the desired amount to increase or decrease the working cash balance, and initiate the appropriate cash transfer transaction.

Changing the working cash balance will cause a corresponding increase or decrease in the unit's continuing account balance both in the MVS financial reporting system and in your local bank account.

## **Petty Cash**

Some units find it convenient to maintain a petty cash fund for minor cash expenditures such as: bus fare, incidental household expenses, incidental household food purchases, or gasoline.

Units should carefully consider their pattern of spending to determine if their circumstances

make such a fund advisable. Although it does make cash expenditures more convenient, it can also significantly complicate the work of the treasurer. Also, having readily available “loose cash” around the house can lead to impulse spending and thus strain the unit budget.

The following are guidelines for the establishment and administration of petty cash funds.

**Size of fund** - The unit and local leadership should carefully consider the anticipated uses of the petty cash fund to determine the appropriate size of the fund. Generally, the fund should not be larger than one week’s anticipated cash expenditures. Larger balances are not advised both for security reasons and those previously stated. They complicate accounting and increase the risk of external theft and loss.

**Establishment** - To begin a petty cash fund, the treasurer should issue a check to “Cash” for the agreed-upon amount. The transaction should be listed as “other income” on the financial report and should be described as “establish petty cash fund.” It should also be listed as a miscellaneous expense on the disbursement side, and should be described as “petty cash.” Whenever the petty cash jar is replenished after this, it is not listed on the receipt or disbursement side. The expenses for the month DO need to be listed, however, to maintain the accurate account balances.

**Spending** - It is essential that a record of money spent from the petty cash fund be maintained. This should include a receipt or signed petty cash voucher documenting each transaction, so that the unit treasurer has this information to report into the financial reporting system under the proper disbursement categories. All MVS funds are considered under the umbrella 501(c)(3) of Mennonite Mission Network and, as such, must be able to be accounted for in any IRS or similar audit.

**Receipts** - Because of the accounting problems involved, cash paid to the unit should always be deposited in the unit’s checking account and should never be placed directly into the petty cash fund. Such funds can be listed as income in their appropriate category or, as a last resort, simply recorded as “miscellaneous income.”

**Balancing** - The treasurer must balance the petty cash fund on a regular basis, at least monthly. Frequencies greater than monthly will depend on local circumstances. Weekly balancing is suggested. Monthly balancing is required.

The fund is balanced by adding cash on hand and the sum of the recorded expenditures. This total should equal the agreed-upon petty cash fund balance. Deviations indicate errors that should be identified and corrected.

**Errors** - If an error and shortage in petty cash has occurred and cannot be identified, the treasurer should report the problem in the financial reporting system under “miscellaneous,” and bring the matter to the attention of their local leadership personnel and the MVSO.

Similarly, if there is an excess of cash in the petty cash fund at the end of the month, the excess funds should then be removed and deposited in the unit checking account. The transaction should be listed as “other income,” and should be described as “overage in petty cash fund.”

If errors frequently occur in the petty cash fund, and the problem cannot be corrected, serious

consideration should be given to closing the fund.

**Replenishing** – As funds are spent from petty cash, additional money will need to be transferred from the unit’s checking account. To accomplish this:

- Balance the fund as noted above and correct any errors.
- Issue a check to “Cash” for the amount spent. This should be treated as a regular expense, and should be itemized in the appropriate section of the monthly financial report.
- Itemize expenditures. The itemized expenditures should equal the amount of the check written. They must be itemized in the appropriate section of the monthly financial report.
- File receipts for future reference.

Example: The unit has a \$50 petty cash fund. The treasurer balances the fund and finds that \$10 cash remains. Receipts for gas purchases of \$30 and food purchases of \$10 are on hand. The total of the cash on hand and the recorded expenses (\$10+\$40) is \$50. Since this equals the established amount of the petty cash fund, the fund is balanced.

The treasurer issues a check to “Cash” for \$40 and enters it in the financial report.

Expenses would then be itemized under specific categories as follows:

Food	\$10
Transportation	\$30

In order for an accurate reporting of petty cash to be reflected in the correct categories of expenses for each month, the actual amount spent during the month should be reported instead of the amount to replenish the “jar.” For example, your petty cash has been established as \$50. For the month, the petty cash began with \$15.28 and this was spent. Another \$50 replenished the jar and the month ended with \$20.06. So, a total of \$45.22 was spent ( $\$15.28 + 29.94$  [ $\$50 - \$20.06$ ]). This is what should be reported as expenses under the proper categories.

After its establishment, whenever the “petty cash jar” is replenished, the \$50 does not have to be listed on the expense side. If it is, it should also be listed on the income side as well. The expenses for the month do need to be listed, however – again to maintain an accurate balance going forward.

It is important to remember that the expense column is a reporting of total funds spent, not just what comes out of the checkbook.

**Increases** - If the unit and local leadership decide that it is necessary to increase the amount of cash in the petty cash fund, the procedures outlined above under “Establishment” should be followed.

**Decreases and closing** - To decrease or abolish the petty cash fund, the treasurer should remove cash from the fund and deposit it in the unit’s local checking account. The transaction should be listed as “other income” in the financial report, and should be described as “reduce (or close) petty cash fund.”

## **MVS Medical**

**Coverage** - Health care is provided for all volunteers serving terms of one year or longer. The MVS handbook gives more details on coverage provided.

**Cost containment** - The MVS health program does not rely on conventional insurance coverage. Costs to units and the MVSO are directly related to expenditures. Volunteers should, therefore, attempt to be good stewards and seek out alternatives to high cost health care providers when they are available. Local sites are encouraged to establish relationships with clinics or doctors willing to provide inexpensive or pro bono services to low-income persons.

**Unit covered expenses** - The unit is responsible to pay the first \$250 of medical expenses for each separate illness or injury during a 12-month period. The unit will be required to pay \$250 of medical expenses each year in the case of conditions persisting longer than 12 months. The unit is responsible to pay the first \$250 of medical expenses for children that are living in the unit. Save your claim forms or other supporting documents of the medical charges.

**MVSO covered expenses** - The MVSO will reimburse the unit for payment of any medical expenses above \$250 for a single illness or injury. This includes children living in the unit. An MVS medical expense report form and **receipts** for medical expenditures, including prescription drug expenses, must be submitted monthly to the health plan administrator (Mennonite Mission Network, PO Box 370, Elkhart IN 46515-0370). In order for the unit to be reimbursed for the MVSO portion of the medical expenses, all receipts must be received by the health plan administrator in a timely and orderly fashion. As identified in the MVS handbook, no MVS volunteer is required to disclose the nature of their medical expense to anyone in the unit, and should feel free to disclose this information to MVS health privacy officers only if that is the MVSer's wish.

**Major medical pool** - Medical expenses above \$7,000 are submitted to an inter-Mennonite major medical pool called Mutual Aid Sharing Plan (MASP). The pool is reinsured against claims in excess of \$125,000. The maximum annual benefit per each individual illness or injury is \$600,000.

**Medical assessment** - Units are charged a monthly medical assessment for each adult volunteer that was in service for any part of the month. The assessment is paid in full each month by an automatic deduction from the unit's central account, regardless of the actual number of days the volunteer was in the unit. Assessments are not prorated for partial months of service. Children are not subject to this assessment. Assessments are charged for all volunteers even if they are being covered by other health programs.

## **Loans to Unit Members**

In very rare and exceptional circumstances, it may be necessary to lend money to unit members. Loans should be reserved for special situations, emergencies, etc. They should not be extended on a regular or routine basis.

**Approval** - The treasurer may approve requests for loans if the total amount borrowed is equal to

or less than the volunteer's regular monthly personal allowance. Requests for loans that exceed the volunteer's monthly allowance must be submitted to and approved by the unit and local leadership. Any loan in excess of \$200 must be approved by an MVS unit administrator.

Any loan extended to the treasurer shall be approved by a member of the local leadership or an MVS unit administrator.

**Documentation** - To avoid misunderstandings, all loans will be documented in writing. The treasurer and volunteer will prepare a brief agreement including:

- Name of borrower.
- Amount of loan.
- Date loan was made.
- Plans for repayment.
- Date of unit, local leadership and MVS director authorization (as required).

**Recording** - Loans made should be listed by name of borrower under disbursements in the MVS reporting system as "miscellaneous." A copy of the loan agreement should be sent to the MVSO at the time of the monthly financial report input and submission.

Repayments should be listed by name of borrower under receipts, "other income," of the monthly financial report.

## **Advances**

Units may occasionally face unusually large expenditures that would deplete their working cash reserves. Such situations might include purchase of a new vehicle or other large maintenance expense. Advances may be approved by the MVSO in anticipation of these expenses.

**Requesting an advance** – Call or e-mail the MVSO or speak to your MVS unit administrator to request an advance. Upon approval of the advance request, funds will be credited to the unit bank account.

**Advance received** – When the unit receives the requested advance, the advance should be recorded as a deposit in the unit checkbook. The amount of the advance received is recorded under the receipt section of the monthly financial report under "other income."

**Advance received and not spent** – If the advance is not spent in the month it is received, the unit's total working cash balance on the monthly financial report will be temporarily increased by the corresponding amount. Your central account balance will decrease by the amount of the advance. The MVS office will return a copy of your next monthly financial report to you, showing the advance as an MVSO adjustment reducing your central account balance.

**Advance spent or returned** – All advances must be accounted for. Advances should also be identified under the expenditure item of the monthly financial reports.

- Recording total advance spent – The amount spent is recorded and identified under the appropriate expenditure item of the monthly financial report.
- Recording total advance spent over several reporting periods – Only record the amount spent

during the particular reporting period on the monthly financial report. When the remainder of the advance has been spent, it is recorded in the same manner on the subsequent reports.

- Recording portion of advance spent and returned – Record the amount spent as described in number 1. If no future expenditures related to the advance are planned, the remainder of the advance is returned to the MVS office, and is recorded as an expenditure item on the monthly financial report.
- Keeping the advance – If you do not want the advance to be returned to the MVSO, then you will need to increase your working cash total by this amount, and show the new working cash total on your financial report from then on.

In all cases, the total amount shown on one or more monthly financial reports must equal the amount actually advanced to the unit. When an advance is given or returned, the MVSO will make an adjustment to your account balance. You will receive a copy of the report listing any adjustments made to your account balance.

## **Completing the Monthly Financial Report**

Each month, the treasurer will submit a financial report to the MVS office via the online reporting system. Copies can and should be made for local leadership at their request. The report should cover a one-month period and would most normally represent a full calendar month. It is essential that the report be completed and submitted promptly. Doing so will greatly simplify the treasurer's task and that of the MVSO.

### **Getting Started:**

**Balance and replenish petty cash** – If the unit has a petty cash fund, it should be balanced and replenished as described in the section on petty cash.

**Close the books** – Be sure that all expenses and receipts have been posted to the accounting system for the month. A tip: Write the description of each expense in your checkbook as you write checks or complete “check-card” and ATM transactions, so that transferring this information to the financial report is easier.

**Balance your checkbook** – The checkbook should also be reconciled with the most recent bank statement on a monthly basis. Most financial institutions provide a format for account reconciliation on the reverse of their monthly statement.

**Disbursements (Expenses)** - The following is a list of disbursement categories that correspond with the headings on the financial report:

1. Allowances - Can be listed as a lump sum for the unit, but if this is done, you must list each person's name and the amount they received in the description area; or you can list each individual person as a separate entry.
  - a. Monthly MVS – Refers to the monthly stipend each MVSer receives.
  - b. Vacation (2+ year MVSErs) – Only for MVSErs beginning their term in 2010 or before.
  - c. Long-Term Resettlement (2+ year MVSErs) – Only for MVSErs beginning their term in

- 2010 or before.
- d. Special Needs (4+ year MVSers) – Only for MVSers beginning their term in 2010 or before.
  - e. Clothing (4+ year MVSers) – Only for MVSers beginning their term in 2010 or before.
2. Housing
    - a. Rent - Monthly payments
    - b. Utilities – Monthly payments for gas, electricity, water, etc.
    - c. Telephone & Internet – Monthly bills. Personal calls should be the expense of the MVSer.
    - d. Maintenance – Include repairs and insurance (if applicable).
  3. Household expense – Should include the purchase of more durable items such as the purchase of furniture, appliances, tools, etc.
  4. Food & Supplies - Includes food and household supplies such as toiletries, light bulbs, non-prescription/over-the-counter medical supplies, cleaners, and other such consumable items. Spending guidelines are stated in the MVS handbook. The allowance is a guideline, which may be under or over spent as special situations arise; though, over the course of a year, should reflect the stated guideline.
  5. Medical expense – Recording medical expenses is a two step process. First, enter the expense like all other disbursements on the MVS finance website. Second, use the medical expense form (available in electronic form from the Mission Network health plan administrator) to provide information on each medical expense and the nature of the expense as well as the amount paid by the unit and MVSO. Once you have closed the monthly financial statement, you will need to e-mail this medical expense form to the health plan administrator ([healthplanadministrator@mmnworld.net](mailto:healthplanadministrator@mmnworld.net)) with all the correct information on it. All receipts will need to be mailed to the health plan administrator at month-end as well.

The unit pays the first \$250 of each medical incident. MVSO will reimburse the unit for amounts paid beyond the \$250 per incident. This requires the treasurer to keep the medical expense forms completed and up-to-date in order for the health plan administrator to determine when an incident is going over the \$250 amount. The unit cannot be reimbursed for the MVSO portion of the medical expenses unless the medical expense form is e-mailed and receipts submitted to the health plan administrator after closing the monthly statements. *NOTE: Expenses that the unit covers for over-the-counter drugs such as Tylenol, Advil, Sudafed, Claritin, cough medicine, etc., should NOT be included on the medical expense form, or counted as part of a medical incident.*

In order to define a medical incident, it is best to use examples. If someone breaks their leg, all prescriptions, doctor visits, physical therapy and hospitalization related to the broken leg are considered one incident. If someone has allergies and takes prescription medicine each month for those allergies, it is considered one incident. If someone is treated for a sinus infection because of those allergies, it is considered a different incident from the allergies. If a person recovers from one sinus infection, but gets another one three months later, the second sinus infection is considered a separate incident. However, if this person is treated for several months in a row for the same sinus infection, it is considered one medical incident. When in doubt, please contact the MVSO.

6. Transportation – includes the following:
  - a. General – includes public transportation costs and tolls.
  - b. Retreat Travel – it is the responsibility of the unit to fundraise or come up with the funds to send the unit to the national retreat.
  - c. Local Leadership (MVSO expense) – includes travel expenses to attend the annual local leaders meetings. Receipts should be sent to MVSO for reimbursement.
7. Vehicle Expenses – All costs of operating and ownership of unit-owned vehicles, including gas, repair/maintenance, insurance, purchase and mileage paid for use of private vehicles.
8. Education/Recreation – Unit recreation expenses as outlined in the MVS handbook. Unit newspaper and magazine subscriptions as outlined in the MVS handbook.
9. Miscellaneous
  - a. Bank charges.
  - b. Contributions approved by the MVSO.
  - c. Child care.
  - d. Loans to unit members.
  - e. Other miscellaneous expenditures.
10. Local Leadership Expenses – Provide detail of these expenses in the description line, which are to be reimbursed to local leadership.
11. Funds sent to MVSO – Record surplus amount that the MVSO withdraws from your account. These should be recorded in the month that they show up on your bank statements.

**Receipts (Income)** - The following is a list of items to be included in each receipt category.

1. Agency support – Itemized agency payments to the unit. Label which MVSer the payment was for in the description.
2. Contributions – Itemize gifts to the unit from churches, organizations, individuals.
3. Other income
  - a. Interest paid on bank accounts
  - b. Loans repaid by volunteers
  - c. Itemized payment to unit of personal expenses (long-distance phone bills, rent, or other income from associate MVSers, etc.)
  - d. Payment from MVSer of mileage for personal use of unit vehicle
  - e. Refunds
  - f. Other miscellaneous income
4. Reimbursement from MVSO – Record deficit amounts that the MVSO has deposited into the unit account. This should show up in the month that it was deposited into the unit bank account.

## Step by Step Instructions for Online Financial Statement

Instructions for the online financial recording system are on the following pages. This will assist you in entering the required data to capture your unit's financial transactions.

To access the MVS financial reporting system, you will require Internet access. Please access this system at <http://extranet.mennonitemission.net/DepartmentalData/GlobalMinistries/SLD/MVS/Finance/> (note that there is no "www." in front of the URL).

**Step 1:** Select your unit name from drop down list. You will need to get the password from the last treasurer, or contact the MVSO for a password reset.

Changing password - Your current treasurer has probably already done this step, and you will need to get the password from them. You are more than welcome to change it if you feel the present password is one you will not be able to remember. To change the password, you must access the program with the present password and then select "Change password" option. If you forget your password or have troubles logging in, you should contact the MVSO to retrieve your password or have it reset. Remember, passwords should be changed whenever someone new takes the treasurer responsibility, or the designated local leadership person changes.

**Step 2:** Entering beginning cash balance

You only have to do this step when the unit first accesses the system. You need to enter your beginning cash as of the date the unit officially opens. If you enter this data incorrectly and press enter before you catch the error, please let the MVSO know and it will be amended accordingly.

**Step 3:** Entering transactions

Screen #1:

*Date* : Date of check or date check was received.  
*From*: Who is the check from (e.g., unit, MVSO, agency, etc.)?  
*To*: Who is the check written to?  
*Ck#*: Enter check number.  
*Type*: Disbursement (expense) or receipt (income).  
*Amt of Ck*: Full amount of the check (even if it was for several things).

Click on "Save and assign categories."

Screen #2:

*Expense/income category*: Determine what category this check would fall under. If the check was for several categories, you will need to input each category separately. Enter your first category and proceed accordingly.

*Amt*: Amount for that category. It may not be the whole amount of the check.

*Descriptions*: Description of what the check is for (ex: April stipends, April rent, etc.).

"Save data."

Screen #3:

If the transaction was not for the full amount of the check, you will receive an indicator that says your transaction won't balance. At this point, you will need to either edit and apply the full amount or click on "*Add another category*" to complete the transaction.

If you did apply the full amount and you have a balanced transaction, at this point you can either edit the transaction if there is something you wish to change or click on "*Add Another Transaction*" to proceed. This will take you back to screen #1 and you start your next transaction

Once you have entered all your transactions for the month, then you can click "*Finish.*"

This step will take you to a list of all the transactions.

Check for any figures in "red," indicating a transaction that did not balance. You will need to return to that transaction(s) and correct the entries before closing your report.

You will notice at the bottom of the statement your ending balance (listed as "current balance"). Make sure this balances with your checkbook and bank statement as of the date you are completing the data for. If they do not balance, you will need to review your bank statement, checkbook and/or your data entry to determine the discrepancy and make corrective entries as appropriate.

With the checkbook and bank statement balanced, click on "*Functions*" (listed at the bottom of the page). This will take you back to the original screen that has the "*Enter Transactions,*" "*View Transactions*" and "*Close Month*" options.

#### **Step #4: Closing statement**

Click on "*Close (that month) transactions*" (whatever month you are closing will be listed). It will tell you one more time your beginning/starting cash for that month and your ending cash. **CHECK THEM ONE LAST TIME!!** Remember: If you have transactions entered from another month, your balance on your transaction screen will NOT match your closing balance. If you want them to match, you must make sure the dates of all the transactions are dated within the same month.

One last piece of information needed is the petty cash on hand at the unit. Enter this into the "Petty Cash On Hand" box. You will then see this amount subtracted from the "Checking Account" balance.

If all items are in balance, click on "*Close February*" (or the month involved).

**YOU HAVE COMPLETED YOUR FIRST ONLINE STATEMENT!** If you discover any mistakes were made after the month has been closed, contact MVSO in order for month to be reopened for editing.

Do not send any money or expect a check, as the MVSO will electronically debit or credit your local bank account.

The MVSO will receive a notification via e-mail that you are complete, and will process the report.

Upon report verification, you will receive an e-mail that will identify the amount of either your surplus or deficit for that month. A surplus requires you to respond, confirming your local bank account can accommodate the withdrawal. The deficit will automatically be processed and a deposit will be made in your bank account. Remember, these surplus and deficit transactions made by MVSO need to be entered in the next report that you complete (or the month that the transaction occurs).

**Step #5: Medical Expense Form**

Your monthly financial statement is complete, but if you entered medical expenses, complete the Medical Expense Form and submit it to the Health Plan Administrator for the MVSO records and so the unit can be reimbursed for any eligible medical expenses.

**Reports Available via the Online System:**

This report can be used to look back at past transactions entered for the unit.

1. While logged into the MVS financial website, click on “*View Spending & Income Trends*” on the original ‘Functions’ screen.
2. Enter the dates for which you wish to retrieve the data. Your ending date will NOT be included on the report. (Example: 1/1/2010 – 2/1/2010 will show you the full month of January 2010).
3. Click on the box marked “*List transactions*” to put a checkmark in that box.
4. Then click on “*View report.*” It will retrieve all entered transaction for that specific time frame.

Good luck ... and happy accounting!

## **Allowance schedule**

Effective May 2011

### **Food spending guidelines**

Adults - per person per month:

1-2 unit members	\$105
3-5 unit members	\$95
6 or more unit members	\$90

Children 9 years and older @ adult rate.

Children ages 0-8 years @ 70 percent adult rate.

(These amounts also include school lunches for children.)

### **Personal allowance (adult volunteers)**

First year – per month \$50

Second year - per month \$70

Following years - per month \$100

### **Personal allowance (dependents through age 18)**

First year – per month \$35

Second year - per month \$45

Following years - per month \$45

### **Vacation allowance (adult volunteers)**

First year None

Second year \$100

Third and following years \$300

(Vacation allowances after the second year will be paid from unit funds on a prorated basis when the final year of service encompasses less than 12 full months.)

\*Vacation allowance will only be paid to MVSErs beginning their term in 2010 or before.

### **Resettlement allowance (adult volunteers) capped at \$1,000 per MVSEr**

Beginning 13th month – per month \$15

Beginning 25th month – per month \$30

(Must serve 18 months to receive; paid at end of term)

\*Resettlement allowance will only be paid to MVSErs beginning their term in 2010 or before.

### **Unit education/recreation allowance**

Maximum monthly - per person \$10