



FINANCIAL BOUNDARY TRAINING

Congregational Treasurer/Business Manager

- ▶ Serving as Financial officer for the congregation
- ▶ Payment of bills, invoices, and charges
- ▶ Bookkeeping
- ▶ Preparing Financial Statements
- ▶ Filing Tax Forms
- ▶ Monitoring cash position and investing funds as directed
- ▶ Assisting in the preparation of the annual budget for congregation council

Business Ethics and Conflict of Interest

- ▶ Ethics policies are designed to help people understand fiduciary duties and address conflict of interest or appearance of conflicts
- ▶ Ethics policies should be revisited annually and conflict on interest form should be signed annually by congregation council
 - ▶ Examples of Conflict of Interest
 - ▶ Congregation President is the head of the construction firm bidding to build new building
 - ▶ Congregation is considering hiring a family member of a pastor
 - ▶ Bank President of where you bank is on congregation council

Separation of Financial Responsibilities

- ▶ There should be separation of duties for handling income and expenses when it comes to cash
- ▶ There should be written policies and procedures for key responsibilities
- ▶ No person should be placed in a position where any suggestion of mishandling of funds must be defended by the word of one person against that of another.

Handling congregational income

- ▶ No individual should be allowed to handle the congregations income alone at ANY time
- ▶ It is best if no cash is stored in the church
- ▶ Several people on a rotating basis should handle income
- ▶ Recoding of income or gifts from individuals of the congregation is a confidential matter
- ▶ The pastor should not serve in the position of treasurer or have check-signing authority
- ▶ Financial reports to the council and congregation should include ALL funds

Steps in safeguarding offerings and deposits

- ▶ Immediately following the service, 2 people carry the contents of the offering places to a secure room for counting or place in a safe for counting the following day
- ▶ Envelopes are immediately opened
- ▶ Balances between cash and check totals are reconciled
- ▶ Deposit slip is prepared and taken to bank promptly
- ▶ Copies of deposit slip are given to appropriate person
- ▶ Term of office for the treasurer should be limited to set period
- ▶ Funds collected from other activities (fundraisers, special events) should be handled the same as weekly offerings
- ▶ Members should be encouraged to make offerings through check or electronic payment
- ▶ Congregations should send out quarterly giving reports with a way for people to contact the church office with errors

Handling Expenditures

- ▶ Congregations should have documents policies in place for handling expenditures
- ▶ All expenses should be approved by payment by an authorized party by signature
- ▶ Check is prepared by someone other than the check signer
- ▶ Check is signed by appropriate check signer. With large amounts it is recommended you have 2 signers and that the pastor is NOT one of them
- ▶ Blank checks should NEVER be signed in advance

Savings and Investment Accounts

- ▶ There should always be a paper trail for moving of any monies between accounts
- ▶ Even if a verbal consent is allowed for moving of monies, always document when and why money was moved

Bank Reconciliation

- ▶ Reconciliation should be done on a monthly basis
- ▶ It can be done by people involved with income or expenses but is preferred to be someone not in one of those areas
- ▶ If you do use someone part of the income or expenses be sure to have someone review bank statements and checks that have been cashed

Congregation Credit Cards

- ▶ Determine if a credit card is really needed
- ▶ Determine how many and who will have a credit card
- ▶ Establish a policy for use of the card
 - ▶ Who has the card
 - ▶ What charges may be made
 - ▶ Who may make the charges
 - ▶ Who approves charges and when
 - ▶ How the charges will be documented
 - ▶ How the bill is paid
 - ▶ What the limit should be
 - ▶ Prohibit cash advances

Why have an Audit

- ▶ To obtain independent assurance that all financial records fairly represent the financial condition of the organization
- ▶ To be sure financial activity was recorded in accordance with the generally accepted accounting principles
- ▶ To be sure all policies and procedures are being followed
- ▶ To maintain confidence in the integrity of the congregation's financial system and individuals handling the finances

Insurance

- ▶ It is the responsibility of the congregation to have insurance
- ▶ All forms needed should be gotten including general liability, flood, fire, auto, workers compensation

Resources

- ▶ Portico Benefit Services- porticobenefits.org
- ▶ IRS- irs.gov
- ▶ Tax guide for Churches and Religious Organizations
- ▶ ELCA Office of the Treasurer
- ▶ Church Finance Today
- ▶ Church Law & Tax Report
- ▶ Church and Clergy Tax Guide
- ▶ NC Synod Office