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 congregation's 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.
- Recording 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 a 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 train 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 you 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