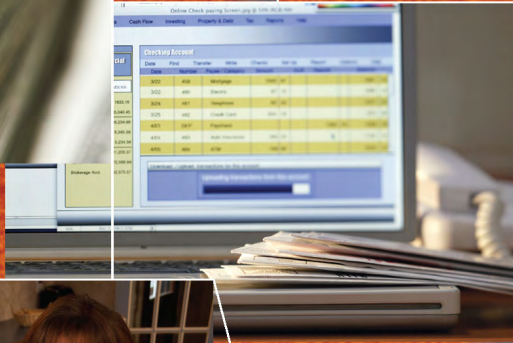


A Quick Start GUIDE



CHURCH TREASURER

A Quick Start Guide for the Church Treasurer

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This document was reviewed by Adventist Risk Management and the General Conference Auditing Service

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Introduction

Welcome to a ministry that is essential to the smooth operation of your church. A reliable treasurer is essential to the success of any organization because they handle the assets and records of financial transactions, and may participate in the decision-making process for allocating those assets. The Lord has entrusted precious monies to the church for fulfilling His mission, and as the local church treasurer you are the chief steward of those funds.

The work of the church treasurer exemplifies the necessity and value of order and organization in connection with the work of God. This work is not always recognized as ministry because it takes place behind the scenes. Nevertheless, the work of the treasurer is a specialized, vital ministry in which the individual exercises his or her spiritual gifts. And consequently, the entire congregation benefits.

Qualifications

A church treasurer needs to be honest, responsible, and demonstrate a high level of integrity. The treasurer's own credibility and reputation are linked directly to the credibility and reputation of the church. The ability to maintain appropriate levels of confidentiality is part of this trust. Because of the weight of responsibility a treasurer bears, he or she needs to be completely committed to God and open to the leading of the Spirit.

The treasurer should be able to keep organized records and meet the church's financial obligations in a timely fashion. He or she should be knowledgeable about the financial information that must be presented to boards, members and auditors.

The Role of the Treasurer

The church treasurer is responsible for the proper handling of all church monies including tithe funds, offerings, and bills from vendors and remittances to the local conference. He or she is also responsible for reconciling bank statements and giving reports to the church members and staff.

The treasurer is involved with planning the church budget and establishing internal controls. An effective treasurer not only handles church monies with

care, but can also be a helpful educator when it comes to explaining how church finances are administered. According to the size and needs of the local congregation, the church treasurer may also work with the conference with insurance plans, investments and payrolls.

AdventistGiving through Your Local Church Website

AdventistGiving enables members to return tithe and give offerings online while doing online banking, on a long business trip, on vacation, or even if they are unable to attend church due to an illness. It enables members to immediately return their firstfruits to the Lord.

To begin using AdventistGiving church pastors and treasurers can apply at www.adventistgiving.org. All funds are routed through the local church and state-of-the-art security measures are in place to keep members' payment information secure. Only the church treasurer will have knowledge of members' giving, as is the case with regular cash and check contributions. Funds are sent to the church checking account electronically on a monthly cycle.

After receiving a monthly electronic report of all AdventistGiving transactions, the local church treasurer receipts the funds and incorporates this group of givers into the monthly report to the church and conference. The treasurer then disburses the contributions in harmony with the givers' intentions.

Although anyone who makes a contribution online will receive an email confirmation, they will need an official receipt as part of your recordkeeping and for their tax purposes.

At present the overall cost for credit card transaction fees and other banking fees is shared by the local conference, the union, the North American Division, and the General Conference to ensure churches get full credit for members' contributions.

Visit www.adventistgiving.org to enroll your church.

Duties of the Church Treasurer

Specific duties of the treasurer include:

Caring for Tithes and Offerings

The treasurer receives the tithes and offerings which come in on Sabbath morning or to the church office during the week. For the treasurer's protection another person such as a deacon or assistant treasurer should count the loose offerings as soon as possible after they have been received, before the money is turned over

to the treasurer. There should be a regular rotation among the people who count offerings in a church where there are sufficient people to do so. The money should be counted in a secure environment and kept in a safe in the church office until deposited or placed in a bank deposit box. Some churches count the funds during the service and some count them after the Sabbath. The size of offerings and the number of volunteer counters available will determine your procedures.

Receipting

All funds received should be receipted as soon as possible. The offering envelopes are opened and checked to see that each amount received agrees with what the donor wrote on the envelope. If the amount enclosed is a small difference from the envelope, make the adjustment on the envelope so that the tithe envelope agrees with the amount enclosed. If the amount is large it is wise to contact the donor. All receipts are then posted in the church ledger. These records are vital not only for the auditor who checks them each year, but also for members who may need documentation of their contributions.

Conducting Banking

All funds should be deposited promptly and in full in a bank account in the name of the church. Three independent totals should be generated: envelope total supported by adding machine tape or computer printout, cash total supported by deposit ticket, and offering total supported by offering distribution form. The treasurer, counting team leader, or another designated person should transport the funds to the bank. Using a locked bank bag for deposits is recommended.

Reconciling

When bank statements arrive, each must be carefully reviewed and reconciled. (Banks do occasionally make mistakes.) Reconcile the bank statement to the checkbook balance and the church ledger balance once each month. Remember to consider deposits in transit and outstanding checks. Bank reconciliations should be immediately reviewed and approved by the pastor, the head elder, or the Finance Committee chairperson.

Reporting

Accurate and timely reporting is critical because timely information is needed to make informed and wise decisions. After the weekly count, provide an initial report to your pastor. Monthly financial statements should also go to the church board. (DO NOT share confidential information such as the names of individual donors or recipients of charitable funds.) Each month you will need to forward a copy of the church's offering detail report, financial statements and remittance report to the conference. This remittance report should be accompanied by a check or wire transfer for the amount of tithe given and the offerings received that were designated for conference, union or General Conference projects.

Handling Personal Receipts

Distribute receipts for tithe and offerings to members on a regular basis in the manner approved by your local church. Some churches do this monthly or quarterly, while others distribute receipts once or twice each year. Offerings from guests should also be receipted if they have given contact information. Be sure to differentiate between tax-deductible donations and non tax-deductible donations where the individual has received some type of goods or services.

Disbursing Funds

Authorization for the disbursing of church funds for ordinary church operation such as utility bills is generally given in the annual church budget. Special projects or items not in the budget must be authorized by the church board or by a church business meeting. All expenses should be paid by check. More than one signature should be required on checks for amounts that are not usual or customary. Documentation and authorization supporting disbursements should be preserved. Payments that are to be charged against the funds of an auxiliary organization such as Pathfinders should be approved by an authorized officer of that organization. It is important that all contributions by individuals to the church for a specific fund or purpose be used for that purpose. Neither the church board nor the treasurer has the authority to use any funds restricted by the donor for a different purpose.

Financial Statements

The treasurer should prepare a monthly financial statement and distribute copies to the church board. This statement should report the status of all funds, including all income by sources, all disbursements, and the fund's beginning and ending balances, and the totals received in tithes and offerings. In addition to the reports to the pastor and church board, the treasurer is responsible for presenting financial statements to the church in business session.

Confidentiality

Confidentiality is a vital responsibility of the church treasurer. The treasurer will not be trusted if word gets around that a person can go to the treasurer and get information about donors or their contributions. Only those who share in the responsibility of the work should have access to the church's financial records. Trust and confidence in the church treasurer can do more to foster generous giving than promotion for offerings from the pulpit.

Working with the Stewardship Director and the Finance Committee

The church stewardship director is responsible for educating and inspiring the congregation in faithfully bringing their tithes and offerings to God. The finance committee handles issues related to budgeting church funds, addressing out-of-

the-ordinary expenditure requests and developing long-range financial plans. An open and efficient line of communication with these individuals is critical to the efficient handling of church finances. Develop accountability, integrity and trust among this team of leaders.

How careful we should be whenever God's money is placed in our hands!

Budget Planning

As the church treasurer you may be involved in developing the church budget, depending on the organizational structure of your congregation. In some churches the treasurer works with (or even chairs) the finance committee through the budgeting process. In smaller congregations the treasurer may be responsible for presenting a proposed budget to the church board or the church in business session.

If you are involved with preparing the budget you should be aware that budget planning includes:

- Discussing with the pastor and church board the prospective needs for the coming year
- Basing allocations on a fixed percentage of the combined budget income
- Basing projected income on previous giving patterns
- Making provision for the current inflation rate
- Separating monies for special activities, such as building funds and Pathfinders, that aren't part of the general combined budget

Many churches use a combined church budget making provision for those items which are properly considered church expense, that will meet the needs of the church programs and activities including appropriations for the church school. The apportionment to the programs can be made either on the basis of a flat dollar amount or as a percentage of whatever funds are received for Church Budget. In any case funds designated by donors on tithe envelopes for a specific project should be directed to that account.

Keeping all departmental leaders informed of available fund balances will discourage overspending.

Remember that a budget is only a tool for handling the finances of the church. If, at any point of your church's fiscal year, the income is falling significantly below projected levels, the budget should be redesigned to prevent the funds from being depleted. On the other hand, if income levels are substantially higher than projected, ministry plans may be adjusted.

Other Financial Concerns

If you are serving as the treasurer of a larger church you may need to deal on a regular basis with insurance policies, investments and the paperwork involved with the coming and going of church personnel.

Insurance

The Seventh-day Adventist Church has been blessed with many beautiful places of worship. As stewards of God's property, we have a duty to maintain and protect those properties against fire, natural disasters, theft, accidents, liability losses and medical claims.

The church treasurer or safety officer should initiate measures to prevent losses and/or minimize the financial impact after an occurrence. The treasurer is responsible for maintaining adequate insurance coverage for every contingency. Complete records of all policies covering buildings, contents and equipment, liability and other assets should be safely held and maintained. Specific types of insurance coverage your church has may include:

- Property and fire
- Earthquake and flood
- On-site crime and theft
- Boiler/machinery
- General liability
- Contractual liabilities
- Owned and non-owned automobile liability
- Owned or non-owned aircraft liability
- Employment practices liability
- Workers' compensation
- Volunteer labor
- Executive risk

Some of these protections are provided via master insurance policies carried by your conference. For more information about insurance for your church, contact your local conference treasurer or Adventist Risk Management at www.adventistrisk.org.

Investing

Often a church is accumulating funds for a major ministry or building project. Such funds should be invested in an insured bank account at a reputable organization, the local Union Conference Revolving Fund, or other approved investment instrument in order to earn interest on the money. The church board should specifically authorize such accounts or investments. The funds withdrawn from these accounts should be transferred to the checking account for disbursement. Consult with your conference treasurer concerning investing of both long-term and short-term church funds. No loans of church funds should be made to any individual for any purpose.

Payroll

There are numerous federal, state and local laws regarding labor and wages. Consult with your conference regarding current conference practices concerning local, church-funded personnel.

Personnel

Do not hire any local church staff before consulting with your conference. Great care is needed to be in compliance with immigration and wage and labor laws. Assist your conference by providing the forms and reports they need to assure your compliance with these laws. All new employees should be reported to the local conference to be included under the provisions of statutory workers' compensation insurance.

Consult with your conference when a locally funded employee is to be terminated. To protect yourself and the church from employee litigation:

- Make no written or verbal agreement guaranteeing length of employment
- Treat all cases of employee misconduct alike
- Carefully follow your church and conference rules and procedures

The Importance of Financial Reviews

Financial reviews are designed to:

- Instruct you in church financial policies and their practical applications
- Provide helpful suggestions that will increase your effectiveness
- Help you develop greater confidence in your work
- Instill in the church board confidence in the treasury process

Financial reviews usually begin with a letter from your conference auditor letting you know what time period the review will cover and what records you need to assemble. This will be followed by a phone call to verify that you received the

letter and to arrange a time for the auditor to have access to your financial records. During the time the auditor is with you, he or she will review the following:

1. Receipting documentation of tax-deductible/non-deductible donations
2. Tithe envelopes for accurate distribution of donations
3. Proper disbursement of funds
4. Receipting of tithe and World Budget offerings
5. Documentation of cash disbursements and accounts payable
6. Minutes of finance committee/church board meetings
7. Internal control practices
8. Timeliness of remittances of funds to the conference
9. Trust funds handled correctly
10. Bank statements reconciled to the ledger and check register monthly

After a thorough review of records the conference auditor may write two reports – one for you as treasurer and one for the church board. The auditor will meet with you and discuss findings and answer your questions. As a church treasurer you should value financial reviews as learning experiences and welcome the third-party credibility they bring.

Financial reviews should be completed at a minimum of every two years. If financial reviews are not conducted at your church on a regular basis, ask for the assistance of the conference treasurer in scheduling one.

Building Trust

There are many ways to build trust between a treasurer and the members. One of the most vital is by maintaining strict confidentiality. Only those who share in the responsibility of the treasury work should have access to donor information, including checks and tithe envelopes, but all church members have access to the church's financial reports so they can be aware of the financial status of their church. Church members who know their church's financial situation are more involved and financially supportive of the church's ministries.

Another way to build trust is to use restricted or trust funds only for the specified purpose, and to use unrestricted funds with wisdom and care. Members tend to place confidence in the treasurer when he or she consistently gives accurate, organized reports of church finances being spent as they were allocated.

Bank statements should be mailed to an authorized person other than the treasurer (pastor, church board chairperson, etc.). That person should perform a quick review of the canceled checks and amounts to determine if transactions seem reasonable before passing the statements on to the treasurer for monthly reconciliation.

Integrity and accountability are indispensable characteristics of successful church treasurers.

The group or individual who delivers the counted offerings to the treasurer should maintain a copy of the counting record for future verification. Duplicate record keeping helps prevent false accusations and verifies receipts in the event of a loss.

Have a contingency plan in case of fire or vandalism. There should be backup records in another location in case of a catastrophe.

Here are two “nevers” to keep in mind:

1. Never issue blank checks
2. Never count the loose offerings alone

Internal Controls

Establishing internal control is part of the process of building trust. Internal controls are designed to provide reasonable assurance regarding the achievement of objectives in:

- The effectiveness and efficiency of operation
- Compliance with applicable laws, regulations and policies
- Financial reporting reliability

Remember that establishing an internal control process is for the protection of both the church and the team of financial leaders. Following is a list of questions to help you evaluate the level of your ministry’s integrity and its general effectiveness.

Some Questions for Evaluation

1. Do you have two or more people counting loose monies that come into the church?
2. Do those who count funds and deliver them to the treasurer keep a copy of the records?

Keys to Developing Trust

- Maintain strict confidentiality
- Ensure accurate counting of monies
- Follow appropriate receipting/ depositing procedures
- Make timely bank deposits
- Reconcile bank statements monthly
- Make only authorized disbursements
- Keep financial records and files organized
- Mentor a committed and reliable assistant

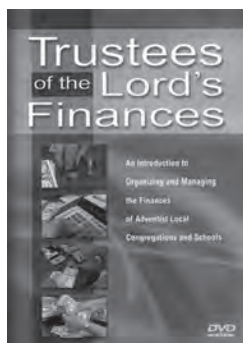
3. Does an individual other than the treasurer review bank statements before they are passed on to him or her for monthly reconciliation?
4. Does your church require two signatures for checks above an established limit?
5. Do you provide financial statements and reports in a timely manner and do you encourage members to ask questions about the financial reports?
6. Does the finance committee or church board authorize all bank and investment accounts?
7. Are financial reviews performed on a regular basis?
8. Are adequate procedures in place to respond to possible losses?
9. Is an assistant treasurer being mentored to share the workload, protect the treasurer from unfounded accusations and become a responsible future treasurer?

Conclusion

As the local church treasurer you're on the front lines of ministry. You bear very important responsibilities. But thankfully you're not alone. Your conference treasurer is readily accessible and eager to help you accomplish the work God has entrusted to you. May God bless you as you serve Him with your gifts and honor Him through your integrity.

Resources

The following resources are available from AdventSource. For a complete list, visit www.adventsource.org or call 800-328-0525.



Trustees of the Lord's Finances DVD Set

Created by the North American Division and Adventist Risk Management

This resource guides church and school treasurers through the process of learning how to effectively organize and manage the Lord's finances. Discover how to protect your church and school from fraud and loss and how to manage funds with integrity, honesty and efficiency.

DVD Set and Booklet *Catalog #318441*

Participant Book *Catalog #318442*



Church Finances for People Who Count

By Mack Tennyson

A 100-page basic handbook for church treasurers, trustees, deacons and ministry staff. Includes chapters on the spiritual role of the church treasurer, internal control, a sample record-keeping system, three criteria for deducting a gift, church budgets and raising money to build a church.

Catalog #311000

Websites for Church Treasurers

North American Division Stewardship Department

www.adventiststewardship.org

General Conference Stewardship Department

<http://adventiststewardship.com>

Adventist Giving

www.adventistgiving.org

Adventist Risk Management

www.adventistrisk.org

Church Treasurer Ministry Description

Introduction

Finances are an integral part of the ministry of the laity. A person with integrity and business skills is elected as church treasurer with the important responsibility for local church finances.

The history of church treasurers goes back at least to 457 B.C. when Ezra appointed guardians for the funds given for the work in Jerusalem. To those given the care of the Lord's goods Ezra commanded, "Ye are holy unto the Lord; the vessels are holy also; and the silver and the gold are a freewill offering unto the Lord God of your fathers" (Ezra 8:28).

"The care exercised by Ezra in providing for the transportation and safety of the Lord's treasure, teaches a lesson worthy of thoughtful study. Only those whose trustworthiness had been proved, were chosen; and they were instructed plainly regarding the responsibility resting on them. In the appointment of faithful officers to act as treasurers of the Lord's goods, Ezra recognized the necessity and value of order and organization in connection with the work of God" (Prophets and Kings, page 617).

Jesus and His traveling band of disciples also had one designated to take charge of their funds. Jesus taught the importance of the proper management and integrity in the handling of monies.

If it was important in the days of Ezra and of Christ to have someone to take care of church funds, it is essential today.

The work of the church treasurer is sometimes not recognized as a ministry because it is done behind the scenes. Nevertheless, it is a specialized, vital ministry in which the treasurer exercises his or her spiritual gifts. The whole congregation benefits indirectly from the work of the treasurer.

Duties of the Church Treasurer

The duties of the ministry to which a person is called when he or she becomes a church treasurer can be described in the following ways:

- 1. Tithes and offerings.** The treasurer receives the tithes and offerings which come in on Sabbath morning or to the church office during the week. It is a generally accepted safeguard to have two or more deacons count the loose offerings as soon as possible after they have been received before the money is turned over to the treasurer. Ideally, the church will make provision for the safekeeping of the church monies in a safe in the church office or arranging to use a bank deposit box.

- 2. *Receipting.*** All funds received should be receipted as soon as possible. The offering envelopes are opened and checked to see that each amount received agrees with what is written on the envelope. All the receipts are then posted in the church ledger by hand or computer. The keeping of these records is vital not only for the auditor who will be checking them, but for the members as well, who may need documentation of their contributions.
- 3. *Banking.*** It is the responsibility of the treasurer to deposit church monies in a reputable bank. Of course, this must be in a separate account from that of the church treasurer's personal account. The account should be opened in the name of the local church according to the requirements of federal, state and local law and church policy.
- 4. *Records.*** The treasurer needs to forward a copy of the church's offering detail report, financial statements and remittance report to the conference each month. This remittance report should be accompanied by a check covering the amount of tithe given and the offerings received that were designated for conference, union, or General Conference projects.
- 5. *Personal receipts.*** The receipts for tithes and offerings given by the members should be distributed to them on a regular basis in the manner approved by the local church. Some churches do this monthly or quarterly while others mail them out on a yearly basis.
- 6. *Disbursing funds.*** Authorization for the disbursing of church funds for ordinary church operation is generally given in the annual church budget. Special projects or items not in the budget must be authorized by the church board or by a church business meeting.
- 7. *Financial statements.*** The treasurer should prepare a monthly financial statement and distribute copies to the church board. This statement should report the status of all funds, including all income and disbursements and the fund's beginning and ending balances, as well as the totals received in tithes and offerings.

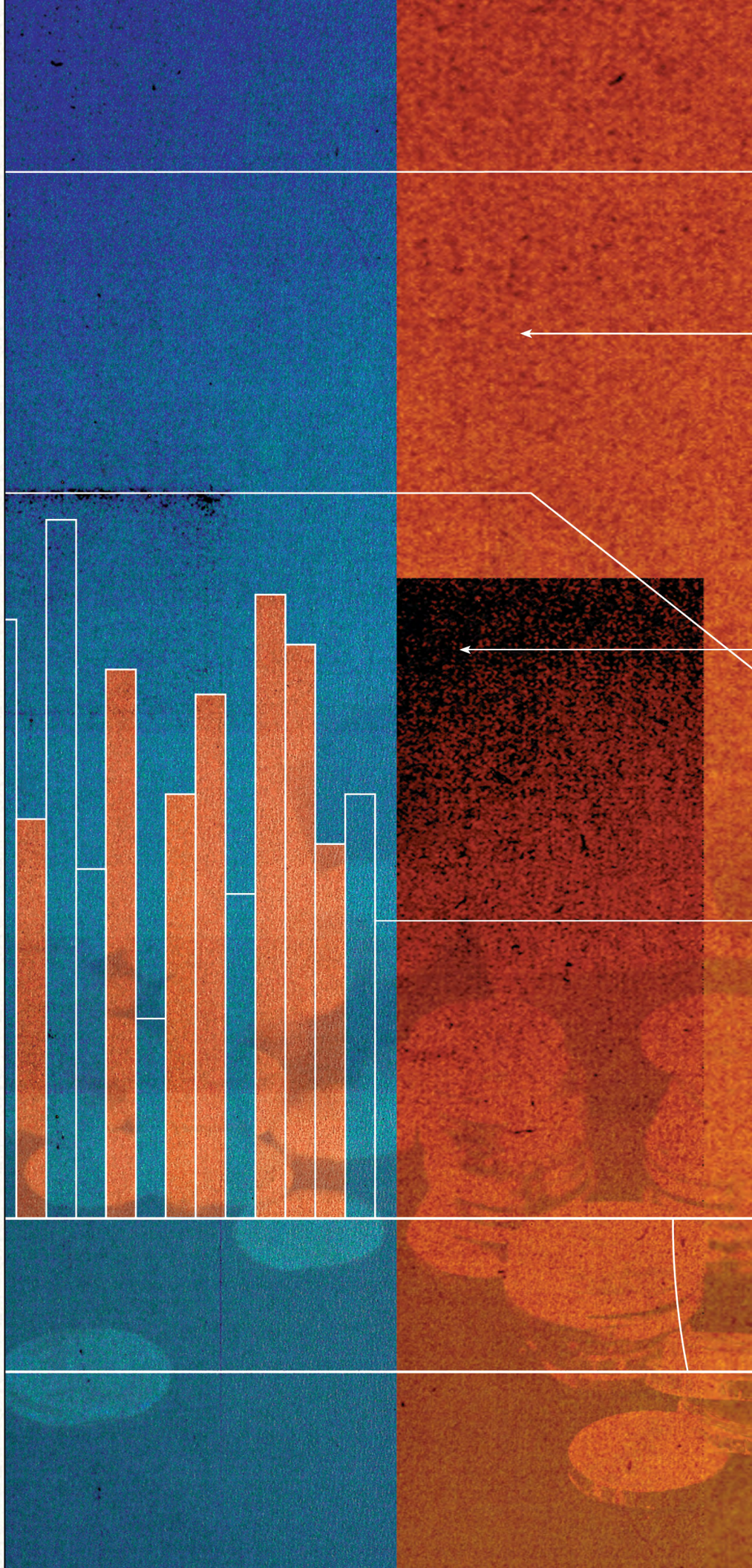
Church Treasurer

This Quick Start Guide for Church Treasurers is full of important information to help you start or revitalize a ministry at your local church. This guide contains a job description, instructions for getting started, tips for maintaining a successful ministry, troubleshooting suggestions, recommended resources, and more. Whether you're new to this ministry or a seasoned volunteer, this Quick Start Guide will inspire you with lots of great ideas you can immediately put to use in your local church.

Other titles in the Quick Start Guide series include:

- Stewardship Director
- Finance Committee
- Church Board
- School Board

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