

Church Financial Hot Topic

Handling the Church's Money

Receiving - When receiving donations in Sunday School, worship service, during the week or special offerings, the church needs good procedures in handling the money. At least two individuals should be present anytime money is collected or received. The church treasurer should not be involved in the collection of donations. Donations should be placed in a secured location in a sealed "one-time use" bank security bag and, if practical, placed in a bank night deposit.

Counting - The manner of counting and verifying of donations from envelopes, checks, electronic transfers, and cash offering is important. A rotating counting committee of at least three individuals should be involved in the counting of donations. The church treasurer should not be on the counting committee. Husbands and wives should never count the money alone, only with others present.

Depositing - Procedures for deposits of donations should be established. It is important that a procedure is established for depositing, verifying, and correcting deposits. A written log of checks and cash received by the church should be used to assist in the depositing process. The checks can be copied or hand entered in the deposit log. The church's annual contribution credit statements should be reconciled with the deposit log or slips. Once again, the church treasurer should not be involved in the process of depositing of donations.

Disbursing - The authority for disbursements of funds comes from the church through the church's adopted budget. The church treasurer should not release funds beyond the church's budget without the church's approval through a church conference, approved committee, or the church's constitution, by-laws, or financial policy authorization.

Recording - A church financial record system should be selected for recording all receipts and disbursements of church funds. The record system should be functional and practical for the size church. A church treasurer or financial secretary can record this information for the church membership.

Reporting - The church should be given a periodic report of the financial condition of the church. Although the church is not required by law to send annual contribution credit statements, normally the church provides its membership and other significant donors with this information. Most churches provide this information in January of each year. The church treasurer or financial secretary can provide this information.

Reviewing - Annually, the church needs to examine the financial records of the church. A two or three person financial review committee can do this internally. Financial review checklists are available through many resources. If concern arise during internal review, the church should consult and/or engage a professional accountant.

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