



Church Finances



June 2017

Agenda

- Authority & Secrecy
- Budgets & Reporting
- Tax Exempt Status
- Employment Taxes
- Tax Reporting
- Investments
- Audits
- Checks & Balances
- Pastoral Compensation
- Reimbursement Accounts
- Discretionary Accounts
- Apportionments
- Job Descriptions
 - Financial Secretary
 - Treasurer
 - Finance Committee
- Record Retention
- Resources
- GCFA Apportioned Fund Descriptions

Authority & Secrecy

- BoD ((¶ 244.1) The Church Council shall function as the executive agency of the charge conference.
- BoD (¶ 244.3)
 - "The pastor shall be the administrative officer and, as such, shall be an ex-officio member of all conference, boards, councils, commissions, committees, and task forces, unless otherwise restricted by the Discipline."
 - Pastor is "member" of all committees except Trustees and SPRC
 - Pastor has full access to all information for committees and sub-committees including Stewardship
- BoD ((¶ 340.2.c.2.c)
 - ...the pastor, in cooperation with the financial secretary, shall have access to and responsibility for professional stewardship of congregational giving records.
- The pastor should be viewed as the "Servant Leader" of the church, shepherding the people of God in worship, prayer and to faith in Christ by exercising pastoral supervision and by organizing the Church to be effective in mission in the world.
- Dissimilar to a CEO role at a for-profit company the pastor cannot make unilateral decisions of significance. Such decisions are made by the Church Council and executed by committees.
- BoD (¶ 722) requires meetings to be open as often as possible (except SPRC)
- Financial statements & accounts of all church entities available to Church Council via annual audit
- Details of financial giving should be shared only with those that have "a need to know"
 - Financial Secretary
 - Pastor
 - Sometimes members of the Finance Committee (to facilitate a capital campaign for example)

Budgets & Reporting

- Essential component of a well-run church
 - Facilitates projection of income and expenses
 - Provides yardstick to measure progress in meeting goals
 - Presents a snapshot of financial matters to congregation
- Prepared annually:
 - By Finance Committee member with expertise
 - Based upon input from Administrative Council and Committees
 - Published in advance & approved by Administrative Council
- Should reflect all income and expenses including apportionments
- Recommendation: Budget clergy move costs each year since new appointments are often unknown at time of budget preparation. If monies are not used – redeploy elsewhere.
- Periodic financial reporting can strengthen Stewardship efforts; some consider lack of reporting to be drag on efforts to promote giving

Budgets & Reporting (continued)

Income:

- Tithes & offerings
- Fees from outside use of church space
- Fundraising
- Investment income
- Miscellaneous

Expenses

- Accountable reimbursements
- Administrative expenses
- Apportionments
- Building maintenance & utilities
- Debt service
- Education
- Insurance
- Membership
- Outreach
- Program expenses
- Salaries & benefits
- Worship & Music
- Miscellaneous



Sample Budget Calendar

(based upon a calendar fiscal year)



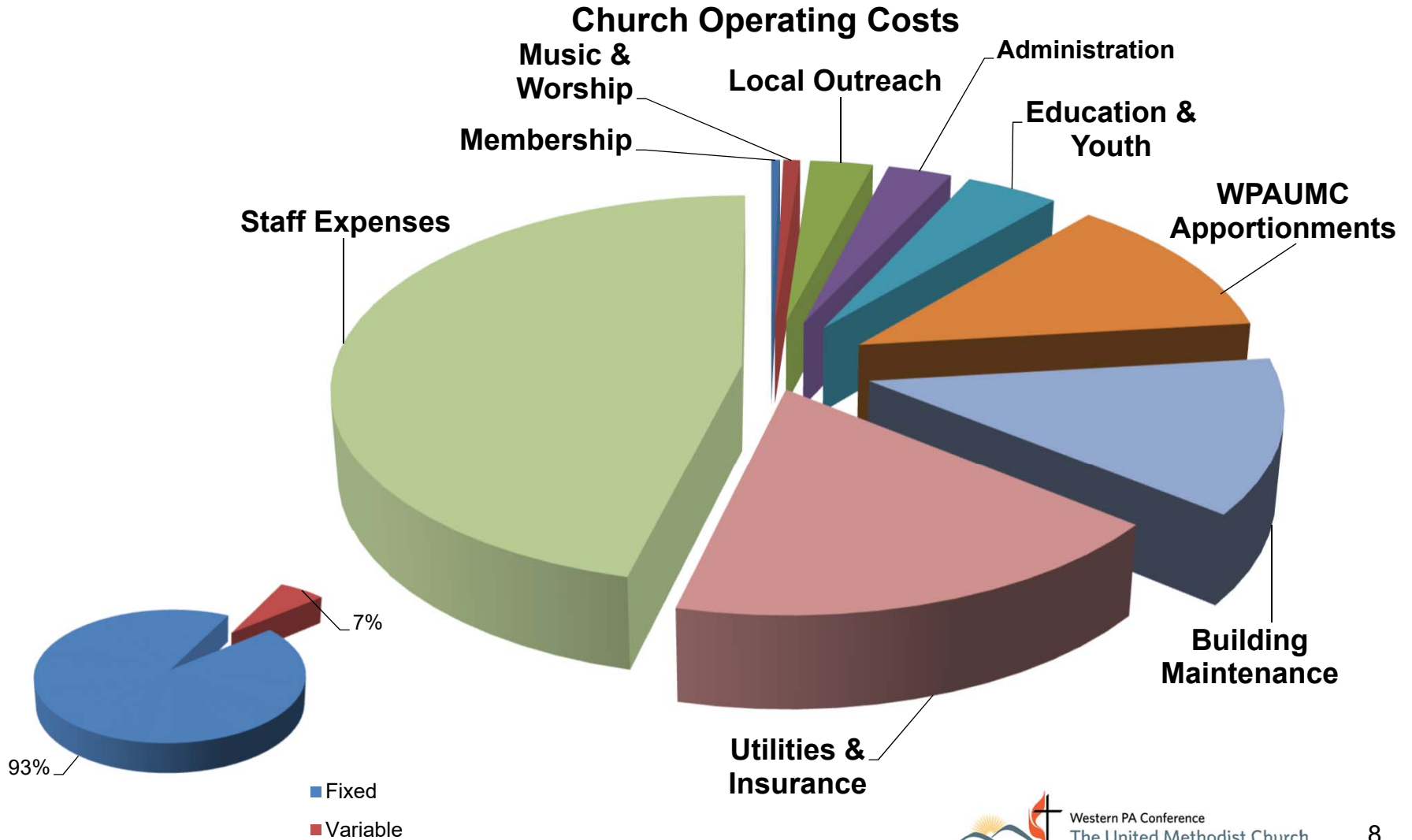
January	February	March
April	May	June
July	August	September
October	November	December

- February thru December:
 - Furnish Administrative Council & Committees with “Budget vs. Actual” report with explanations of variances
 - Project amounts to year-end
 - Determine actions needed to bring spending in line with Budget
- October:
 - Request Committee Chairs to provide input for next year’s Budget
 - Obtain WPAUMC: Apportionments, Healthcare Premiums, Pension, CRSP CPP and Benefit Reserve.
- November:
 - Compile & distribute draft budget to Administrative Council
- December / January:
 - Revise as necessary & obtain Administrative Council Approval
 - Communicate budget to congregation
 - Budget does not require Charge Conference approval

Budget Details

First United Methodist Church								
2018 Budget Worksheet								
	2018	2017	2017	Increase / Decrease		Pre-		
	Budget	Budget	Actual	2017 Budget	2017 Actual	School	Source	Budget Notes
Income								
I-1 · Pledges			\$ -				Stewardship	
I-2 · Non Pledge Regulars			-				Fin. Sect	
I-3 · Loose Plate			-					
I-4 · Christmas/Easter Offering			-					
I-5 · Facility Rent			-					
I-6a · Preschool Facilities Donation			-			Yes		
I-6b · Preschool Insurance			-			Yes		
I-7 · Fund Raising Projects			-					
I-8 · Designated Contributions			-					
I-9 · Misc, Other Income			-					
I-10 · Interest Income			-					
Sub-total	\$ -	\$ -	\$ -					
A · Administration								
A-1 · Administrative Salary			\$ -			Yes	SPRC	
A-2 · Office Supplies			-			Yes		
A-3 · Office Equipment			-			Yes		
A-4 · Postage			-					
A-5 · Communications			-					
A-5a · Telephone - Church			-					
A-5b · Telephone - Parsonage			-					
A-5c · Cable/Internet - Parsonage			-					
A-5d · Other			-					
A-7a · Church's Share of FICA			-					
A-8 · Administration - Misc.			-					
A-9 · Payment Desig. Contribution			-					
A-11a · Workmans Comp			-			Yes	WPAUMC	
A-11b · Insurance Property & Liability			-			Yes	WPAUMC	
A-11d · Umbrella Policy			-			Yes	WPAUMC	
Sub-total	\$ -	\$ -	\$ -					

Budget Graphs



Budget vs. Actual

First United Methodist Church						
2017 Financial Results						
Year-to-Date Through March 30th						
	A	B	C	D	E	
	YTD Actual	Deposits / Bills Outstanding	Adjusted YTD Actual	YTD Budget	Variance (Fav / Unfav)	Comments
Income						
I-1 · Pledges						
I-2 · Non Pledge Regulars						
I-3 · Loose Plate / Visitor Donations						
I-4 · Christmas/Easter Offering						
I-5 · Facility Rent						
I-6a · Preschool Facilities Donation						
I-6b · Preschool Insurance						
I-7 · Fund Raising Projects						
I-8 · Designated Contributions						
I-9 · Misc, Other Income						
I-10 · Interest Income						
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	
A · Administration						
A-1 · Administrative Salary						
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A-11d · Umbrella Policy						
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	

Church Software



- QuickBooks Not-for-Profit www.quickbooks.com
- ACS Technologies www.acstechnologies.com
- Everlasting Business Solutions www.everlastingbusiness.com
- Church Trac Online www.churchtraconline.com
- Shelby Systems www.shelbysystems.com
- Power Church <http://www.powerchurch.com>
- Shepherd's Staff www.shepherdsstaff.org
- Abila (formerly Sage Software Nonprofit Solutions) www.abila.com
- Logos www.logoscms.com
- Church Windows www.churchwindows.com
- Christian Computing Magazine www.ccmag.com

Article on church software from Evangelical Council of Financial Accountability:
<http://www.ecfa.org/Documents/ChurchManagementSoftware.pdf>

Choice of software is less important than setup & skill of user. If internal expertise is lacking, hire someone to set up & train. Costly, but will save endless hours of frustration.

For discounted Not-for-Profit software try: www.techsoup.org/nonprofit-software

Tax Exempt Status



- **UMC is Tax Exempt Religious Organization under Section 501(c)(3) of tax code**
- **Group Tax Exemption ruling granted to GCFA in 1974**
 - Exempt from Federal Income Tax
 - Generally exempt from filing Form 990 (Return for Organizations Exempt from Income Tax)
 - Donors may deduct contributions on tax returns (timely acknowledgement required)
- **WPAUMC is covered by Group Ruling**
- **All WPAUMC churches covered by group ruling**
- **Churches may request a specific inclusion letter**
<http://www.gcfa.org/welcome-to-the-gcfa-group-ruling-website> “or”
www.wpaumc.org/formsandinformation

Questions: GCFA Legal Department at (866) 367-4232 or legal@gcfa.org

Employment Taxes



- **Know difference between “employee” & “independent contractor”**
- **Use Federal and State web-sites for Guidance:**
 - Internal Revenue Service: <http://www.irs.gov>
 - PA Department of Revenue Services <http://www.revenue.pa.gov>.
- **Must withhold & remit Federal, State, Local & Social Security taxes for:**
 - Secretary & other lay employees
 - Organist
 - Child-care providers (e.g. nursery care during church services)
- **Use of outside vendor (MinistryWorks, ADP, Paychex, etc) or software program that is updated regularly is critical. Ensures current withholding rates are used & that quarterly payroll records are accurate.**



Tax Reporting Requirements

Clergy Taxes:

A. Ordained, commissioned, or licensed ministers have dual tax status:

- “employees” for tax reporting purposes (MUST BE ISSUED A W-2, NOT A 1099)
- “self-employed” for Social Security tax purposes

B. No mandatory income tax withholding (may be done voluntarily)

C. Social Security is never to be withheld

D. Clergy should be making quarterly estimated payments of Federal, State, Local and self-employment taxes. Self employment taxes should include the value of a parsonage.

Payroll Taxes:

A. Withhold taxes, file forms and comply with deposit requirements

1. Federal Social Security
2. Federal Income Tax
3. State income tax withholding (requirements vary from state to state)

B. Quarterly Filing Requirements (April 30, July 31, October 31 & January 31)

1. Form 941 - Federal
2. State equivalent form (may vary from state to state)

Tax Reporting Requirements

C. Annual Filing Requirements

1. January 31: Form W-2 provided to employees
2. February 28: Form W-3 filed with Social Security Administration.
3. January 31: Form W-2 filed with State.
4. Local filing requirements vary.



Payments to self-employed individuals:

(Such as independent contractors supplying repair or other services to the church)

1. January 31st: Form 1099-MISC supplied to individuals (compensation of \$600 or more)
2. February 28th: Form 1096 & 1099-MISC filed with the IRS

Investments / Financing



- Often overlooked / undermanaged source of additional income
- Keystone United Methodist Federal Credit Union: <http://www.keystoneumfcu.org>
724-252-3200 or 888-972-0797
 - Not-for-profit Methodist organization offering loans & investment management
 - Loans: Refinancing, new construction, church expansion or renovation
 - Investment Management: highly rated fixed income securities with predictable returns
- United Methodist Foundation: <http://www.umfoundation.org>
 - Methodist based organization offering fund management
 - Invests through SEC-registered investment advisers
 - Methodist based organization offering fund management
 - High quality equities or fixed-income securities
 - Complies with Social Principles of The United Methodist Church
 - Also offers:
 - Stewardship Education Programs
 - Planned Giving Seminars
 - Endowment Development
 - Capital Campaign Consultation
 - Clergy Financial Seminars

Executive Director: Rev. D. Edward Bailey
Associate Director: Megan McGee
UM Foundation of Western Pennsylvania
223 Fourth Avenue, Suite 707
Pittsburgh, PA 15222
412-232-0653 or 800-743-2128



Audits



- **Annual Audits are required by the BoD:**
 - Section 258.4 c) makes it *mandatory* that every local church finance committee "shall make provision for an annual audit of the financial statements of the local church and all its organizations and accounts. The committee shall make a full and complete report to the annual charge conference."
- **GCFA publishes the “Local Church Audit Guide” and a related FAQ**
Find them online at: <http://www.wpaumc.org/formsandinformation>
- **Don’t need to be or engage a CPA to perform the audit**
- **Meant to be a process that provides reasonable assurance that good stewardship is practiced handling & accounting for funds & other assets of the church.**
 - Needs to be “independent”
 - All accounts of all organizations must be included or separately audited
- **Audit reports provided to District Superintendent at time of Charge Conference.**

Audits (continued)

Why do an Audit?*

- Because the BoD requires it!
- To protect the people the church elects to offices or financial responsibility from unwarranted charges of careless or improper handling of funds
- To build the trust and confidence with the financial supporters of the church in the way their money is being accounted for.
- To set habits of fiscal responsibility to assure that when there is turnover in personnel there will be continuity in accountability
- To ensure that gifts made to the church with special conditions attached are consistently administered in accordance with the donor's instructions
- To provide checks and balances for monies received and disbursed

Conducting an audit is not a symbol of distrust

- Mark of responsibility
- Good stewardship demonstrated for all to see
- Message to church donors that you care about their gifts

* From the Local Church Audit Guide

Check & Balances

- Financial Secretary(ies) & Treasurer must be separate unrelated people.
- Finance committee should designate at least two persons (not related and not the Treasurer) to count offering & give record of receipts to both Financial Secretary and Treasurer (BoD ¶ 262.4 a).
- If Treasurer is not an accountant or bookkeeper, provide training
- Know requirements of BoD for areas such as: annual audits, bonding and periodic reporting from the Treasurer.
- Adequate bonding on church members handling money. Blanket bond provided by WPAUMC. (BoD ¶ 258.4b)
- Deposit funds promptly. Funds should not wait to be deposited until the usual depositor returns from an absence.
- Consider the establishment of a night-drop for Sunday collections

Check & Balances (continued)

- Bank statements should not be reconciled by individuals that have signing authority on the accounts.
- Minimize the use of petty cash. Establish procedures for the permissible uses of petty cash and maximum amount that may be used at one time.
- Vendor invoices should be approved by the ordering party prior to payment.
- Complete the Fund Balance Report annually OR whenever there is a change in the Financial Secretary or Treasurer.
- Complete audits of all church accounts annually (required by the *Discipline*)
 - Trustees - UM Men
 - Endowment - UM Women
 - Operating account
 - Pre-school
 - Brokerage accounts
- Two areas of finance that should be kept confidential:
 - Records of giving by person (Pastor and Financial Secretary)
 - Pastor's use of a Discretionary Account (not the Reimbursement Account)

Pastoral Compensation

- Every active pastor under Episcopal appointment is eligible for a minimum salary, reimbursement account & certain benefits.
- Minimum salary schedule available on website: “Finance,” “Forms”
- “DS Hires” are not eligible for minimum salary, healthcare or pension
- “Retired” pastors that continue to serve do not accrue further pension benefits & accordingly, such costs are not billed to the church.
- Staff Parish Relations Committee makes recommendation to Charge Conference regarding Pastoral Compensation based upon:
 - Local cost of living
 - Other forms of compensation (e.g. housing)
 - Other compensation-related obligations
 - Other church related obligations
 - Performance



Accountable Reimbursement Account

- Required by BoD & WPAUMC for those under Episcopal appt.
- Provided to cover various costs related to performing ministry
- Church determines amount but minimum is \$5,000.
- Minimum prorated for service (e.g. half-time pastor gets \$2,775)
- Church should have policy with clear guidelines
- Account cannot be divided into installments and paid to pastor
- Disbursement requests must be accompanied by receipts
- Funds remaining at end of year expire
- Examples of Professional Expenses:
 - Auto / travel
 - Books / periodicals
 - Continuing education
 - Conference fees
 - Dues / memberships
 - Electronic devices (cell phones, PDA's, tablets, etc.)
 - Meals (business only)
 - Move costs that exceed reimbursement



Pastor Discretionary Account

- Optional - Not required by BoD or WPAUMC
- Funded by church budget or special donations
- Details of spending not required to be disclosed by Pastor
- Spending must be documented carefully by Pastor with records maintained in the event of an audit
- Disbursements must only be for ministry-related expenses
- In the event that funds were not spent on ministry such amounts are considered taxable income to the Pastor
- Funds remaining at end of year can be “rolled-over” into next year



Shared Ministry Apportionments

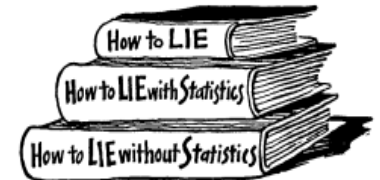
Statistical Tables



- **Three tables:**
 - Table 1 – Membership data
 - Table 2 – Financial data
 - Table 3 – Stewardship data
- **Used by the both the Conference & General Church for general information, decision making & to set apportionments**
- **Certain Table 2 line items form the basis for apportionments**
 - Salaries paid to Clergy
 - Allowances paid to Clergy
 - Accountable Reimbursements
 - Salary & Benefits for church staff
 - Program expenses
 - Other administrative expenses
- **Data collected via EZRA**
- **Open for input in mid-January for approx. 6 weeks**

Shared Ministry Apportionments

Statistical Tables



What happens to the reports we fill out each year?

Does anybody actually use these reports?

Does it make a difference if I simply “plug in” some figures that look good?

Why they matter:

- The BoD requires pastors “to give an account of their pastoral ministries to the charge and annual conferences...”
- Data used by Bishop and Cabinet in appointment making process
- Helps to identify success stories within the Conference
- Allows congregations to see themselves as part of a larger picture
- Tool that can be used by church leaders:
 - Have we taken in new members?
 - Who isn’t attending this year that was last year? What are the reasons?
 - Is our average pledge where we feel it should be?
- Forms the base upon which local church Connectional Apportionment distributions are made.

Allows the UMC to monitor the membership and financial health of the denomination

Shared Ministry Apportionments

Basics



- Apportionments = Conference Budget
- Budget:
 - built on desire and commitment to meet needs of God's family
 - smaller gifts combined into larger ones effect transformative change throughout the world
 - reflects Annual Conference commitment to the "FIVE AREAS OF FOCUS"
 - represents requests from Boards, Committees, Agencies and staff presented to and reviewed annually by CF&A
- Once budget approved at Annual Conference – Finance office apportions to each church based upon Conference formula
- Apportionments based upon certain church expenses reported on a two year lag – not membership rolls
- Example: Church expenses incurred in 2016, reported in early 2017 are used to calculate apportionments assessed during 2018

Connectional Apportionment Calculation

**3 OUT OF 2
PEOPLE
HAVE
TROUBLE
WITH
FRACTIONS**

Approved Budget of Conference
Total Operating Cost of Conference
(sum of operating cost of all churches)
= Base Percentage: 13.75%
x Local church Total Operating
+(-) Adjustment Factors =
Local church Apportionment (\$)

Apportionment Base (Table II):

- Amount paid to Pastor
- Amount paid to Assoc. Pastor
- Accountable Reimbursements
- Salary & Benefits for staff
- Program expenses
- Other Operating Expenses

Example:

\$9,742,753
\$70,856,385
= 13.75%
x \$25,000
= \$ 3,438



Shared Ministry Apportionments

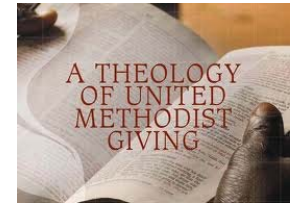
Adjustments



- Apportionment formula set by Annual Conference in 2000
- Some churches surprised by their apportionments
- Effort undertaken to scrub submissions for obvious errors & large variations
- Conference has no significant reserve for “mistakes”
- Once numbers are finalized & communicated it is impossible to make adjustments since they would impact all other churches in the conference (approx. 825)
- Review of data prior to submission is therefore critical
- *Preliminary* apportionments posted in May in Pre-Conference Journal
- Church leaders asked to review data
- *Final* apportionments mailed at beginning of August (www.wpaumc.org “Finance,” “Connectional Apportionments”)

Shared Ministry Apportionments

Where does the money go?



- **24.4% or \$2,534,944 – General Church & NEJ Apportionments:** funds the World Service Fund, Ministerial Education Fund, Episcopal Fund, Black College Fund, General Administration Fund, Africa University Fund and the Interdenominational Cooperation Fund. **See “back-up slides” for details.**
- **16.5% or \$2,376,988 - Conference Administration:** funds the Finance office, Conference Center building, a portion of Bishop’s office/housing, Bishop’s Assistant, publications of Journals and Directories, Conference Secretary and contingencies.
- **15.9% or \$1,855,000 - District Superintendents:** funds the salaries, benefits, professional expenses and office expenses for our ten Superintendents and their staff.
- **13.0% or \$1,202,321 – Connectional Nurture Ministries:** Funds Conference Benevolences, Connectional Ministries, Mission & Outreach, website (www.nyac.com), Learning Center, church training programs, district programs (campus, youth, ecumenical, and justice ministries) grants for local programs and grants to local churches for new missional projects and community programs.

Shared Ministry Apportionments



Where does the money go?

- **9.4% or \$559,300 - Conference Boards & Committees:** funds Board of Trustees, Conference Sessions, Camping & Retreat Ministries, Commissions on Archives & History, Board of Ordained Ministry, JFON & other committees.
- **5.1% or \$162,171 - Other Clergy Support:** Funds the cost of salaries supplements for struggling churches, clergy recruitment / assistance / transitional support, emergency aid and move costs.
- **3.4% or \$280,000 – Parish Development:** Funds grants to local churches for new missional projects and community programs. About half is prioritized for ethnic ministry projects and programs.

Total 2017 Budget: \$9,742,753

General and Jurisdictional Apportionments

There are seven Apportioned Funds assessed by the General Church:

	2018 Budget		
• World Service Fund	\$1,343,538		
• Episcopal Fund	397,876		
• Ministerial Education Fund	340,339		
• Black College Fund	181,011		
• General Administration Fund	159,534		
• Africa University Fund	40,509		
• Interdenominational Cooperation Fund	<u>35,489</u>		
Sub-total	\$2,498,296		
• Northeastern Jurisdiction	<u>36,648</u>		
Total	\$2,534,944	(26.0% of budget)	

For more information go to:

<http://www.umc.org/qcfa/2017-2020-financial-commitment-book-available-online>



Treasurer Remittance Report



P.O. Box 5002
Cranberry Township, PA 16066
724.776.2300

2017 Local Church Remittance Form

Instructions: This form may be used to submit payments for more than one area of ministry. For example, you can pay your apportionment and One Great Hour of Sharing on this sheet. Only submit **one check** for the entire sheet! It is not necessary to send a separate check for each item. **Return one copy of this form with your check made payable to "WPAUMC"**.

Church ID Number _____ Today's Date _____
 Church Name _____
 Street Address _____

City _____ State _____ Zip _____

Connectional Apportionment & Special Sundays		Amount
Connectional Apportionment		
Youth Service Fund		
UMCOR Sunday		
World Communion		
UM Student Day		
Human Relations Day		
Christian Education Sunday		
Homes/Golden Cross/Red Stockings		
Peace with Justice Sunday		
Native American Ministry Sunday		
Rural Life Sunday		
Disability Awareness Sunday		
Camping Sunday		

Special Offerings	Advance Number	Amount
UMCOR-General	999995	
Imagine No Malaria	3021190	
WPA Conference Disaster Relief	0000911	

TOTAL \$ _____ 0.00

Church Treasurer Information:

Name _____ Phone _____
 Street Address _____ City _____ Zip _____
 Email _____ Check this box if any Treasurer contact information is new

- Available on-line www.wpaumc.org ("Finance," "Local Church Forms")
- Provided in fillable PDF
- Used to instruct Conference how to apply church payments



Church Statements



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Page 1

TO RECEIVE THIS STATEMENT BY EMAIL PLEASE PROVIDE YOUR EMAIL ADDRESS: _____

Church ID: _____

\$ _____ AMOUNT ENCLOSED

This form is for Connectional Apportionment payments only. MAKE CHECKS PAYABLE TO "WPAUMC"
Please use the Local Church Remittance form for advances and all other payments.

Statement of activity between Jan 01, 2017 and Mar 31, 2017

Date	Check #	Connectional Apportionment	Other Gifts	Amount
1/17/2017	58421			
1/31/2017	3185		Worship Compensation	
1/31/2017	58496		Worship Compensation	
1/31/2017	38496		RS 432 Short Term Incorpeity	
2/21/2017	58584			
3/14/2017	38596			
Total				

- Mailed to churches monthly
- Provides budget for apportionments
- Provides a record of actual giving:
 - Apportionments
 - Benevolences
 - Integrity in Pensions
 - Prior year apportionments

Monthly Connectional Apportionment Current Period Total Gifts
 Connectional Apportionment Goal Year to Date Total Gifts
 Connectional Apportionment Balance

Treasurers, please share this report and any enclosures with your Finance Chairperson

Phone: (800) 635-3382 or (724) 776-2300 Fax: (724) 776-4568 Email: remittance@wpaumc.org Homepage: www.wpaumc.org

Positions Required in All Congregations

Every congregation must make provision for including these functions according to the BoD, ¶244. Positions may be combined except for the financial functions. "The positions of treasurer and financial secretary should not be combined and held by one person, and the persons holding these positions should not be immediate family members (¶258.4)."

- **Nominations and Leader Development Committee** (¶258.1)
- **Pastor/Staff-Parish Relations Committee** (¶258.2)
- **Trustees** (¶258.3 and ¶2524 to 2550)
- **Finance Committee Chairperson** (¶258.4)
- **Lay Leader** (¶251.1)
- **Lay Member of Annual Conference** (¶251.2)
- **Financial Secretary** (¶258.4)
- **Church Treasurer** (¶258.4)
- **Membership Secretary** (¶234 and ¶235 to 242)
- **Leadership Team** (also called Church Council, Administrative Board) Chairperson (¶251.3)

Financial Secretary

Role:

- Receives, records, & deposits funds in timely, thorough & confidential manner
- Works with Treasurer & Finance Committee to develop policies & procedures to ensure funds are available to support the ministry of the congregation

Qualifications:

- Skills & interest in financial record keeping; ability to keep detailed, accurate records & maintain appropriate confidentiality; ability to work with individuals & ministry teams.
- Skills in identifying new revenue sources along with an understanding of biblical stewardship & management of all resources that God provides.

Responsibilities:

- *Deposits money as soon as possible after it is received*
- *Works according to guidelines established by Finance Committee to receive funds, record them, & report them to the Treasurer and Finance Committee*
- *Maintains records of how much money is given & by whom*
- *Checks records against those of the Treasurer and keeps records in good order for audit*
- *Arranges for collecting offerings received during worship services & other church gatherings making certain that more than one person is involved in collecting & counting money.*

More information available at:

- <http://www.gbod.org/lead-your-church/local-church-officer-job-descriptions/resource/financial-secretary>

Treasurer

Role:

- Disburses funds in a responsible and timely manner, with funds identified and bills paid when due, as directed by the church council.

Qualifications:

- Should demonstrate skills and interest in financial matters; have the ability to keep detailed, accurate records and maintain appropriate confidentiality; have an understanding of biblical stewardship and management of resources that God provides.

Responsibilities:

- *Disburses all money contributed to the local church, keeping accurate records of how money is spent.*
- *Manages disbursement of funds according to the guidelines established by the committee on Finance and SPRC. This includes maintaining compliance with all disciplinary requirements and applicable governmental tax guidelines.*
- *Works with the Financial Secretary to check the records, quarterly, and keeps records in good order for an annual audit.*
- *Works with the Financial Secretary and chair of the committee on finance to make regular financial reports to the committee on finance, church council, and the charge conference.*

More information available at:

- <http://www.gbod.org/lead-your-church/local-church-officer-job-descriptions/resource/church-treasurer>

Finance Committee

Role:

- An effective finance team proposes a budget, then raises, manages, & distributes the financial resources to support & strengthen the mission & ministry of the congregation.

Qualifications:

- Ability to listen to & communicate with people of all ages who have ideas about the mission and ministry of the congregation. Skills with financial budgetary matters along with understanding of Biblical stewardship and management of the resources God provides.

Structure:

- Comprised of a chairperson, pastor, lay member of annual conference, chairperson of church council, chairperson or rep. from staff-parish committee, a representative of the trustees, lay leader, financial secretary, treasurer and others determined by the charge conference.

Responsibilities:

- *Compile annual budget to support mission and vision of the church. Submit budget to church leadership for review & adoption*
- *Provide reports that show how the church is doing vs. budget*
- *Develop & implement plans to raise sufficient income to support the approved budget*
- *Establish written financial policies for the church*
- *Recommend proper depositories; carry out leadership team's directions about administration & disbursement of funds; follow procedures for the church treasurer and the financial secretary.*
- *Arrange for annual audit of financial records of church & all its organizations and accounts.*

More information available at:

- <http://www.gbod.org/lead-your-church/local-church-officer-job-descriptions/resource/finance-committee2>

Record Retention (suggestions)

Document	How Long to Keep (minimum)
• Articles of Incorporation, amendments, bylaws	Permanently
• Certificate of incorporation and corporate records	Permanently
• Minutes	Permanently
• Property records	Permanently
• Contracts and leases	Permanently
• Insurance policies, including expired policies	Permanently
• Insurance letters/correspondence	Permanently
• Audit reports	Permanently
• Employment applications (for current employees)	Permanently
• Bank statements, reconciliations & cancelled checks	7 years
• Invoices from vendors	7 years
• Giving (stewardship records)	7 years
• W-2 and 1099 forms	7 years
• Housing allowance forms	7 years
• Business correspondence	7 years
• Personnel records (after termination)	7 years

Record Retention



- Important for church to discuss & adopt a record retention policy
- Think about where files will be kept, the security of the environment & the physical conditions.
- Avoid maintaining archives in parishioners homes & in attics or basements where damage can easily occur.
- Reasons to keep documents include legal requirements, future litigation, the needs of the organization & historic importance.
- Retaining insurance policies is of particular importance since lawsuits can reach back many years.
- General Commission on Archives & History Record Retention Guidelines: <http://www.gcah.org/resources/managing-records-of-the-annual-conference-and-local-church>

Resources

Training:

Have church leaders participate in annual District Training days **in January/February**

Communication:

Ensure that church leaders are receiving communications from the Conference
Names & e-mails must be input in on-line in the local church dashboard.

Websites:

Western PA Annual Conference: <http://www.wpaumc.org>

Wespath: <http://www.wespath.org>

General Commission on Archives and History: <http://www.gcah.org>

General Council on Finance & Administration: <http://www.gcfa.org>

UMC Association of Church Business Administrators: <http://www.umacba.org>

UMC Giving: <http://www.umcsgiving.org>

GCFA Financial Commitments (how apportionment dollars are used):
<http://www.gcfa.org/sites/default/files/u3/FinancialCommitment2013-2016.pdf>

Back-up Slides

General Church Apportioned Funds



The [World Service Fund](#) is the heart of our denomination-wide ministry, underwriting Christian mission and ministry around the world. This fund strengthens our evangelism efforts, stimulates church growth, expands Bible studies and enriches spiritual commitment. By giving to the World Service Fund we help God's children everywhere shape the lives of tomorrow's leaders and proclaim our Christian faith.

The fund demonstrates the Mission of The United Methodist Church by:

- Supporting specific local church work with children, youth, students, persons who are mentally and physically challenged, adults and older persons;
- Providing leadership and coordination for denominational ministry with youth;
- Continuing nearly 200 years of commitment to quality college and graduate education;
- Certifying United Methodist professional Christian educators, communicators and musicians;
- Assuring United Methodists speak and work to help encourage a more ethical, just & human world;
- Continuing a proud tradition of cooperation and dialogue with other faith traditions through interdenominational and ecumenical work;
- Giving our denomination a presence in the mass media and making new communications technologies accessible to the church.

General Church Apportioned Funds

The [Africa University Fund](#):

- continues to develop the first private university for young people in Africa
- offers post-secondary education for students through colleges of agriculture and natural resources, management and administration, theology, education, health sciences, and humanities and social services
- offers post graduate faculties in agriculture, management and administration, theology, health sciences, and peace and governance



The [Black College Fund](#):

- helps these institutions to maintain solid, challenging academic programs; strong faculties; and well-equipped buildings
- creates vibrant spiritual environments which encourage pride and self-esteem in the accomplishments of African-Americans
- provides opportunities for students to interact with academic staffs that serve as strong cultural and spiritual mentors
- prepares and educates people for the new global and technological world without veering from an academic excellence based on the Christian perspective of community service and social responsibility



General Church Apportioned Funds



The Episcopal Fund:

- pays the salaries of our bishops
- pays the expenses of episcopal offices
- supports the costs of providing and maintaining episcopal residences
- provides pension and health benefit coverage for bishops and their families
- provides disability coverage for bishops
- covers the costs of episcopal travel and meeting expenses
- defrays moving expenses
- provides pensions for surviving spouses, and minor children of deceased bishops

The General Administration Fund:

- implements a trustworthy system of administrative oversight and fiscal accountability
- underwrites the legislative work of the General Conference
- funds the work of the Judicial Council to adjudicate questions of church law
- maintains United Methodism's official documents and historical artifacts
- designates historical shrines, landmarks and sites

General Church Apportioned Funds



The Interdenominational Cooperation Fund:

- enables United Methodists to have an effective presence in the activities of several national and worldwide ecumenical organizations
- provides the United Methodist share of the basic budgets of those organizations which relate to the ecumenical responsibilities of the Council of Bishops and the General Commission on Christian Unity and Interreligious Concerns
- pays for the travel expenses of United Methodist representatives to meetings of these organizations

The Ministerial Education Fund:

- enables churches to unify and expand financial support for the recruitment and education of future pastors and bishops
- equips annual conferences to meet the increased needs of people in the ministry
- accounts for 12 to 20 percent of the annual budget of most United Methodist seminaries
- 25% of the receipts assist candidates for ministry, to support continuing education for pastors and clergy recruitment and to provide financial aid for students in your annual conference.
- 75% is disbursed to the 13 United Methodist seminaries to assist candidates for ordained ministry through scholarships and faculty salaries. It also goes to the General Board of Higher Education and Ministry to support the work of the Division of Ordained Ministry.

