

CATEGORY/RESPONSIBLE PARTY	Task to be accomplished	Needed	Purpose/Explanatory Remarks
BUDGET/GOAL SETTING FOR St. Timothy's BOARD OF FINANCE			
	Prepares and presents the budget to the Council in May, and to the congregation in June. (Bylaw 8.1)		
VOTERS	Approves the budget for the following fiscal year at the June meeting (Bylaw 5.1, 8.1)		Provides a guide as to the activities and goals of the congregation for the coming
COUNCIL	May make limited changes to the budget within set parameters (Bylaw 8.2)		Allows for some flexibility if the budgeting is not in line with actual expenses/incon
WORK FLOW FOR MONEY HANDLING (INCOMING)			
COUNTERS			
	After service, Sunday offerings are collected from the altar by the counters.		security of funds
	Immediately after services at least two counters, not related to each other, count the offerings, completing the offering form which shows: envelope, plate, and designated offerings, and lists any checks received in the plate.	counter report	two counters, rotating basis, not related, helps prevent conspiracy (if the counters are not being rotated this is a security issue)
	The amount received in each envelope is recorded on the envelope (if it is not written on the envelope already.)	adding machine (or Excel access)	eliminates need for separate sheets/shortens counting time
	The counter form is signed by the counters for the day.		
	Two copies of the counter report are made.		for distribution to Financial Secretary, Treasurer and Stewardship Committee
	The counter report and envelopes are placed in the Financial Secretary's box.		for entry into Shepherd's Staff
	The counter report is placed in the Treasurer's box.		for entry into the accounting software
	The counter report is placed in the Stewardship Committee's box.		for file
how it is	The checks/cash are taken to one counter's home until the next day.		THIS IS A SECURITY ISSUE!!
how it is	On Monday, the checks are endorsed, the deposit slip is prepared and the deposit is taken to the bank.		THIS IS A SECURITY ISSUE!!
how it should be	The deposit slip is prepared, and two copies made.	deposit book	The deposit slips copies should be distributed with the counter form
how it should be	The checks are endorsed.	endorsement stamp	The counters should all see the checks being endorsed.
how it should be	The deposit is taken to the bank by one of the counters immediately after counting.		The funds should be deposited in the night deposit.
FINANCIAL SECRETARY			
	The Financial Secretary records the information from the envelopes into Shepherd Staff.		
	If a check is recorded in the "Plate" section which should be included in the "Envelope" section, a note on the offering form should be made and the Treasurer notified so s/he can appropriately record the amount to the correct account in the accounting software		The Treasurer should make a note on the counter form; information helpful for the reviewer to trace the deposit in the general ledger.
	A contribution report for the day is run and the Financial Secretary verifies the total equals the total on the counter form.		verification
	The envelopes and contribution report are maintained for 7 years.		legal
	At times set by the Church Council, contribution reports will be run and distributed. Any discrepancies brought to your attention will be reviewed and resolved.		Provides opportunity for each congregant to verify their contributions.
	See the Contributions Recording and Reconciliation Process document for detailed descriptions for using the software.		
TREASURER			
	The Treasurer verifies the deposit slip agrees to the offering form.		verification
	The Treasurer records the information on the offering form into the accounting system.		
	If s/he is notified by the Financial Secretary that some of the "Plate" offerings should be recorded as "Envelope" offerings, a note should be made on the copy of the counter report.		Keeps backup documentation accurate; The note is helpful for the reviewer.
	The counter report is filed.		
	If any funds are received that are Restricted as to their use, appropriate documentation should be obtained from the donor with the specific use stated. The Church Council should be notified of these funds, and they should appear in a separate account on the financial report.		Care must be taken that Restricted funds are use ONLY for the purpose for which they have been donated.
PRESIDENT			
	During the monthly review of the financials, the President verifies the deposits as shown on the bank reconciliation prepared by the Treasurer agree to the deposits shown on the bank statement.		double check verification
WORK FLOW FOR MONEY HANDLING (OUTGOING)			

OFFICE	<p>Invoices are received in the office. The ones for "recurring monthly expenses" (utility, advertising, etc.) are put in the Treasurer's box.</p> <p>Invoices for items received are given to the person placing the order or appropriate Committee chair or event coordinator. (e.g. Sunday School materials, supplies, etc.)</p> <p>A reimbursement form is given to anyone requesting reimbursement for expenses.</p>	reimbursement form	accuracy or the invoice/approval by correct person. I would suggest copies be made of any invoice distributed and this copy given to the Treasurer just in case the original gets lost.
CONGREGANT	<p>If a congregant needs to be reimbursed for out-of-pocket expenses, a reimbursement form should be prepared, signed by the appropriate committee chair, and submitted to the Treasurer, along with all receipts.</p>	reimbursement form (available online?)	approved by correct person
COMMITTEE CHAIRS/EVENT COORDINATORS	<p>All invoices for items pertaining to your committee/event need to be reviewed to verify goods were received</p> <p>If correct, sign the invoice, indicating what the expense was for (which committee or which event) and put in the Treasurer's box for payment</p> <p>Any single expected expense in excess of \$500 must be approved by the Council. (Bylaw 8.4)</p>		<p>accuracy of the invoice</p> <p>approved by the correct person/information as to committee or event will assist the Treasurer in coding the invoice.</p> <p>Council is aware of any large expense ahead of time.</p>
TREASURER	<p>Reviews each invoice to verify appropriate approvals if a non-recurring item. Reviews recurring invoices to watch for incorrect billings.</p> <p>Enters each invoice in the accounting system using the correct account number</p> <p>The Treasurer retrieves the blank checks from a secure location to process the check run. The Treasurer signs the checks and mails them. The check stub is attached to the paid invoice as proof that it has been paid. The paid invoices are filed and retained for 7 years.</p> <p>The Treasurer transfers funds from the LCEF Building Fund account as needed to cover the monthly mortgage payment.</p> <p>At the end of the year 1099 forms are prepared and mailed by the deadline, if required.</p>		<p>Review of each invoice for accuracy and required approvals.</p> <p>timely payment / back up showing why the amount was paid and authorizations, if necessary</p> <p>safeguard the check stock</p> <p>Possibly require 2 signatures over a specific dollar amount?</p> <p>Eliminate possibility of paying the same invoice twice.</p> <p>legal</p> <p>Ideally, these transfers should have some type of approval - even just an email showing that more than just the Treasurer is aware of the transfer.</p> <p>I understand that the requirements for 1099 forms are being amended, and will be more stringent beginning with 2011.</p>
PRESIDENT	<p>During the monthly review of the financials, the President will review the paid check list and may ask to see backup for any check issued.</p> <p>During the monthly review of the financials, the President will also review the LCEF bank reconciliation looking for transfers from LCEF to the general fund.</p>		<p>this provides a quick "monthly audit" of paid invoices</p> <p>Ideally, these transfers should have some type of approval - even just an email showing that more than just the Treasurer is aware of the transfer.</p>
MONTHLY REPORTING TREASURER	<p>On a monthly basis, the following reports will be prepared for the Church Council:</p> <p>Balance Sheet (showing balances in each account)</p> <p>P&L (or Income/Expense) statement comparing actuals to budget and the variance</p> <p>In addition, the President should be provided with a bank reconciliation packet which should include: Copies of the general fund bank statement and the LCEF statement List of all checks paid Emailed approval for transfers from the LCEF fund</p>		<p>Treasurer should explain any large changes in fund balances</p> <p>Any variances over 10% should be reviewed by the Church Council and explained by the responsible person</p> <p>See President's section below See President's section below See President's section below</p>
PRESIDENT	<p>The President acts as the first line of review for the Treasurer's reports. invoices were booked correctly, and further checking with the Committee Chair or responsible party as to the reason for the overage.</p>		This prevents individuals from over-spending without being accountable for it.

Bank Reconciliation: Review of deposits (see MONEY HANDLING (INCOMING)), review list of all checks paid, review of LCEF account reconciliation

This verifies the deposits have been recorded correctly, the review of the checks tells who was paid and how much, confirms the LCEF transfers had approval.

NEW STAFF - HIRING REQUIREMENTS

COUNCIL? SUPERVISOR Job description should be written including wages, benefits, responsible to, review date, holiday/vacation, etc.

OFFICE Make a photocopy of the driver's license and Social Security card
Obtain completed W-4 form
Obtain completed I-9 form
Benefit selection forms

Copy of form turned in should be given to the Treasurer for entry into the accounting software

W-4 form-available online
I-9 form-available online
forms from provider

protection for both the church and the employee required for the I-9
legal
legal
to enroll in benefits, if eligible
It would be ideal if a 2nd set of eyes would review the payroll data, to verify the following: pay rate, exemptions, extra withholding, etc.

PAYROLL PROCESSING

SUPERVISOR A time sheet (for hourly employees) is approved by the immediate supervisor.
Vacation and sick days taken should be recorded in an official report, and subsequently transferred to the personnel file.

So the correct amounts are paid for each pay period.
To make sure everyone gets their vacation as per contracted and is not paid for either more vacation or sick leave than they have earned.

TREASURER Payroll is processed on a regularly scheduled basis, based on either an approved time sheet turned in or a contracted salary
Payroll taxes are paid on time. (941, L&I) Non-profits normally don't pay Washington State Unemployment taxes.
After the end of the year, W-2 forms are distributed by Jan. 31st, and W-3 forms submitted by the deadline.

There should be copies of the employment contracts in the Treasurer's files for verification.

Any monetary gifts given to staff members through the church accounting MUST be included as wages earned and taxes assessed for non-clergy personnel.

If a person gives a gift directly to the Pastor or staff member, there is NO recording of this on a W-2. But if the gift is given to the church to be distributed to the Pastor or staff member, it MUST be included as income on the W-2.

REVIEW OF FINANCIAL RECORDS

VOTERS Per the Bylaws (8.0) a regular review of the church books should be conducted.

This review can be by an outside party, or could be done by congregational members using the materials in the Synodical Treasurer's Handbook. Reviews are important to assist the congregation in following established procedures, to safeguard funds and to provide a sense of confidence that the church funds are being handled appropriately.