

## **Ten Important Financial Controls for Every Church**

1. Is the church under an annual, ministry-action, general operating budget?
2. Are at least two unrelated, trustworthy individuals always in custody of offerings until they have been safely deposited in a bank or placed in a secure night depository?
3. Are separate individuals assigned responsibility for the following tasks:
  - Counting and depositing offerings?
  - Recording donor contributions?
  - Preparing disbursement checks?
  - Signing checks?
  - Reconciling bank statements?
4. Has a policy been established that outlines guidelines for restricted/designated giving? Has this policy been adequately communicated to church members and donors?
5. Has a properly structured minister's compensation plan been developed that addresses a reasonable salary level, housing allowance, employee fringe benefits, and ministry-related expense reimbursements?
6. Are purchase orders/funds requests being used to control church purchases and advanced payments?
7. Are all financial transactions being accounted for in a general ledger? Is this ledger being balanced and reconciled to other supporting records on a monthly basis? Are monthly financial reports being prepared and being reviewed on a timely basis by the governing board? Are such reports being made available to church members?

8. Are procedures in place that allow for the accurate and timely completion of the following Federal reporting obligations:
  - o Federal payroll taxes?
  - o Charitable contribution receipting?
  - o Federal wage and hour standards?
  - o Annual certification of racial nondiscrimination relating to Christian schools?
  - o Unrelated business income?
  
9. Is the church operating under a policies and procedures manual that addresses key operational matters of the church?
  
10. Has a committee/ministry team structure been established to assist the elders and pastor in reviewing the church's operating systems for effectiveness, efficiency, compliance with governmental laws and regulations, and assessment of possible risks and exposures to the ministry? Is this structure based on the spiritual giftedness of its members?

—Rex Frieze, Orlando, Florida

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