

# treasurer tips

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## Church Credit Cards

By Ruth Tribou

Most of the time churches do not pay their employees very much, so many employees do not have any spare money to use for church needs and then wait to get reimbursed. Church credit cards are a great convenience for church employees or volunteers who are asked to pick up something that is needed right away.

However, church credit cards are dangerous if not monitored. If your church has any church credit cards, certain procedures should be in place to save the church from headaches and possible financial loss. These procedures may seem overly restrictive and cumbersome, but there have been churches in *all* denominations that have experienced large financial losses because a financially desperate employee used the church credit card for their personal expenses, and the church didn't find out until it was too late to ever get repayment. The church is then placed in the awkward position of having to file criminal charges against an employee or volunteer in order for their insurance to pay restitution.

Finance committees and/or Trustees should put policies in writing and make all persons who use church credit cards aware of them in advance.

First: Someone who doesn't have access to any of the church credit cards should maintain a record of all credit cards held by the church, all account numbers, and who has the cards in their possession.

Second: Any employee or volunteer who has a church credit card should be required to turn in a receipt for any expenditure made by them. This should be required at least monthly, but preferably within a week of when the expense was incurred. Use a voucher system similar to whatever system you have in place for reimbursements. Have the employee attach the receipt to the voucher and list the business purpose for the expense. Give those receipts to the treasurer (or someone who does NOT have the authority to sign a check) to match up with the credit card statement.

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## JOYFULLY 2 UMC

The General Council on Finance and Administration (GCFA), working in partnership with Vanco Payment Solutions has developed a convenient mobile app that will allow members and visitors to make donations to the church while they are at church or anywhere.

The app is called Joyfully2UMC and is available as a free download for Android and Apple® mobile devices.

Developed for members of the United Methodist church, the app allows users to search and find a local UMC that accepts electronic funds transfers.

It's easy:



- Download the app
- Search for your church
- Complete a few questions to set up your account
- Donate

If your church does not currently accept electronic donations, they would need to set up Merchant Services through Vanco Payment Solutions. This would

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The New Mexico Annual Conference  
11816 Lomas Blvd NE  
Albuquerque NM 87112  
505.255.8786  
canderson@nmconfum.com



# Tithe Update

Our new tithe model for Shared Ministries is well under-way and we are happy to report an 80% participation rate in February. Now that we have a month under our belts, we thought a few reminders might be helpful.

Please remember to report your operational income. If you use your bank's bill pay service to send a check, you can use the memo field to indicate your income or feel free to drop me an email with

the amount. Of course the best way to report this number is by using the remittance form that can be found on the Conference website. Some of you are just sending a check and leaving it up to the office to determine if this is a tithe,



your pension/insurance payment, your Retiree/Disability Support Fund (RDS) payment, etc. Please help us out by clearly indicating what you are paying.

Speaking of remittance forms, do not include your RDS on your tithe remittance form. Or if you insist, please indicate in some way that it is included. Some churches are sending more than 8%, some are sending less. It is not always

obvious that the check you sent is for your tithe as well as your RDS amount.

Check the website frequently. By mid-month, a report will be posted showing all churches in the Conference with their reported operational income, amount of tithe sent and amount of second mile offerings sent. You will also receive a remittance report by mail for your individual church. If you notice a mistake, contact us as soon as possible so that we might make corrections in a timely manner.

All in all, our first month with this new system was quite successful.

THANK YOU!!

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## Continued Joyfully2UMC

allow the church to accept gifts made with debit and/or credit cards. You can contact Vanco at 1-800-774-9355 or visit their website at [www.ElectronicDonations.com/UM](http://www.ElectronicDonations.com/UM) to obtain more information about their services and fees.

You can get additional information about Joyfully2UMC by contacting the Shared Services department at GCFA at [SharedServices@gcfa.org](mailto:SharedServices@gcfa.org) or call 1-866-367-4232.

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## Continued Credit Cards

Third: If the employee says "Oops, I used the church credit card for a personal expense," the church should ask for payment immediately, or take that amount out of the employee's very next paycheck. Be firm on this! If they meant to pay it out of their account, they would have had the money to do it, so they can pay the church now. There should be a written policy in place that says absolutely NO personal charges may be made on any church credit card EVER.

If the employee or volunteer just "keeps forgetting" or ignores requests for receipts or repayment, get the card back *immediately* to minimize losses.

Fourth: Make sure all church credit cards have low spending limits. For most churches, a few hundred dollars should be all that is needed. If there is a big event coming up (like a mission trip), you can always call the card company and

tell them to temporarily increase the credit limit on that card ONLY.

Finally, match every receipt to the credit card statement. This does two things: it makes sure every expense is valid, and it helps the church find "test charges" that scammers use to steal credit card information. Scammers will often charge a dollar or two to test whether anyone notices the charges. If no one reports the fake charges, the scammers will run up the credit card bill to the maximum in a matter of days, even hours.

Protect your church in this area. A church credit card is a CHURCH credit card, and should only be used for church expenses.

*Ruth Tribou is an IRS Enrolled Agent with many years of experience with clergy and church taxes. She also serves as the Conference Secretary and is a member of the Conference Commission on Equitable Compensation.*