

**Local Church Finance Minimum Standards** – the following guidelines should be in place for all local churches as a measure of protection for those with financial responsibilities in the church. These minimum standards should be increased for churches with higher volumes of transactions but should not be compromised for lower volumes of transactions. All local churches are expected to meet these minimum standards.

- Treasurer and Financial Secretary should not be the same person and should not be in the same immediate family residing in the same household
- Counting team (at least two unrelated persons) should count offerings and document totals – not treasurer and not financial secretary
- Offerings should be deposited the same or next business day
- Offering count details should be given to financial secretary for recording
- Offering totals should be given to the treasurer to record deposit
- The Financial Secretary's deposit log should be compared to the bank statement to verify deposits (by bank reconciliation reviewer)
- At least two persons should be listed as authorized signatures on all accounts
- Financial policy and authority guidelines should be written and approved by the Finance Committee
- Invoices should be required for all payments from all accounts
- Someone other than the treasurer (with authority by Finance Committee) should approve invoices for payment
- The Treasurer should make payments only after the invoice is approved
- All accounts should be reconciled monthly
- Someone other than treasurer should reviews bank reconciliation at least bi-annually – including bank statements, invoices, checks written, and financial reports
- The Treasurer should make detailed report of budget and designated fund activities to the Finance Committee at least quarterly
- There must be an annual evaluation of financial records – at least in as much detail as the Local Church Audit Guide (completed by May 1 for preceding year) – including ALL accounts of the church (except UMW may be under separate evaluation or audit) – ALL accounts includes the general fund, building funds, designated accounts, cemetery funds, discretionary funds, etc.
- An full annual audit of ALL accounts should be done at least every three years for churches with annual operating budget more than \$500,000 per year (completed by May 1 for preceding year)
- An full annual audit of ALL accounts should be done every year for churches with annual operating budget more than \$1,000,000 per year (completed by May 1 for preceding year)
- W-2s must be issued for employees and 1099s issued for nonemployee compensation by January 31 for preceding year (federal law requirement)
- Payroll tax forms and deposits done as required for payroll amount (federal law requirement) – payroll reporting should be completed for the IRS and SSA by appropriate due date for filing method
- Housing allowance or exclusions approved annually at charge conference and kept on file (federal law requirement)
- Prepare list of all church property for insurance purposes – include item description, serial number and value
- Prepare list of safety deposit box contents – update authority as needed – access should be allowed by two unrelated people
- Computer records are backed up and password protected for security
- Number of persons required for regular financial procedures – **four** – financial secretary, treasurer, person to review and approve invoices, person to review bank reconciliation