

Treasury Newsletter

A Ministry Description for Local Church Leaders

Finances are an integral part of the ministry of the laity. Local church finances are handled by a member of the congregation with business skills elected to the important responsibility of church treasurer.

The history of church treasurers goes back to 457 B.C. when Ezra appointed guardians for the funds given for the work in Jerusalem. To those given the care of the Lord's goods Ezra commanded, *"Ye are holy unto the Lord; the vessels are holy also; and the silver and the gold are a freewill offering unto the Lord God of your fathers."* Ezra 8:28.

"The care exercised by Ezra in providing for the transportation and safety of the Lord's treasure teaches a lesson worthy of thoughtful study. Only those whose trustworthiness had been proved were chosen, and they were instructed plainly regarding the responsibility resting on them. In the appointment of faithful officers to act as treasurers of the Lord's goods, Ezra recognized the necessity and value of order and organization in connection with the work of God." (*Prophets and Kings*, page 617)

Jesus and His traveling band of disciples also had one designated to take charge of their funds. Jesus taught the importance of proper management and integrity in the handling of monies.

If it was important in the days of Ezra and of Christ to have someone to take care of church funds, it is essential today.

The work of the Church treasurer is sometimes not recognized as a ministry because it is done behind the scenes. Nevertheless, it is a specialized, vital ministry in which the treasurer exercises his or her spiritual gifts. The whole congregation benefits indirectly from the work of the treasurer.



Duties of the Church Treasurer

The duties of the ministry to which a person is called when he or she becomes a Church treasurer can best be described in the following ways:

Tithes and offerings. The treasurer receives the tithes and offerings which come in on Sabbath morning or to the Church office during the week. It is a generally accepted safeguard to have two or more individuals count the loose offerings and prepare a count sheet to tally the amounts. The envelopes should also be opened to count the contents and the amounts tallied against the envelope stubs. All of the money collected should be deposited to the bank in a single batch as soon as possible. Ideally, the Church will make provision for the safekeeping of the Church monies in a safe in the Church office between the time they are collected and when they are deposited.

Bookkeeping. All funds received should be posted in the Church bookkeeping software, ChurchPal. The keeping of these records is vital not only for the auditor who will be checking them each year but for the members as well, who may receive official donation receipts.



Banking. It is the responsibility of the treasurer to see that the Church monies are deposited in a local bank. This must be a business account at the Royal Bank of Canada, set up under the Alberta Conference's COB account. If there is no local Royal Bank branch, another bank may be used. The bank statement must be reconciled monthly.

Records. The treasurer needs to keep the financial records updated through ChurchPal.

Official donation receipts. The official donation receipts for donations given by the members should be distributed to them annually, by the end of February the following year. Official donation receipts should also be issued upon request by the donor.

Expenses. Authorization for the disbursing of Church funds for Church operation is generally given in the annual Church budget. Special projects or items not in the budget must be authorized by the Church Board or by a Church business meeting.

Financial statements. The treasurer should prepare a monthly financial statement and distribute copies to the Church Board at their meeting. This statement should include the balance of all budgeted accounts, as well as the totals received in tithes and offerings, a detailed record of all disbursements made, and a balanced reconciliation of the bank statement.





Fraud and Prevention

What is fraud?

- Intentional misstatement of information to obtain financial benefits
- Obtaining money or property by deceit
- Use of a Church's funds for personal items

Risks

- **Income items:**
 - Theft of loose offerings or cash from envelopes
- **Expense items:**
 - Payments to fake vendors for fake purchases
 - Unspent portion of cash advances not returned
 - Personal expenses paid by the Church
 - Internal Controls to Prevent Fraud

Internal Controls to Prevent Fraud

- **Income items:**
 - At least two unrelated individuals must count and record the amount of loose offerings and tithe envelopes
 - Keep cash and envelopes in a safe before deposit
 - Deposit cash to the bank account as soon as possible after collection
 - Ideally, the person who counts and deposits cash should not make entries
- **Expense items:**
 - All purchases must be paid by cheque or online payment, never cash
 - All purchases must have supporting documentation from the vendor
 - Payments with no vendor receipts or invoices must be

approved by a Church officer and/or a Board action

- All cheques should have two signatures
- Do not make cheques out to "Cash"
- No blank cheques may be signed ahead of time
- Ideally, the person who signs cheques should not make entries

- **Bank statement:**

- Bank statement must be correctly reconciled each month
- Reconciliation report and bank statement must be presented to the Church Board each month

Additional Ways to Prevent Fraud:

- Guard your online information. Be sure to use and protect a secure password. A secure password is: At least 12 characters long but 14 or more is better. A combination of uppercase letters, lowercase letters, numbers, and symbols.
- Monitor your account. It is recommended to log into your financial account and keep an eye on your balances and account activity and ensure that you catch unauthorized transactions quickly.
- Be alert to email compromise, avoid spam and scam. Be aware of emails that note a change in financial data, attachments, links, unusual content, and requests.
- Report suspicious activity. If you think you're a victim of actual or attempted financial fraud, contact the AB Conference Treasury Office as soon as possible.

FAQ (Frequently Asked Questions)



Are Donations to Other Charities Allowed?

A Church may donate money to another Canadian charity if that charity's purposes are in harmony with the Church's. In other words, the receiving charity must operate for one of the three following purposes:

- **Religious**
- **Education**
 - E.g., worthy student funds, assistance with tuition and education costs
- **Relief of poverty**
 - Housing needs
 - Food
 - Medical costs



Are loans to individuals or organizations permitted?

Loans to individuals or organizations are not permitted.

Can the church provide financial aid if the need is covered by insurance?

If the need of the individual is covered by insurance, such as fire or life insurance, the Church should not provide financial aid that would enrich the individual. The Church should establish criteria for a needy person to meet in order to qualify to receive financial aid and determine how much they may receive. This is known as a "means and needs test."

- **Needs** = Total reasonable expenses - total current income
- **Means** are non-essential assets that may be sold to cover the need

