

Section 1 — The Church Treasurer

Ethics of Church Officers

“The gathering and handling of funds for the Lord’s work is a sacred responsibility.” – Church Manual Ch.11 (Revisions 2010).

It is for this reason that the process of appointing the appropriate person to fulfil the role of local church treasurer is an important task. The Bible outlines that leaders should fear God, be individuals of truth, hate covetousness and be full of the Holy Spirit and wisdom (see Acts 6:3 and Exodus 18:21). It is therefore wise to choose an individual who would be available for re-election in order to provide continuity in record keeping and reporting. The Local Church Treasurer is in a position to greatly encourage church members to be faithful in the returning of tithe and giving of offerings.

Large churches may appoint assistant treasurers to support the treasurer in fulfilling their responsibilities.

Privacy and Confidentiality

Local church treasury teams have access to significant amounts of personal information within the local church family. It is a critical requirement that absolute confidentiality of all members’ personal information and giving details be constantly maintained. This can never be emphasised enough. It forms the basis of role integrity.

“The treasurer should always remember that relations with individual members are strictly confidential. The treasurer should never comment on the tithe returned by any member, or on the income or anything concerning it, except to those who share the responsibility of the work. Great harm may be caused by failure to observe this rule” — Church Manual Ch.11 (Revisions 2010).

Responsibilities of the Church Treasurer

The Local Church Treasurer is responsible to the Local Church Board, Local Church Members and Conference Treasury.

The Treasurer is involved in a range of duties and activities involved in the financial recording of the local church’s finances. Key responsibilities are outlined below:

1. Cash Counting

It is best practice to have at least two trusted individuals (treasury personnel, deacons) count the cash and cheques received each Sabbath morning, including the contents of tithe envelopes. These amounts are to be recorded on the Weekly Count Sheet Book or similar before the money leaves the church grounds on Sabbath. Each offering count should be verified by two signatures.

2. Receipting

All cash and cheques received are to be receipted as soon as possible. The total receipted in a given week should be equal to the amount to be banked. Individual receipts are to be distributed to the givers on a regular basis in the manner the local church has agreed upon.

3. Banking

Church monies are to be deposited into the church’s bank account within two business days after the weekend.

4. Accounts Payable

Invoices and reimbursements are to be paid for in a timely manner. Authorisation for the disbursing of church funds for church operation is generally given by way of the annual church budget. Special projects or items not included in the annual budget must be authorised by the Church Board or by a Church Business Meeting.

5. Record Keeping

Bank reconciliations for each of the church's bank accounts are to be completed monthly. Also, the regular Monthly Report needs to be prepared and submitted to the Conference. This report is to include the total amount of funds received in a given month, including non-local and local funds. The non-local funds are to be transferred to the Conference with the monthly report – either by cash transfer or cheque. A monthly treasurers' report, with relevant documentation, should also be completed and forwarded to the Conference office through pastor for processing.

6. Financial Statements

Financial statements are to be prepared regularly and in a timely manner. They should include the balance status of all budgeted accounts, total funds received in tithes and offerings, a record of all disbursements made and the reconciled bank account balances. These reports should be regularly presented to the Church Board and Business Meeting.

7. Budgeting

In consultation with the Church Board and with the financial approval of a Church Business Meeting, it is recommended that the treasurer formulate a yearly church budget for each local church department.

Segregation of Duties

“Segregation of duties simply means the assigning of different people the responsibilities of authorising transactions, recording transactions, and maintaining custody of assets. It is intended to reduce the opportunities to allow any person to be in a position to both perpetrate and conceal errors or fraud”

For the protection of the treasurer and the protection of church funds, it is recommended that, where possible, treasury duties be divided between more than one person of trust. As a principle, it is recommended that the treasury duties be divided along the following guidelines:

- a. Cash offering count is to be done in the presence of at least two people – may include the treasurer, assistant treasurer, deacons, Sabbath School secretary or elders.
- b. Receipting recommended to be processed by someone who has not counted the cash – the treasurer or an assistant treasurer.
- c. It is best practice for the individual who is doing the banking to not have counted or receipted the cash. It may be done by an assistant, elder or other trusted church member.
- d. Payments of expenses require two independent signatories.
- e. The bank reconciliation should be done where possible by someone who is not responsible for the receipting or banking (preferably not the one responsible for the banking).

In smaller churches, these duty segregations may be very difficult to achieve. However, the Church Board/ Business Meeting is the final check on the Treasurer's function and it is the Board/Business personnel's duty to diligently review the Treasurer's financial report, ask searching questions, seek quality answers and then affirm the treasurer's report (including a bank reconciliation) by vote if they are satisfied with the whole report.

Conflict of Interest

The treasurer should always be aware that in the role of Treasurer, there could be conflicts of interest, or perceived conflicts of interest, in dealings with the Church Board, Business Meeting, or other members.

For example, a conflict of interest would exist where a member of the Church Board is a building contractor and quotes a price to the Church Board for the building of an extension. In that instance, the Board member should be excused from the meeting during discussions on price and comparisons with other quotes. The nature of the conflict of interest and the absencing of the board member/builder should both be minuted by the recording secretary.

Another example is where a church member is to receive reimbursement for an approved purchase, and is perchance a signatory to the church bank account. The member should not be the cheque signatory to any specific reimbursements made to him or herself.

It is understood that in small churches where there may be only two or three signatories to the local church bank account, a conflict of interest is almost impossible to avoid. In those cases trust and openness is the only protection and defence.

In every Board or Business Meeting where there is a real or perceived conflict of interest, the nature of the conflict of interest and the persons/groups affected by the conflict of interest should be noted in the Church Board or Business Meeting Minutes as and when such conflict occurs.

Section 2 — Treasury Administration

Methods of Reporting

There are two reporting options available to the Local Church Treasurer. They are:

Excel Spreadsheet

The Greater Rift Valley Conference treasury department has an Excel spreadsheet template that can be used for monthly reporting. You can download this form from our website www.grvc.adventist.or.ke.

Handwritten Report

The Greater Rift Valley Conference department can supply a monthly report sheet, which comes in duplicate, to allow treasurers to handwrite their monthly report.

Bank Accounts

Local Bank Account

For operational convenience, the local church MUST operate a local bank account at a local bank branch. This account must be in the name of the local church and set up with a minimum of two signatories to change bank account details and to authorise payments. The treasurer should arrange for bank statements to be issued monthly, with the balance ending on the last day of the month.

It is recommended that the balance of the local bank be kept at a minimum. It can be replenished with transfers from the CMF account as needed. This creates maximum interest income earnings on the CMF account with good general stewardship of the funds.

Church Treasurer's Supplies

The Conference carries supplies of some items of stationery that are always available to the Local Church Treasurers.

Supplies include:

- Tithe envelopes
- Weekly Count Sheet Books
- Receipt Books
- Weekly Analysis
- Treasurers Monthly Summary

Please contact the Local Church Pastor if you require any of the above.

Local Church Record Retention Policy

The treasurer is responsible for storing and archiving local church treasury records. The local church should provide storage space for church records that prevents unauthorised access and provides physical security that is fire, flood and vermin proof, lockable and preferably moisture-controlled.

Files to be preserved permanently may be kept in hard copy and/or electronically at the discretion of the Board.

To the left is a recommended list of retention time frames for specific treasury items. Document destruction should always be deferred if litigation or investigation is anticipated. Documents of a confidential nature (e.g. personal information, reports) should only be disposed of by shredding — not discarded into a bin.

Section 3 — Transaction Processing – Income and Expenditure

Cash Counting

The Weekly Count Sheet book, provided by the GRV Conference is recommended as the form to be used for all offering counts, including recording the content of the tithe envelopes. Each count should be signed or initialled by two persons. Best practice is recording this information prior to the funds leaving the church.

Any variation between written amount and content of the tithe envelope should be communicated with the members at the earliest opportunity. It is further recommended that all tithe envelopes be dated and filed by the treasurer in a secure place for a minimum of three years, or until audit.

On completion of the counting and totalling procedure each week, the original will be removed to go with the monies for banking. Once all funds for the week are banked the original can be filed with the stamped Bank Deposit Slip, after verification of the deposit amount.

The Weekly Count Sheet Book itself, with all duplicates, should remain in a secure place at the church, or, if premises are rented, be held by the treasurer in a safe place.

This procedure provides not only protection for the givers, but gives integrity to the treasury functions should any question arise. The duplicate would be used as the basis of any insurance claim should the funds be stolen or lost.

Receipting Income

“Receipts should be issued promptly for all money received from members, no matter how small the amount, and a strict account of all receipts and payments should be kept by the treasurer” — Church Manual Ch.11

(Revisions 2010).

Every receipt must include the following elements: date, payee, details of donation, value of donation, name/signature of treasurer/assistant and sequential receipt number.

Where the donor has not identified themselves, the giver should be recorded as “Anonymous”. All anonymous donations should be receipted individually. It is recommended that all anonymous amounts be listed individually in your local church bulletin, or acknowledged in some other church publication or on the noticeboard so the donor may have the opportunity to verify the donation.

If a minor error is made on a handwritten receipt, it may be crossed out and counter-initialled by the treasurer/assistant. Otherwise the whole receipt must be cancelled by writing “cancelled” across the face of the top receipt. The cancelled receipt must be retained in the receipt book.

Individual receipts are to be distributed to the givers on a regular basis in the manner the local church has agreed upon. Where donors continue to not collect previous receipts, it is the Treasurer’s responsibility to notify the donor of the habit and request that the donor retain the receipt for the purpose of confirming the treasurer's receipting process.

Tithes and offerings received from the Conference

There are times when individuals pay money directly to the Conference, but wish for the funds to be recorded at their local church. In these instances the Conference acts as a clearing house and will forward the funds on to the local church for processing. In the majority of these instances there would be no need for the local church to issue a receipt to the original donor.

Conference Offering Calendar

Each year, the GRV Conference publishes an Offering Calendar Schedule. It is general church policy that all church groups, plants, companies and churches follow this program of giving. As a principle, the Treasurer/Assistant must allocate all offerings in accord with the publicly published or announced purpose or project.

An Offering Calendar Schedule is published yearly and distributed for local churches to give them information about each of the weekly offerings. This booklet is also available on the GRV Conference website <http://grvc.adventist.or.ke>. To download a copy, follow the links on the Stewardship and Treasury pages.

Bank Deposits

‘All church bank accounts are exclusively for church funds and are never to be combined with any personal account or funds.’ — Church Manual Ch.11 (Revisions 2010).

All church funds collected (local and non-local) should be deposited into a bank or financial institution account in the name of the church. Banking of the funds must occur within two business days of the weekend. Cash in Transit cover insures the funds for this period only (see Section 3).

It is best practice for the individual who is doing the banking to not have counted or receipted the cash. It may be done by an assistant, elder or other trusted church member. Common sense and caution is the best security for cash in transit from the church premises to the bank. If the amount of cash carried exceeds \$10,000, two responsible persons must accompany the deposit to the bank for the funds to be insured under Cash in Transit cover.

In no circumstance should a weekly collection of tithes and offerings be banked net of any cash expenses paid out. If it is necessary to make reimbursement to an individual, then a local church cheque should be drawn, appropriately signed then included in the weekly banking to make up the amount paid out as a cash reimbursement. When the weekly collection is banked intact, it is infinitely easier to successfully complete the bank reconciliations.

It is considered best practice that all church deposits go to the CMF bank account and any funds required for a local bank account be transferred by CMF cheque or electronic transfer to keep the local bank account in credit. Splitting deposits between the CMF Bank and a local bank account is not encouraged.

Payments

Before making a payment from church funds, an invoice or other similar documentation should be obtained to validate the reason for the payment. This may require a form to be completed by the claimant with the claimant's name, date, details of supply, amount claimed and claimant's signature.

The type of expense to be paid helps determine the authorisation needed to pay the expense. Expenditure in the local church can generally be classified into two groups:

- Fixed costs over which there is little or no control by the Board. These include electricity, water, council rates, building and contents insurance, music copyright licence, pest control and fire risk inspections. All these types of expenditure should be included in the approved annual church budget and would not need any further authorisation by the Board or Business Meeting during a financial year.
- Variable costs over which the Board has absolute or nearly absolute control. These include evangelism programmes, Sabbath School/Church supplies, equipment, kitchen supplies, general stationery, maintenance of plant & buildings (mostly) etc. Most of the anticipated variable costs should be carefully estimated and included in the annual church budget as approved by the Business Meeting. Where significant expenditure has not been anticipated or included in the approved church budget, the Treasurer should seek authorisation from a Church Business Meeting before payment of the expenditure. When a particular department uses all of their allocated budget, any extension of the budget should be approved by the Church Business Meeting.

All church payments, whether cheque, EFT or BPAY, should require two signatories. All bank account signatories, including CMF and any other local account, should be approved by the Board or Business Meeting and recorded in the minutes. It is recommended that where feasible, signatories be members of the Church Board.

The first signatory approves the appropriateness of the payment including authorisation, budget provision and arranges the payment (writes the cheque or sets up the electronic payment). The second signatory reviews the validity of the documentation and the validity of the payee, along with the amount to be paid. If a cheque payment, the second signatory should ensure that the amount written on the cheque and cheque butt agree. It is strongly advised that no signatory sign any cheque or electronic transfer until they have first sighted the supporting documentation authorising the payment.

Petty Cash

It is the local church decision whether or not they wish to run a petty cash account. All risks need to be considered and evaluated. It is important to understand that the cash is not covered under insurance unless it is kept in a safe and covered under Cash in Safe cover (See Section 7). By running a petty cash account, the local church accepts all risks involved.

To set up a petty cash account, a cheque needs to be written to cash for the amount of the float and the cheque exchanged for cash. Petty cash must only be issued if receipts are provided. Regularly (once a month),

reimburse the petty cash float by writing a cheque to cash for the total of used funds. Record the cheque and expenses on your monthly report.

About GRV Conference

The GRV Conference consists of a dedicated team of workers whose primary functions are to provide leadership, resources, training and service to the local churches and church members to enable them to serve the wider community. [Find out more about us here](#)

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