

Financial Best Practices Checklist for Desert Southwest Conference Churches

Pastor and Finance Committee ensure:

Yes	No	N/A	Guideline	Explain "No" Answers
<u>Discipline and Legal Requirements</u>				
_____	_____	_____	The offering is counted at church by two or more people unrelated to each other, the treasurer, the financial secretary, and/or any paid church staff person (2016 Discipline ¶ 258.4).	_____
_____	_____	_____	The treasurer and financial secretary functions are performed by unrelated people (2016 Discipline ¶ 258.4).	_____
_____	_____	_____	Balance sheets and operating statements are distributed by the Treasurer to the Finance Committee on a regular basis (ideally monthly) (2016 Discipline ¶ 258.4).	_____
_____	_____	_____	There is an annual "audit" of the financial records per general church guidelines (2016 Discipline ¶ 258.4).	_____
<u>Other Recommended Best Practices</u>				
_____	_____	_____	Checks are immediately restrictively endorsed.	_____
_____	_____	_____	Paper accounting records are securely maintained by the treasurer at a church location (not at home).	_____
_____	_____	_____	Bank reconciliations are prepared on a monthly basis by the Treasurer and approved by a Finance Committee representative.	_____
_____	_____	_____	On each bank account, there are at least two approved check signers that are unrelated to the pastor, treasurer, financial secretary, check preparer, and each other.	_____
_____	_____	_____	The pastor is a check signer only on benevolence, Good Samaritan, or pastor's discretionary accounts, not the general operating account of the church.	_____
_____	_____	_____	All church credit cards are approved by the Finance Committee and require submission of receipts for all charges on a regular basis (ideally monthly).	_____

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Bank accounts for any organizations (such as United Methodist Women, church preschools, etc.) using the church's federal tax identification number are regularly reviewed by the Finance Committee and are subject to the annual audit.

Church credit cards are established in the name of the church, under the church's tax identification number rather than the individual's social security number.

Online bank account access, as well as cloud-based software access, is limited to 3-4 appropriate and unrelated persons as designated by the Finance Committee. Those individuals should be bonded with the church insurance.

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Business or Office Manager ensures:

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<u>Discipline and Legal Requirements</u>				
_____	_____	_____	Offering deposits are made promptly (at least by the next business day) by two unrelated people or an outside courier service (2016 Discipline ¶ 258.4).	_____
_____	_____	_____	Collection report totals are given to the financial secretary and treasurer (2016 Discipline ¶ 258.4).	_____
_____	_____	_____	Contributions are posted to donor records weekly by the financial secretary or someone approved by the financial secretary (2016 Discipline ¶ 258.4).	_____
_____	_____	_____	Payroll taxes are paid and related form 941's are filed on a timely basis (legal requirement).	_____
_____	_____	_____	W-2's are issued for all employees, including pastors (legal requirement).	_____
_____	_____	_____	1099's are issued for all independent contractors who are paid \$600 or more during the year.	_____
<u>Other Recommended Best Practices</u>				
_____	_____	_____	Giving statements are mailed to donors on a regular basis (ideally quarterly).	_____
_____	_____	_____	Invoices are approved by someone other than the treasurer and required for payments from all bank accounts.	_____
_____	_____	_____	Blank checks are kept in a secure location.	_____
_____	_____	_____	Pin numbers, user names, and other sensitive financial documentation have been secured in a secondary location.	_____

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Pastor and Trustees ensure:

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<u>Discipline and Legal Requirements</u>				
_____	_____	_____	The trustees have a copy of the current insurance policy (2016 Discipline ¶ 2533.2).	_____
_____	_____	_____	The church deed contains the appropriate trust clause language (2016 Discipline ¶ 2503).	_____
_____	_____	_____	Appropriate trustee representatives are listed as church officers and directors on the state corporation commission annual report (2016 Discipline ¶ 258.4). This action has taken place on a secured computer located at the church.	_____