

# Financial Management: Workshop

Presbytery of The Highlands  
November 2021

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## Guidelines for Financial Activity

### BOOK OF ORDER REQUIREMENTS:

The *Book of Order* (G-3.0205)

***The session shall elect a treasurer*** for such term as the session shall decide and shall supervise his or her work or delegate that supervision to a board of deacons or trustees. Those in charge of various congregational funds shall report at least annually to the session and more often as requested.

Sessions may provide by rule for standard financial practices of the congregation, but **shall in no case fail to observe the following procedures:**

- a. **All offerings shall be counted and recorded by at least two duly appointed persons, or by one fidelity bonded person:**
- b. Financial books and records adequate to reflect all financial **transactions shall be kept and shall be open to inspection by authorized church officers at reasonable times;**
- c. Periodic, and in no case less than annual, **reports of all financial activities shall be made to the session or entity vested with financial oversight.**

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## Functions of a Church Treasurer

### Treasurer Position Description

- oversees financial records
- Oversees or prepares accurate financial reports
- Involved in budgeting
- Pays attention to financial future
- Annual reporting to session and congregation
- Oversees management and maintenance of financial resources
- Complies with denominational and government reporting
- Oversees and schedules the annual review/audit
- Oversees that internal controls and protocols are being followed

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## Internal Financial Controls

- **Basic to internal controls is the segregation of duties and the communication of session/trustees and financial personnel.**
- **Every transaction should be authorized, approved, executed, and recorded.**
- Financial Controls
- Gift Acceptance Policy
- Accountable Expense Reimbursement Plan
- Procedures for Counting Offering
- Multiple person contact with all aspects of transactions
- Protocols for vouchers and check signing
- Policy for Record Keeping
- Position descriptions for all involved in Financial Management

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## Investment and Endowment Funds

- Policy and Guidelines for Investment and Endowment funds
- Planned Giving or Legacy Plan or Program
- Presbyterian Foundation available to assist in Information

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## Audit and Financial Review

- A **full financial review of all financial books and records shall be** conducted every year by a public accountant or committee of members versed in accounting procedures. Reviewers should not be related to the treasurer(s). Terminology in this section is meant to provide general guidance and is not intended to require or not require specific audit procedures or practices as understood within the professional accounting community.
- External Audit or Internal Audit
- **The treasurer of the church or the treasurer of any of the related organizations shall not serve on the audit committee**

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## Insurance and Risk Management

- **Churches are directed by the *Book of Order, G-3.0112* to “obtain property and liability insurance coverage to protect its facilities, programs, staff and elected and appointed officers.”**
- **Coverage that is highly recommended and/or required**
  - Property Insurance
  - General Liability
  - Sexual Misconduct/Child Abuse Liability
  - Pastoral Professional Liability
  - Worker’s Compensation
  - Umbrella Liability
  - Minister’s Personal Liability
  - Employee or Volunteer Dishonesty
  - Automobile Liability
  - Cyber/internet coverage
  - Directors and Officers Liability
  - Employment Practices Liability
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- **Other types of insurance to consider**

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## Personnel

- Personnel Committee
- Personnel Policy
- New Jersey paid sick leave law needs to be written into your personnel policy.
- A personnel Committee workshop will be offered sometime late January or early February.

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## Stewardship and Budgeting

- According to the *Book of Order*:
- G-3.0201, the session has the responsibility of “encouraging the graces of generosity and faithful stewardship of personal and financial resources; managing the physical property of the congregation for the furtherance of its mission; directing the ministry of deacons, trustees, and all organizations of the congregation; employing the administrative staff of the congregation.”
- G-3.0205, “the session **shall prepare and adopt a budget** and determine the distribution of the congregation’s benevolences. It **shall also authorize offerings** for Christian purposes and **shall account for the proceeds of such offerings** and their disbursement. **It shall provide full information** to the congregation concerning its decisions in such matters.”

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## Questions?

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