

FINANCIAL JOB DESCRIPTIONS

DUTIES OF TREASURER AND VESTRY

The duties of the Vestry and the Treasurer are defined by Canon as follows:

CANON 16 Of Parishes And Missions

Section 8 Treasurer

It shall be the duty of the Treasurer to receive all monies due the Parish from pledges, gifts, and legacies and to issue periodic statements in connection with pledges and receipts for gifts and legacies. The Treasurer shall keep a true record of the money and property received by the parish and shall make disbursements as and when authorized to do so by the Vestry. The Treasurer shall also execute deeds, assignments, stock powers and other documents to facilitate the sale, purchase and transfer of securities and other assets authorized by the Vestry. The Treasurer shall present a full financial statement at each Annual Meeting of the Parish, also in connection with the Annual Report of the Parish to the Diocese, and whenever otherwise requested by vote of the Vestry. The books of the Parish shall be audited by a qualified person appointed by the Vestry for that purpose in accordance with the requirements of Diocesan Canon 20 Section 1 (d).

In the absence of the Treasurer, the Assistant Treasurer shall assume the Treasurers duties.

CANON 17 Of Vestries and Executive Committees

Section 5 Legal Representatives of the Parish

The Vestry shall be the agent and legal representative of the Parish in all matters concerning its corporate property, subject to the Constitution and Canons of the Church and the laws of the Commonwealth of Massachusetts. The Vestry shall care for and maintain the buildings, furnishings, and all other property of the Parish and provide adequate insurance thereon. The Vestry shall be responsible for the finances of the Parish, the raising of money to support its program, the prompt payments of salaries and bills, and the prudent care of all trust funds, endowments, and bequests, including the sale, purchase and transfer of securities and other assets. Nothing in this section shall be construed to interfere with Parishes that have acted, or shall act in future, to create Trustees

under the terms of Section 3 of Chapter 68 of the General Laws of the Commonwealth of Massachusetts and the Canons of the Church (National Canon Title I, Canon 7, Sec. 1 and Diocesan Canon 20, Section 1a), provided that all money received and distributed by such Trustees be entered in the records of the Parish Treasurer and included in the Annual Parish Report to the Diocese and National Church. All money raised by Parish organizations must be entered in the records of the Parish Treasurer and included in the Annual Parish Report to the Diocese and National Church.

CANON 20

Of Business Methods in Church Affairs

Section 1 (a) *Funds held in trust, endowment and other permanent funds, and securities represented by physical evidence of ownership or indebtedness, shall be deposited with a Federal or State Bank, or a Diocesan Corporation, or with some other agency, approved in writing by the Diocesan Council, under a Deed of Trust, Agency, or other Depository Agreement providing for at least two signatures on any order of withdrawal of such funds or securities. [The Trustees are the appropriate Diocesan Corporation for invested funds. What this canon means is that if your parish has funds invested with someone other than the Trustees or a federal or state bank, you need the written permission of the Diocesan Council.]*

This paragraph shall not be deemed to prohibit investment in securities issued in book entry form or other manner that dispenses with the delivery of a certificate evidencing the ownership of the securities or the indebtedness of the issuer.

(b) *Treasurers and custodians, other than banking institutions, shall be adequately bonded. [Parishes in the Provincial Insurance Program have fully adequate crime coverage. Those few parishes not in the Provincial Insurance Program are required to provide evidence to the Standing Committee that they have adequate coverage.]*

(c) *Such books of account shall be kept as shall make them available for satisfactory accounting.*

These Canons emphasize that the Vestry is responsible for the finances of the parish and that the Treasurer, as a member of the Vestry, is a steward and custodian of other people's money and therefore, is accountable to the Vestry, the membership of the Church, and in accordance with the Canons, to the appropriate Diocesan authority.

Parish Treasurer

Position Description

I. Qualification and Gifts

- Have a love of God and demonstrate a commitment to following the way of Christ
- Have experience in the use of standard accounting procedures
- Have an ability to establish and maintain appropriate safeguards and oversee persons assisting in financial transactions
- Possess knowledge and understanding of insurance requirements, audit procedures, energy audits, bonding and legal liabilities
- Have an enthusiasm and vitality for this vocation

II. Time Commitment

- Vestry meetings
- Finance Committee meetings
- Vestry retreat
- Weekly oversight of collection tabulations and deposits
- Periodic payment of bills
- Diocesan meetings, as necessary
- Annual Meeting of the Parish

III. Responsibilities

- Oversee the collection, counting and deposit of all contributions to the congregation, ensuring that at least two persons are present at all times during collection and counting;
- Oversee the treasurers of all accounts maintained by any organization that is part of the congregation, ensuring that they follow established accounting procedures and appropriate safeguards;
- Ensure that all bills are paid in a timely fashion;
- Ensure that adequate insurance is maintained on all real and tangible property [All parishes that participate in the Provincial Insurance Program are fully insured.];
- Determine that the books and accounts of the congregation are in accordance with standard accounting procedures and the requirements of the canons;
- Ensure that the congregation's financial operations are in accordance with national and diocesan canons;

- Ensure that the congregation's deeds and other instruments of ownership are established and maintained in the manner prescribed by canon and civil law;
- Ensure that anyone serving as custodian of any congregational or organizational funds is bonded; [All parishes that participate in the Provincial Insurance Program have crime coverage that fully ensures the parish against loss caused by an employee or volunteer of the church.];
- Meet regularly with the rector, wardens and/or staff for planning and evaluation;
- Develop, and be an active member of the Finance Committee;
- Assist in the development of budgets;
- Be available for other committees that might need help in planning budgets or need other assistance in financial matters;
- Submit a regular, monthly financial report to the vestry;
- Submit an annual financial report to the congregation (at the Annual Meeting) that fully discloses income and expense, and assets and liabilities (including all trust and endowment funds).

IV. Accountability

- The treasurer is accountable to the rector and vestry and the congregation.
- The treasurer's ministry should be assessed as a part of the annual mutual ministry review of the entire leadership team of the congregation (rector, wardens, other officers, vestry members and, in many cases, heads of ministry groups and committee)

Source: The Vestry Resource Guide: Servants Called to Leadership, Volume I
 The Vestry Resource Guide: Servants Called to Leadership, Volume II
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SPECIFIC OVERSIGHT DUTIES OF THE TREASURER/ASSISTANT TREASURER

1. The Sunday Offering:

Loose Plate

Church School

Regular Adult Envelopes (current year)

Regular Adult Envelopes (prior year)

Regular Adult Envelopes (next year)

Special Adult Envelopes (Initial Offering, Ash Wednesday, Good Friday, Easter, Christmas, Flowers, etc.)

Memorial Gifts (Provide Parish Secretary or the appropriate person with donor names & addresses for purposes of acknowledgement.)

Capital Fund Envelopes

Payments for Use of the Building by outside groups

All Other Gifts

Deposit Offering in Bank (night depository)

NOTE: Arrangements should be made to have a responsible person secure the offering from any service both before and after the appropriate money counters have performed their duties.

2. Credit all identifiable gifts to Donor's Giving Record. Record by name all gifts of \$250.00 or more (See the I. R. S. Regulation noted below)
3. At designated times (for example, at the end of February, May, August, November and December) send "Giving Statements" to each donor. Consult with the Rector, Treasurer and the Stewardship Ministry Team as to messages/enclosures to be included.
4. Prior to December 1, assign Next Year Pledge Envelopes to all donors (pledging and non-pledging). All donors should have an Envelope Number assigned for purposes of identifying gifts. Throughout the year it is a good idea to identify new members and invite them to make a pledge and offer them pledge envelopes.
5. Participate in Annual Stewardship Commitment Program by recording pledges as received.
6. Be responsible for accuracy of computer records of all gifts by each donor.

7. Receive all bills and make payment by check.
8. Assign appropriate account code(s), income and expense.
9. Prior to year-end, notify the Financial Services Group at Diocesan House concerning all staff salaries and deductions effective January 1 of the New Year.
10. Make sure adequate funds are available in the church checking account prior to scheduled automatic withdrawal by the Diocese each month. A majority of parishes use EFT for Support for Common Ministry and Insurance as well as for payroll expenses.
11. Be responsible, with Finance Committee assistance as needed, for preparation of Annual Budget for ensuing year. Parish budgets do not required parish approval at the Annual Meeting. Vestries are fully authorized to adopt the parish budget.
12. Prepare monthly Treasurer's Reports that provide the Vestry with fully adequate information about the financial health and condition of the parish. Review these reports with the Parish Finance Committee and post a copy on the parish bulletin board.
13. Manage parish liquidity, purchasing short-term CD's as available excess funds permit.
14. Maintain a record of all deposits/withdrawals regarding Endowment Fund Accounts.
15. Prepare a detailed report for Annual Parish Meeting showing not only income and expense compared to budget for the prior year but also showing all assets and liabilities (including all trust and endowment funds).
16. Prepare the Financial Page of the Annual Parochial Report in a timely manner to ensure the parish is able to submit its Parochial Report by March 1st, the due date.
17. Work with the Parish Finance Committee to ensure that financial and budget planning occurs in a timely manner.

18. Cooperate with the Parish Audit Committee in its work. Be open to the recommendations that the committee may have as to matters of internal controls and parish financial record keeping.

19. Ensure that a record of all purchases of a capital nature is maintained in a permanent record book. Expenses to be included would be those normally considered as subject to depreciation in business accounting - furniture, fixtures, major improvements and additions, etc. Parish records should include the date of purchase, the vendor, cost, and include any reference to a warranty (number of years).

IRS regulations for individual cash contributions of \$250 or more. Donors will not be allowed a tax deduction unless they receive a written receipt from the church that satisfies the following requirements: (1) the receipt must be in writing; (2) the receipt must identify the donor by name (a social security number is not required); (3) the receipt may combine all contribution, even those that are for \$250 or more, in a single amount or it can list each contribution separately to aid donors in resolving discrepancies; (4) the receipt must state whether or not the church provided any goods or services to the donor in exchange for the contribution, and if so, the receipt must include a good faith estimate of the value of those goods or services; (5) if the church provides no goods or services to a donor in exchange for a contribution, or if the only goods or services the church provides are "intangible religious benefits," then the receipt must contain a statement to that effect; (6) the written acknowledgement must be received by the donor on or before the earlier of the following two dates: the date the donor files a tax return claiming a deduction for the contribution, or the due date (including extensions) for filing the return. Source: Church and Clergy Tax Guide published by Christian Ministry Resources.

MISSION AND PURPOSE OF THE FINANCE COMMITTEE

The mission and purpose of the Finance Committee is to serve as stewards of the financial resources of the parish. While the Vestry has ultimate responsibility as stewards of *all* the resources of the parish, the Finance Committee can share this responsibility, and that of the treasurer, by bringing its knowledge and experience to bear on parish financial matters.

- The Finance Committee should be a Committee of advice to the Vestry. The Vestry might approve its members.

Some of the responsibilities of the Finance Committee are:

- Provide the Treasurer with a group of thoughtful, committed members of the parish with whom the treasurer can discuss ideas and parish financial matters.
- Assist the Treasurer in the development of a job description for the Treasurer and that of an Assistant Treasurer. Having an Assistant Treasurer not only provides someone to assist the Treasurer, it allows for better dual control, and it provides for a logical successor to the Treasurer. Some parishes have two Assistant Treasurers, one with responsibilities for receipts and one with responsibility for expenses and accounts payable. [It is my personal belief that no parish treasurer should have to hold the position for an undue length of time.]
- Review and/or develop Internal Controls. Annually review existing Internal Controls to ensure they are being followed and to ascertain if there are opportunities for improvement and/or modification. For the protection of both the Treasurer and the Parish, appropriate internal control procedures should be in place. [This starts with the way in which the Sunday Offering is counted - two unrelated persons should be present throughout the process.] A full section of the *Manual of Business Methods in Church Affairs* is devoted to Internal Controls. An excellent checklist is contained that should be reviewed annually as part of the parish audit.
- Assist in the development of the annual parish budget.
- Recruit the members of the parish audit committee and review the results of the audit. It should be made clear that it is the responsibility of the Vestry to appoint the members of the Audit Committee. The report of the

Audit Committee should also be made directly and personally to the full Vestry. A copy of the Audit Committee Report should be made a part of the Vestry Minutes.

- Assist with the development of financial record-keeping systems and methods. Computer software should be reviewed to ensure that the reports meet the needs of the vestry and the parish. The reports provided to the Vestry and others should be "user-friendly."
- The committee should review all parish endowment and trust funds on a quarterly basis. Communications from the Diocesan Trustees (and other portfolio managers, if any) should be reviewed. [Note that other portfolio managers, other than the Diocesan Trustees or federal or state banks, must be approved in writing by Diocesan Council.]
- An endowment fund policy should be adopted and approved by the Vestry if all invested funds are not deposited with the Diocesan Trustees. Such a document should state the ways in which endowment funds will be invested and the manner in which the income from those funds will be used. The existence of a endowment policy that is communicated to the parish will tend to encourage future bequests and planned gifts to the parish endowment fund since donors will know the parish intends to be good stewards of the funds left to it.
- Working with the Stewardship Committee, develop communications to the parish to accompany the quarterly pledge statements that will educate members of the parish about how their offerings support ministry and mission that makes a significant difference in the lives of both members of the parish and those outside the parish.
- If the parish does not have an expense reimbursement policy, one should be established. Under IRS regulations, the payment of expense allowances, whether an auto allowance or an expense allowance, is taxable income to the recipient and must be reported on a *Form 1099-Misc Income*. This can be avoided by developing an Accountable Expense Reimbursement Policy. Under such a policy, the rector reports expenses to the church and receives reimbursement. Reimbursements paid under such a plan are not taxable and need not be reported to the IRS. Proper documentation concerning the business purpose of the expenses should be provided and maintained by the parish. Such a plan is discussed fully in the *Church and Clergy Tax Guide* published annually by Christian Ministry Resources. The tax guide gives the

language the Vestry should use to adopt such a plan that complies with IRS regulations.

- An inventory (with photographs or a video) of all church-owned furniture and fixtures should be maintained. Insofar as possible, the inventory should list the date of acquisition and value. Vestments and altar items should be included. A copy should be maintained off site.
- Develop a records retention policy. The *Manual of Business Methods in Church Affairs* contains a section on records retention with a list showing how long each type of parish record should be maintained.
- Consider developing a plan whereby all vital church records would be microfilmed with a copy maintained off-site. Such parish records include vestry minutes, financial records, records of baptisms, confirmations, marriages, and funerals.
- Establish a policy of computer backup files so that copies of all current computer files are maintained off-site.
- Maintain copies of the *Manual of Business Methods in Church Affairs* published by the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the USA and available from Episcopal Parish Services [800-903-5544] and of *Church and Clergy Tax Guide* published annually by Christian Ministry Resources to ensure that the Treasurer and the Finance Committee have adequate information to support their work.

With special thanks to John Farquharson for the ideas (many of which are his) that went into this document when it was originally created in 2002.

Reviewed and updated on February 21, 2003

Full Financial Disclosure to the Members of the Congregation

As Treasurer, you are the steward of the financial resources of the congregation. Many members of the congregation may not be too interested in financial matters. Other may be very interested. In any case, full disclosure is the best policy. Giving the congregation more information than they want is better than giving them less. Giving them less may prompt some to wonder if you are hiding something from them.

Monthly: Keeping the Parishioners Informed about "How We Are Doing"

Suggestion: Post the Vestry Minutes and the Monthly Treasurer's Report on the bulletin board where people can see them, if they wish

Annually: What kind of reports should be distributed at the Annual Meeting?

Suggestions:

- Annual Financial Report of Revenues and Expenses showing the prior year budget and actual and the budget for the new year
- Balance Sheet showing all the assets, especially financial assets of the parish
- List all the accounts of the parish with year-end account balances at both the beginning of the year and end of the year
- Operating Account, Endowment Funds, and Special Accounts such as the Altar Guild Fund, ECW Fund, Flower Fund, Youth Group Fund, Rector's Discretionary Fund. All of these funds are funds of the parish, should be audited as part of the annual parish audit, and a report made on them at the annual meeting.
- If the parish has had a capital campaign, a report on those funds should be made each year until the funds have been fully used for the purposes of the capital campaign.
- A Listing of All Endowment Funds showing the name and purpose of each fund including whether the fund is restricted (by the donor) or designated (by the Vestry), stating who manages the funds (i.e., the Trustees), stating market value at the beginning of the year and end of the year and perhaps the original book (cost) value. Sometimes a brief history of a fund, if it known, stating when the fund was established and who the donor was will inspire others to remember the church in their wills.
- Detailed Pledge Report: A report showing the following information:
 - Number of pledges for the new year
 - The total dollar amount pledged for the new year
 - Both the median pledge and the average pledge amount
 - Detail showing how many pledges in different ranges
 - Tell the number of new pledges this year, the number of pledges that increased, the number that stayed the same, the number that decreased, the number that were not recommitted, the number of non-pledging households.

Sample Report on the Financial Commitments of The Members of the Congregation

| | | | |
|-------------|--|-------------------------------|-------------------------------|
| V. | Total Amount Pledged | Last Year \$243,675 | This Year \$249,200 |
| VI. | Pledging Households | 216 | 222 |
| VII. | Pledge Amount | Last Year | This Year |
| | \$15,001+ | 1 | 1 |
| | \$10,000 - \$15,000 | 2 | 2 |
| | \$7,500 - \$9,999 | 0 | 0 |
| | \$5,000 - \$7,499 | 3 | 3 |
| | \$2,500 - \$4,999 | 11 | 12 |
| | \$2,000 - \$2,499 | 11 | 13 |
| | \$1,500 - \$1,999 | 25 | 26 |
| | \$1,000 - \$1,499 | 29 | 31 |
| | \$750 - \$999 | 17 | 18 |
| | \$500 - \$749 | 34 | 36 |
| | \$250 - \$499 | 44 | 41 |
| | \$100 - \$249 | 26 | 27 |
| | \$1 - \$99 | 13 | 12 |
| | Non-pledging Households | 45 | 42 |
| | Average Pledge | \$1,128 | \$1,123 |
| | Median Pledge (half above, half below) | \$481 | \$494 |

The top 7 pledging households (3%) pledged \$60,000 (25% of the total)
 The top 27 pledging households (12%) pledged \$108,000 (44% of the total)
 The largest category of pledging households (41 households) pledged between \$250 and \$499
 The largest category of all households (42 households) consists of non-pledging households
 Average pledge (top 50% of total dollars pledged): \$3,315 from 37 pledging households
 Average pledge (bottom 50% of total dollars pledged): \$545

Source: Creating Congregations of Generous People
 By Michael Durall
 An Alban Institute Publication