

# **GFC FINANCIAL GUIDELINES**

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## GFC FINANCIAL RESPONSIBILITIES

### Responsibilities of the Congregational Treasurer – Daniel Park

This statement usually includes the following description of the treasurer's position:

- Serves as financial officer of the congregation
- Prepares the monthly (or quarterly) financial reports for ELT
- Files all of the required Federal and State tax forms (Primepay)
- Monitors the cash position of the congregation and invests available funds as directed
- Provides the congregation with any requested financial information.
- Reconciles bank statements
- Represents the finances of the church at ELT.

### Responsibilities of the Assistant Treasurer – Steve Kang

- Is responsible for payment of all bills, invoices and charges
- Performs or oversees all of the bookkeeping functions
  - Check YTD Account Expenditures
  - Check availability of funds
  - Get Treasurer/ELT Approval for Bills over budget or non-budgeted
  - As Needed, transfers for Bill Payment
  - Do and Post Payroll Transfers
  - As Needed, transfers to & from Gen Checking –approval of Treasurer/EIT
  - *Print Checks*
  - *Sign Checks*
  - Post Returns to Accounts
  - Post Deposits to Accounts
  - Post Payroll transfers and payments to Account
  - Post Interest to Accounts
- Assists in the preparation of the Annual Budget for ELT.
- Reports to the Treasurer and ELT

### Responsibilities of the Financial Secretary – Kyu Won Hwang

- Oversee the collection
- Oversee the counting
- Oversee the depositing of all receipts
- Train those individuals who are involved in the offering counting process
- Report back to the treasurer the total offerings each week and the breakdown of such offerings as to how much was designated for special purposes
- Oversee the recording of all contributions to the individual's contribution records
- Report to ELT and congregation as to the levels of giving
- Provide periodic statements to the contributors
- Reports to the Treasurer and ELT

### Responsibilities of the Executive Leadership Team

ELT is responsible to God, the church, and the state to manage the overall financial picture of the church, to hold those involved accountable, and to provide vision and direction in the stewardship of all the resources that God provides for GFC.

ELT is responsible to approve any non-budgeted.

## **The Budget Process**

The following is a suggested method:

1. ELT establishes a budget committee.
2. The various ministry teams are made aware of their responsibility and of the timing they have to submit an estimate of their budget to the budget committee.
3. The ministry teams determine their needs for the coming year.
4. The ministry teams forward their budgets to the budget committee.
5. The financial secretary determines an estimate of the next year's income.
6. A representative from each ministry teams meets with the budget committee to review the budget submitted by that ministry team. Discussion to keep or remove certain budget items is presented at this time.
7. The budget committee compares all the budgets submitted with the anticipated income and prepares a balanced budget which it presents to ELT.
8. ELT reviews the budget, makes any adjustments it deems necessary and presents the budget to the congregation.
9. The budget is presented to the congregation.

Once the budget has been formerly put into place, the important work of using and reporting on the budget must now be taking place. This is typically the responsibility of the Treasurer. Reports that compare actual receipts and disbursement to those budgeted must be prepared on a timely basis (at least quarterly, preferably monthly), be consistent with one reporting period to the next and must be able to communicate to the end user. That is, they must be easy to understand and highlight any deviations from the budget.

For a budget to be effective the following must be present:

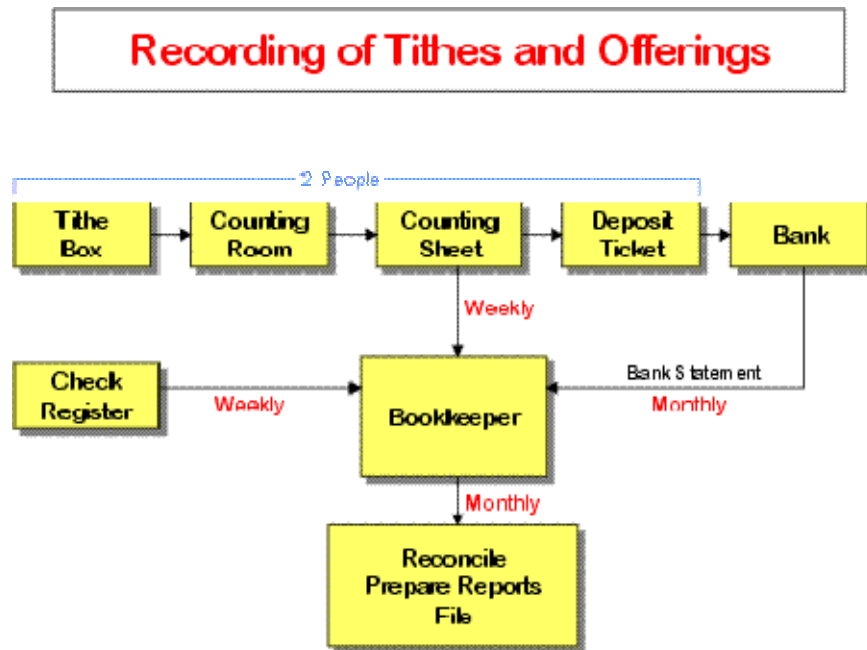
- The congregation should have clear policies by which it operates and goals that are consistent with them. These policies and goals then need to be stated in dollar amounts.
- The budget must be well thought out, having been prepared by someone who has been given that responsibility, and approved by the council and congregation. The budget needs to be owned by every member of the congregation.
- Participation in the process by as many people as possible is critical for support.
- Financial statements must be prepared on a timely basis and comparison made to the budget.
- The council must be prepared to take action when the actual compared to the budget shows a significant deviation.

## **The Accounting System**

In order to be in conformity with General Accepted Accounting Principals, a not-for-profit organization should use the accrual method of accounting. The accrual method provides a more accurate record of an organization's financial picture than does the cash-basis method.

The availability of the computer provides the means to establish an accounting system that offers everything that a congregation may require in the recording and processing of their financial information.

## Procedures for Handling Tithes and Offerings



One of the most sensitive areas of the church is the handling of tithes and offerings. First, there must be strict financial accountability without even the slightest perception of mishandling. Second, there must be confidentiality concerning who gives how much. This is an area of the church operation that is a magnet for criticism, where both insiders and outsiders are quick to question.

The Count Sheet should list the entire deposit. This may include tithes and offerings as well as other income or be used for a ministry event such as the Ladies Luncheon. Other Income may be reimbursements for the Men's Conference, the Ladies Luncheon or any income other than tithes and offerings. All Other Income will be broken out in the box "Income from other Ministries included in the Deposit". This will enable the bookkeeper to assign these monies to the proper account, thus keeping the amount of your tithes and offerings accurate for tracking purposes. See the [Count Sheet](#)

The following suggestions will go a long way in preventing criticism. If a question surfaces, written procedures closely followed will enable you to defend the church against accusations.

- The procedure for handling tithes and offerings requires a minimum of two people from the Ministry Forum.
- Two people must work together from the time the offering is taken or the tithe box emptied until the deposit ticket is completed. Once the money is collected it must be moved quickly to the counting room by a minimum of two people. When the money is in the counting room and the door locked, two or more people count the money, complete the count sheet (Appendix 4) and fill out the deposit ticket. Each must count the cash and checks and each must sign the count sheet. If you have only two people counting be careful that you don't have a man and a woman together alone in a room with the door locked. Rotate counters periodically and do not let a married couple count alone.

- You may have additional receipts from other ministry functions that are not tithes, but are included in the deposit. In this case you can specify all other income in the "Income From Other Ministries" section of the count sheet. The amount and the account that is to receive the credit must be recorded so that the bookkeeper can split the deposit between Tithes & Offerings and the other designated accounts, when it is entered into the computer.
- A third person, not involved in the counting, takes the money to the bank. You can either deposit the money in a night deposit at your bank after the last service or place it in a safe for deposit the next day. Another option is to place the uncounted money in the safe until the next day when it can be counted. If you do not have a safe the money should be deposited the same day.
- The bookkeeper cannot be part of the Counting Team because it is he/she who receives the count sheet and records the deposits. The bookkeeper will compare the counting sheet with the bank statement at the end of the month. There may need to be adjustments for counting errors or returned checks. Either case will be handled with journal entries. The original deposit amount will not be adjusted.
- No one can serve in more than one role.

All of these procedures may seem a bit much. Of course we trust our Leadership Team. But remember this is not about trust. We are dealing with other peoples money and even the perception of mishandling of funds cannot be tolerated. This is why written procedures closely followed are so very important.

Another related issue is the recording of contributions. If you have a small number of checks and envelopes they should be entered once the counting is completed. If the recording of contributions cannot be done before the deposit, the checks can be copied for entry at a later date. This is less desirable because you incur the cost of copying and the chance of illegible copies.

# Count Sheet

Date: \_\_\_\_\_

\_\_\_\_ Tithes & Offerings  
\_\_\_\_ Ministry Event \_\_\_\_\_

Checks Received:

Number of Checks \_\_\_\_\_ \$ \_\_\_\_\_

Cash Received

Bills

1's x \_\_\_\_\_ = \$ \_\_\_\_\_

5's x \_\_\_\_\_ = \$ \_\_\_\_\_

10's x \_\_\_\_\_ = \$ \_\_\_\_\_

20's x \_\_\_\_\_ = \$ \_\_\_\_\_

50's x \_\_\_\_\_ = \$ \_\_\_\_\_

100's x \_\_\_\_\_ = \$ \_\_\_\_\_

Total Cash Received \$ \_\_\_\_\_

Total Coin Received \$ \_\_\_\_\_

Total Tithes and Offerings: \$ \_\_\_\_\_

Income from other Ministries included in the deposit:

Ministry	Amount
1. _____	\$ _____
2. _____	\$ _____
3. _____	\$ _____

Total Deposit:

Counted By;

\_\_\_\_\_  
\_\_\_\_\_

Comments:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**GFC BUDGET (Estimate)**

**ADMINISTRATION**

**Pastoral**

Salary	3,000.00		
Housing	3,200.00		
Auto Expense	500.00		
Health Insurance	800.00		
Retirement	500.00		
Pastoral Expense	250.00		
Monthly	<b>8,250.00</b>	<b>Yearly</b>	<b>99,000.00</b>

**Office/Facilities**

Supplies	200.00		
Telephone	80.00		
Cable	90.00		
Office Lease	2,000.00		
Utilities	160.00		
Xerox	270.00		
Payroll	97.00		
PS 150	950.00		
Insurance	800.00		
Monthly	<b>4,867.00</b>	<b>Yearly</b>	<b>58,404.00</b>

**MINISTRY**

**Worship**

	<b>6,000</b>		
Fellowship			
Lighthouse			
Children's Ministry			
Welcoming			
Ordinances/Sacraments			
Miscellaneous			

**Transformation**

	<b>6,000</b>		
Small Groups			
Adult Bible Study			
College Life			
YAM			

**Service**

	<b>6,000</b>		
Community Outreach			
World Mission			
Communication			
Advertising			

<b>Fixed Expenses</b>	<b>Monthly</b>	<b>14,617.00</b>	<b>Yearly \$175,404.00</b>
	<b>Weekly</b>	<b>3,373.15</b>	
<b>Income Jan – Feb Avg weekly</b>		<b>4,185.00</b>	

**GFC Monthly Financial Report to ELT (sample)**

**Grace Fellowship Church  
Fund Balance Summary  
April-07**

	Beginning Balance 3/31/2007	Receipts	Disbursements	Transfers	Ending Balance 4/30/2007
Checking Account	12,407.00	10,200.00	(100.00)	(150.00)	22,357.00
Savings Account	55,056.00			150.00	55,206.00
<b>Total</b>	<b>67,463.00</b>	<b>10,200.00</b>	<b>(100.00)</b>	<b>-</b>	<b>77,563.00</b>
General Fund	11,100.00	10,000.00	-	(150.00)	20,950.00
Benevolence Fund	2,608.00	175.00	(100.00)	150.00	2,833.00
Mission Fund	1,900.00	25.00			1,925.00
	15,608.00	10,200.00	(100.00)	-	25,708.00
Total receipts	10,200.00				
Total disbursements	(100.00)				
Net increase/(decrease)	10,100.00				

**General Fund Budget Comparison  
April-07**

	Actual Disbursement Apr-07	Actual Disbursement Year to Date	Total Annual Budget	Remaining Budget
<b>1 ADMINISTRATION</b>				
<b>1-100 Pastoral</b>				
1-101 Salary	3,000.00	12,000.00	36,000.00	24,000.00
1-102 Housing	3,200.00	12,800.00	38,400.00	26,400.00
1-103 Auto Expense	500.00	2,000.00	6,000.00	4,000.00
1-104 Health Insurance	800.00	3,200.00	9,600.00	6,400.00
1-105 Retirement		2,750.00	6,000.00	6,000.00
1-106 Pastoral Expense	250.00	1,000.00	3,000.00	2,000.00
<b>Total</b>			<b>99,000.00</b>	

**1-200 Office/Facilities**

1-201 Supplies	200.00	800.00	2,400.00	1,400.00
1-202 Verizon	80.00	320.00	960.00	640.00
1-203 Timewarner	90.00	360.00	1,080.00	760.00
1-204 Office Lease	2,000.00	8,000.00	24,000.00	16,000.00
1-205 Electric	160.00	640.00	1,920.00	(6,080.00)
1-206 Xerox	270.00	1,080.00	3,240.00	2,600.00
1-207 Primepay	97.00	388.00	1,164.00	776.00
1-208 PS 150	950.00	5,700.00	11,400.00	5,700.00
1-209 Insurance	800.00	3,200.00	9,600.00	6,400.00
<b>Total</b>			<b>58,404.00</b>	

**2 MINISTRY****2-100 Worship**

2-101 Fellowship			1,000.00	
2-102 Lighthouse			2,000.00	
2-103 Children;s Ministry			500.00	
2-104 Welcoming			1,000.00	
2-105 Ordinances			250.00	
2-106 Miscellaneous			1,250.00	
<b>Total</b>			<b>6,000.00</b>	

**2-200 Transformation**

2-201 Small Groups			1,000.00	
2-202 Adult Bible Study			1,000.00	
2-203 College Life			2,000.00	
2-204 YAM			1,000.00	
2-205 Miscellaneous			1,000.00	
<b>Total</b>			<b>6,000.00</b>	

**2-300 Service**

2-301 Community Outreach			2,000.00	
2-302 Communication				

	1,000.00
2-303 Advertising	2,000.00
2-204 World Missions	1,000.00
<b>Total</b>	<b>6,000.00</b>
<b>TOTAL BUDGET</b>	<b>175,404.00</b>
	WEEKLY 3373.15
	MONTHLY 14,617.00