

Resource Development Committee
MetroDCELCA Synod

Publicly Available Resource Materials

We are pleased to provide reference to these materials and a vehicle for conversation among congregational representatives involved with church finances within the MetroDCELCA Synod. We note that comments which may be provided are not legal or financial advice to congregations. Congregations should seek assistance and advice from their local advisors and professionals when specific issues arise. The resources are provided as a service. We hope that they will be used to increase knowledge of administrative, financial, risk, and auditing principles within congregations, including the understanding of why audits should be conducted and the uses to which they can be applied by congregation officials. Materials included here are products of the ELCA which provides its permission for use and reproduction as long as attribution is given.

FINANCIAL AFFAIRS

Administrative Software

- Accounting for Larger Offices and Synods
- Congregational Church Administration Software

Congregational Treasurers' and Bookkeepers' Financial and Accounting Guide

- Responsibilities of Treasurer
- Separation of Financial Responsibilities
- Handling Church Income
- Setting Financial Goals – The Budget
- The Accounting System
- Church Employment and Payroll
- Benevolence Remittance To Synod and Churchwide
- Financial Reporting
- Audit Guide
- Insurance Coverage

Internal Control Best Practices (proper segregation of duties)

- Receipts (Sunday and special offerings)
- Bank accounts reconciliation process
- Authorized bank signers
- Capital expenditures
- Disbursements
- Loans
- Payroll
- Taxes
- Data security

- Asset classification
- Purchasing
- Records retention
- Regulator and legal compliance
- Code of ethics
- Endowments
- Travel expense
- Budget process
- Annual congregational audit or review

Congregational Audit Guide

(Examples)

What is an audit?

ELCA Model Congregation Constitution

C13.03. An Audit Committee of three voting members shall be elected by the Congregational Council. Audit Committee members shall not be members of the Congregational Council. Term of office shall be three years, with one member elected each year. Members shall be eligible for reelection.

Why want an audit?

Who can perform an audit?

Do I have to have a CPA?

What are restricted funds?

How is a congregation audit conducted?

What income and receipts are reviewed?

How are disbursements reviewed?

What is the auditor's report?

Contingency Planning for Congregations

Operating Reserves

Cash Flow Projections

Budget Reductions

Banking Relationships

Identify Theft

Data Security Risks

Ingoing and outgoing Internet traffic

Cyber Space – Website and WiFi connections

Remote access

Outbound email

Garbage cans

Portable media devices

Congregation Data Security Education

Incoming and Outgoing Internet Traffic Risks

Remote Access Risks
Outbound Email Risks
Improperly Discarded Paper Risks
Portable Media Device Risks

IRS Tax Guide

Special Rules for Compensation of Ministers (p. 19)
Withholding Income Tax for Ministers (p. 19)
Parsonage or Housing Allowances (p. 19)
Social Security and Medicare Taxes (p. 19)
Payment of Employee Business Expenses (p. 20)
Recordkeeping Requirements (p. 21)
Filing Requirements (pp. 22-23)
Charitable Contributions – Substantiation and Disclosure Rules (pp. 24-25)
Special Rules Limiting IRS Authority to Audit a Church (p. 26)

GENERAL REFERENCE

Legal Issues for Congregations
(Examples)
Buildings and Property
Caring for Financial Assets
Employees and Volunteers
Computers and Internet
Protecting Children and Adults from Abuse
Tax Status
Ethics and Conflict of Interest
Protecting Members from Fraud
Copyright and Intellectual Property
Insurance and Risk Management

Insurance and Risk Management

Records Management
(Examples)
Parish Register
Electronic Databases
Electronic Documents
Legal and Property Documents
Personal Information
Pastoral Care Files
Correspondence
Sermons
Pastoral Transition