

MONEY HANDLING GUIDELINES

Canada West District Church of the Nazarene

Preface:

It is important that a church have written policies and procedures for the protection of both the church and those individuals involved in counting and depositing offerings. This should not be interpreted as a lack of trust in the financial officers of a congregation. The intent is to help safeguard the ethics and reputation of those lay people responsible for these duties, and thereby also assuring that the ethics and reputation of the congregation is maintained within and without the fellowship and the public eye. A policy in place will also increase the possibility of insurance protection in the case of a loss or liability.

These policy guidelines are intended to:

- Protect the character of the individuals who perform the cash handling and/or cheque writing and charitable donation receipt writing functions.
- Protect the church and the individuals from accusations of mishandling the church's funds, or being in conflict situations.
- Safeguard the assets of the church.

General Guidelines

1. The basic principle is dual control and separation of duties.
2. A church should always have two or three adult (non related) persons handling cash transactions from beginning to end together.
3. In order to protect the persons counting, handling, and depositing money the persons fulfilling these functions must be rotated at least quarterly.
4. Larger churches might also wish to have a person other than the treasurer oversee the recording of all contributions to the individuals' contribution records (i.e. envelope secretary). But in many cases the treasurer handles this duty without significant negative impact.
5. Occasionally a church member may ask the counters to cash a personal cheque using the offerings. This is always a bad idea and should be avoided if at all possible. If there is no way around it, have the member make the cheque payable to "cash" instead of to the church. Otherwise the cheque might accidentally be considered as a contribution for tax receipting purposes.
6. The treasurer's term of office, if possible, should be limited to a specific period of time. The successor to the treasurer should not be a member of the same family.

7. As of General Assembly (2005) the treasurer is required to be a member of the local church, whereas the “book keeper” or “accountant” is not required to be a member of the local church. While the treasurer may act as a bookkeeper, the main responsibilities of the treasurer are to oversee the financial practices of the local congregation and ensure proper reporting is being done. See *Manual* 136-136.6. In some churches, the responsibilities of the treasurer may be assigned to a Finance Chairperson with the position of treasurer relegated to being the bookkeeper. Also in some churches, the bookkeeper may be a paid position filled by someone outside the church.

Guidelines for Counting Offerings

1. Offerings must never be left alone except in a safe and only if that safe has a **VERY** limited number of people who know the combination. For example, after the offering is taken, do not lock the money in the Pastor’s office to be counted after the service. As well, offerings should not be taken home to be counted later. The best policy is that offerings should be counted as soon as possible, placed in the appropriate bank supplied envelope and placed in an after hours deposit facility at the financial institution. A count sheet showing the total offerings, as well as totals of all special designations should be made up and given to the Treasurer. An alternative method is to leave the offering on the sacrament table at the front of the church during the church service and then two adult (non related) persons remove it immediately following the service, even if there is an altar call.
2. No one should ever count the money alone. That is, there **must** always be at least two adult (non related) people involved in counting all offerings.
3. The treasurer (or bookkeeper), or the pastor, should never count the money or deposit it. This policy will protect them and the church from accusations of mishandling the church’s funds.

Guidelines for Handling Expenditures

1. All cheques must be signed by two people, neither of which is the pastor (except in case of emergency). “No pastor, or any member of his or her immediate family, shall be authorized to sign cheques on any church account except upon the approval of the District Superintendent. Immediate family shall include spouse, children, siblings, or parent.” – Manual paragraph 415.
2. It is recommended that no person sign a cheque that is made out to himself or herself.
3. Blank cheques must never be signed in advance, **UNDER ANY CIRCUMSTANCE**.

4. Original invoices, not photocopies, must support all expenditures. As well, the person responsible for the expenditure should approve bills and obligations for payment. There should be only one person in each department authorized to approve expenditures. It should be noted that to claim the GST rebate to charitable organizations, you must have proper documentation in the form of an invoice or receipt showing the amount of the GST.
5. All payments should be resolved exclusively by cheque. The only exception would be where a petty cash fund is in existence. Then cash can be paid out for small expenditures and based on a receipt of an invoice. The petty cash fund is then replenished periodically by a cheque, supported by the invoices, made out to the petty cash holder.
6. A regular audit (and review) of the churches financial records and money handling practices must take place each year. (See page 63 of the 2005 District Journal)

