



## **The Treasurer and the Finance Committee**

*Training event for Treasurers and Financial Administrators*

*August 28, 2021*

1. The treasurer and the finance committee of the vestry are generally responsible for the financial affairs of the church.
2. While the rector may recommend someone to be the treasurer, the treasurer is appointed by the vestry and is accountable to the vestry, and usually attends vestry meetings and makes periodic financial reports to the vestry. The treasurer may be a volunteer or a paid staff member.
3. The finance committee is also established by the vestry and its members are approved by the vestry. The Treasurer is an ex officio member of the finance committee. The other members may be vestry members or other members of the congregation.
4. The treasurer typically manages the church's relationships with its bank/s, including opening and monitoring checking and savings accounts, and is usually one of those authorized to sign checks.
5. The treasurer ordinarily supervises the accountant or bookkeeper but is usually not responsible for keeping the books.
6. The treasurer and the finance committee prepare the annual budget and present the budget to the vestry for approval. The rector, wardens, the church administrator, and ministry leaders may also provide input during the formation of the budget.
7. The treasurer and the finance committee monitor adherence to the approved budget over the course of the fiscal year.
8. The treasurer prepares or supervises the preparation of periodic (usually monthly) financial statements, and either the treasurer or the chairperson of the finance committee presents and explains the financial statements to the finance committee and the full vestry.
9. The treasurer understands and ensures that good internal accounting or financial controls are in place and maintained.
10. The treasurer typically has custody of bank accounts and manages cash flows including:
  - a. Ensuring the accurate and secure accounting of all offerings, gifts and donations and their deposit into the church's bank account.

- b. Ensuring that all rent, payroll, and other accounts payable and obligations are paid or satisfied in a timely fashion.
  - c. Determining the need, amount, and terms of any debt the church might incur and preparing or overseeing the preparation and submission of any loan applications.
11. The treasurer ensures that an annual accounting audit or financial review is conducted. Medium to large sized churches typically retain a CPA or CPA firm for the audit or review. Smaller churches may have someone with accounting and financial experience and expertise to perform a review.
12. The treasurer and the finance committee must understand and be aware of:
- a. The categories of fringe benefits for employees and the eligibility and requirements for receiving them.
  - b. The basis of payroll accounting, including clergy pay and housing allowance.
  - c. The risks to which the church may be exposed and the types and costs of appropriate insurance the church should carry.