



HANDBOOK FOR CHURCH TREASURERS

“Now I commit you to God and to the word of his grace, which can build you up and give you an inheritance among all those who are sanctified. ³³ I have not coveted anyone’s silver or gold or clothing. ³⁴ You yourselves know that these hands of mine have supplied my own needs and the needs of my companions. ³⁵ In everything I did, I showed you that by this kind of hard work we must help the weak, remembering the words the Lord Jesus himself said: ‘It is more blessed to give than to receive.’” Acts 20:32-35

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The Great Commandment

Jesus replied: 'Love the Lord your God with all your heart and with all your soul and with all your mind.' This is the first and greatest commandment. And the second is like it: 'Love your neighbor as yourself.' All the Law and the Prophets hang on these two commandments." Matthew 22:37-40

The Great Commission

"Then Jesus came to them and said, "All authority in heaven and on earth has been given to me. Therefore go and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, and teaching them to obey everything I have commanded you. And surely I am with you always, to the very end of the age." Matthew 28:18-20

Our Vision Free Methodist Church USA

A healthy biblical community of holy people, multiplying disciples, leaders, groups, and churches. "But you are a chosen people, a royal priesthood, a holy nation, a people belonging to God, that you may declare the praises of him who called you out of darkness into his wonderful light." 1 Peter 2:9

Mission

The Mission of the Free Methodist Church is to make known to all people everywhere God's call to wholeness through forgiveness and holiness in Jesus Christ, and to invite into membership and to equip for ministry all who respond in faith.

The Harvest Conference Purpose

To make every church a healthy church with Spirit-filled leadership working a plan to fulfill our expected outcomes: Congregations which are prayer-saturated, worshipping, discipling, evangelizing, reproducing, culture-engaging, active in world mission, and purpose-driven.

Local Church Purpose

The purpose for the local church is to make disciples for Jesus Christ and to nurture them through loving and caring relationships. To know God and make Him known.

INTRODUCTION

Members of the Free Methodist Churches entrust to their congregations millions of dollars each year. The stewardship or similar departments of those congregations are ultimately responsible for the funds. But the day-to-day management of those dollars – the counting, the record-keeping, the banking and the distribution – is the job of the church’s treasurer and/or financial secretary. The task is a tremendous one. Other positions of leadership may be more visible. Yet, few require the hours of work or the scrupulous attention to detail. If other avenues of service provide greater recognition, the treasurer can find satisfaction in the knowledge that his or her work is a primary opportunity for Christian stewardship and vital to the ongoing life of the congregation. By the stroke of the pen, mission work becomes a reality. Local ministries are carried out. The pastor’s livelihood is ensured. Obligations are met. As the treasurer is accountable, he or she becomes a mirror through which the congregation sees itself in its faithfulness and by which its integrity is mirrored to the world.

Purpose of the Handbook

The purpose of this handbook is to help make the financial leaders’ tasks easier by providing specific, practical guidelines for the people who handle the church’s money. It is intended as a useful resource for the pastor, the finance committee, and the local treasurer. We have tried to anticipate your questions, but despite our best efforts, you may have questions that the manual doesn’t answer. If that is the case, do not hesitate to contact us at The Harvest Conference office, we are here to serve. We appreciate your willingness to serve the church in this important capacity and commend you for the special ministry you have undertaken.

CONGREGATIONAL FINANCIAL MATTERS

Within this manual, we turn our attention to the practical, day-to-day business of handling the congregation’s finances. We will look at such things as budgeting, bonding, audits, capital campaigns, borrowing money, membership record-keeping, monthly and annual reports, etc.

The Church Treasurer

The church treasurer is part of a team of stewards that enables local churches and the greater church to carry out the vision, purpose, and ministry which God has placed before us.

Qualifications:

1. Willingness to work with people
2. Fair minded
3. Knowledge of church's organization
4. Reflect high Christian ideals
5. Trustworthy
6. Knowledge of accounting procedures and/or willingness to learn them
7. Tither

Responsibilities

1. Deposit money in a timely manner after being counted and turned over from the Counting tellers
2. Write and sign checks (may be done by a separate person, depending on church policy)
3. Keep accurate records of all money received and disbursed
4. Reconcile monthly bank statements
5. Provide monthly and annual reports to the pastor, the finance committee, the society (depending on church policy). Monthly reports should show income, expenses, comparison against budget, cash flow, loan payments and balances, any aged payables, breakdown of general budget expenses, and also any income or expenses in special funds.
6. Maintain records of individual contributions. Prepare and distribute statements of these at year end.
7. Work with finance committee and pastor to prepare budget
8. Keep church staff and committees informed, by the monthly reports, of where they stand with the budget amounts
9. Give the congregation a sense of confidentiality
10. Make financial records available for annual audit
11. Make all requested reports to the conference
12. Train an associate treasurer (selected by the church)

Budgeting

The key ingredient to budgeting is common sense. The budget is the financial aspect of implementing the goals for your congregation. It is one of the critical steps in making a church's dreams a reality.

Basic Information

Does my congregation need a budget? Can you imagine spending \$1,000,000 without a plan? \$200,000? \$25,000? Can you imagine spending the money that the members of your congregation give without some plan? Of course not! Every congregation needs a plan for using its income – a budget. In essence, a budget is a spending plan. It is true that churches often get along for years with a system of congregational finance based on the principle of, “Just spend what we take in, and if any emergencies arise, we’ll manage to meet them when they come.” The fallacy of such a plan is that it places the mission and ministry of the church on a minimal and emergency basis. It also can encourage the development of poor stewardship practices among members who learn only to respond to emergency needs rather than to grow consistently in annual and long-term commitment. The congregation needs a budget because it needs a planned program for mission and ministry.

The Budget as an Issue of Faith

When Jesus said, “Where your money is, there will your heart be also,” he probably wasn’t thinking about congregational budgets. However, Christ’s words are just as true for the congregation as for any individual. The annual budget of a congregation is a statement of faith. It says to the congregation, to the community and to the world, “This is the way we believe in God; here is the evidence of our faith.” Does a congregation believe that Christ calls it to serve the world? The mission and outreach items in the budget will give us the real answer. Planning the annual budget is a major responsibility. In a very real sense, it reflects the faith and commitment of a congregation. The budget or spending plan, of the congregation should be one way of implementing the congregation’s mission statement.

Two Phases of the Budgeting Process

Preparing and managing are the two phases of the budgeting process.

Phase One - Preparing the Budget

The financial tasks in preparing the budget are to estimate income, allocate anticipated resources, and to ensure that income and allocations balance.

Estimating Income

There are many streams of giving which enable members to financially contribute to the life and witness of a congregation. The regular offerings of members continue to be the primary source of income for most congregations. There are several ways to estimate this income. One of the most effective is to conduct an annual stewardship drive in which members make “pledges,” “estimates of giving” or “financial commitments.” Another method of estimating income is to look at the previous year’s income and forecast growth or decline based on membership growth or decline, economic factors in the community, inflation, etc.

Allocating Anticipated Resources

The budget must deal with the financial demands that arise in the whole program of a church; therefore, all functional program directors/committees should be involved in planning the budget. In a small membership congregation, directors, committees or departments may or may not exist. Persons responsible for the different areas of the congregation’s life may be responsible for planning the budget. Each department or area should figure the amount needed to carry out its goals and priorities, and these should be submitted to the body charged with developing the budget. Prioritizing means that some things will be done! It also may mean that other things won’t. Very few congregations can do everything they would like in a given year. Every budget request cannot be funded. The presence of clear priorities and goals will establish the funding allocations. High priorities are funded, non-priorities are not.

There is a template in the appendix of this handbook to use for your budget. You may not have all the categories on it but use as many as you have and add any that you need to. Remember, **your budget should have both income and expenses.**

Phase Two – Budget Management

No one has ever created a budget that perfectly matched the actual income and expenditures in a given year. A good budget may come close, but there are always discrepancies. These discrepancies create the need for the “compare” phase of budgeting. The difference between the actual figures and the budgeted figures is called a variance. If actual income is higher than the budget, or actual expenses are lower than the budget, a favorable variance is created. If actual income is lower than the budget or actual expenses are higher than the budget, the result is an unfavorable variance. A variance is never a problem or a blessing per se. It is only a sign, a signal pointing to something else that must be examined. By regularly comparing the actual figures to the budget figures, a congregation can identify a potential problem and take advantage of potential good news as soon as possible. It is better stewardship than waiting for a catastrophe or allowing an opportunity to pass by unnoticed.

The Line-Item Budget

When most of us think of a budget, we picture a line-item budget. It lists by the dollars to be spent on each item – salaries, utilities, outreach, Christian education, evangelism, stewardship, etc. Each line is carefully listed, costs estimated and the amounts budgeted.

The line-item budget is the basic budget. Even if other budgeting techniques are used, the congregation will eventually need to develop a line-item budget to show the dollar amount available to each area. This type of budget is essential for accounting purposes.

Resources

There are many good articles on the internet to help you in budgeting. One I found helpful was “9 Principles For Creating An Annual Budget In A Small Church by Karl Vaters (from Christianity Today). Another is Tactics To Create An Effective Church Budget at Tithe.ly. Just put “Budgeting for a Church” or Budgeting for a small church” in the search engine.

Principles and Procedures for Handling Money

As church members make offerings to God through the congregation, they entrust those offerings to their leaders. From the moment an offering is made until it is spent for its intended purposes, the leaders of the congregation are responsible for what represents a portion of the members' lives and livelihood and, spiritually, is God's money. To fulfill this stewardship adequately requires use of good systems and careful selection of individuals to do particular tasks. The ushers, counters, financial secretary and treasurer must be part of a system that upholds the members' integrity. Likewise, the system must protect the church's funds from misuse or mishandling.

It's all about Ministry!

As Church Treasurer you have a significant role in the ministry of finances and stewardship in your church. This ministry is a significant foundation on which your church is able to carry out its vision, purpose, and ministry—the particular way God has called your church to carry out the Great Commission.

It's a team ministry! You are part of a team in your church—a team of all those involved in the ministry of finances and stewardship. Depending on your particular church's structure this may include a financial secretary, treasurer, tellers, finance/stewardship committee, trustees, leadership team, and pastor.

You are also part of a larger team of all those working with finances and stewardship in your Conference & the whole FMCUSA—other church Treasurers, Conference Treasurers, and Conference Boards of Administration. Together you serve as stewards of the financial resources in your church and the Conferences.

God calls us to be good stewards of the resources He gives us. Financial accountability is part of good stewardship. Accountability will flow naturally when your heart is focused on serving God with passion and a healthy biblical attitude and when you carry out your ministry with integrity and competency. Ask questions, seek guidance, and get help and training as needed!

Prayer is the key to your ministry! We serve a God who is much greater than the facts and figures of finances. **Pray** before you start recording income, paying bills, balancing the checkbook, preparing the monthly budget report, etc. Praise God for the income, the needed cash flow, the ability to pay bills, and for His blessing your church financially. Pray for particular needs such as meeting monthly income goals. It's easy to be anxious about income, cash flow, paying bills, and meeting budget.

Dwell on **Philippians 4:4-7 . . . “Do not be anxious about anything; but in everything, by prayer and petition, with thanksgiving, present your requests to God.”**

Principles

Four basic principles are imperative for every congregation in the handling of its money:

- 1. Offerings should never remain unattended in the entry, church office, or elsewhere.**
- 2. Counting of money should always be done with two or more persons present.** This is not to suggest that any individuals are not trustworthy, but to protect them from suspicion. It also provides a double check on accuracy. A sample form is provided in the appendix of this manual.
- 3. Persons who handle money should not be those who have responsibility for keeping records.** Separation of the functions is another way to protect personnel as well as to support orderly procedures. *We do understand this may be impossible to do in a small church, but do the best you can to separate duties.*
- 4. All money should be banked as soon as possible.** Church offices and even church safes are vulnerable to thievery, and no person should be expected to keep church funds at home. Most banks provide facilities for night and Sunday options.

Record Keeping

Some congregations have computerized their financial record keeping; others prefer to maintain a system in which the records are kept manually. The following information describes basic procedures for either system.

The Counters: Two specifically selected individuals should:

1. count the money the day it is received, each counting all funds as an accuracy check on the other.
2. They should record on a tally sheet the amount of loose offerings, all checks and the amount of cash from envelopes.
3. As envelopes are opened, the amounts enclosed should be recorded on the outside for the financial secretary/treasurer's accounting and on a giving-record form.
4. The preprinted tally sheets should require the counter's signature. *Any time an envelope contains no money or the amount is different from that indicated, a note should be written to the financial secretary/treasurer.
5. One copy of the counting record should go to the financial secretary/treasurer with the opened, marked offering envelope, and the other should be filed in the church office.
6. The counted funds should be deposited in the bank as soon as possible, either by the financial secretary or treasurer.

The Financial Secretary/Treasurer: The financial secretary/treasurer's responsibility is:

1. to keep an accurate record of the sources of all offerings and give proper credit to each identifiable donor's account.
2. The financial secretary/treasurer should be given a copy of the counter's report, the envelopes with amounts recorded thereon, a giving-record report, a note concerning any irregularities and
3. Either prepare a bank-deposit slip or receive a duplicate bank-deposit slip (if funds were banked by the counters).
4. If irregularities in contents of offering envelopes are discovered, donors should be contacted within the week to eliminate later misunderstandings caused by conflicting records.
5. Once the bank statement arrives, the deposit slips should be verified with the statement.

Gift Receipts to Contributors

Many churches choose to provide gift receipts to contributors only at the end of the year but as a suggestion, each quarter, the financial secretary/treasurer should prepare individual records for each donor. This helps to catch any inaccuracies in time to create a new receipt and does not put the burden on the treasurer during the tax season.

Handling cash donations

All cash gifts, regardless of amount, must be substantiated by a bank record or a written communication stating the charity's name and the amount and date of the contribution. In addition, self-created records (such as logbooks), which previously could be used to document small donations, is no longer accepted. Essentially, this new rule will probably encourage contributors to make most donations by either check or online, as the cancelled check or statement will satisfy the requirements. Although the burden of proof is still on the individual taxpayer to substantiate the deductions they are claiming for gifts to charity on their tax return, charitable organizations can take the initiative to be ready to provide receipts or acknowledgements for every cash contribution no matter the size. The following paragraph should be included along with the reports. *"Federal regulations require us to state that we have not provided you with any goods or services in exchange for this contribution. Please retain this document for your records. It is an important document necessary for any available federal income tax deduction for this contribution.*

We have provided you with only intangible religious benefits and, consistent with the tenets of our faith and practice, only incidental tangible benefits."

Donation receipts as an opportunity to inform and request

As these are mailed or handed to individuals, there is an opportunity for the stewardship department or pastor to include a letter interpreting church program progress and expressing appreciation for the member's participation as well as giving the opportunity to support the work again.

A summary report of receipts covering pledges, loose offerings and other funds should be made at each regular meeting of the congregation's leadership team.

Designated Giving

Designated giving allows funds to be earmarked for a particular general or regional ministry or institution of the church i.e. missions/ clear blue water etc. All designated remittances are sent in full to the institution or program for which they are marked. If the funds are earmarked for a particular ministry within the congregation, these marked funds are over and above regular giving and do not become a part of the regular monies that are collected.

Confidentiality

Confidentiality doesn't mean secrecy. It does mean that only those few persons in a congregation who *need* to know something about the records of overall giving should have access to them. The pledges and giving of *individual members* of the congregation ***should never*** become coffee-hour conversation.

Preserving Financial Records

Care should be taken to preserve the records of the financial secretary/treasurer, and the annual audit for a period of at least five years. As a precaution a copy of the annual audit should be kept at some place other than the church (in case of fire or other destruction), such as a safe deposit box at a local bank. All invoices, vouchers and cancelled checks should be included with the records for the respective year and preserved in a safe, dry place. The chairperson of the stewardship committee, the secretary of the board and the pastor should know where such records are kept in case they should be needed for later reference.

Responsibility to the Local Church

In your role as treasurer you are responsible for issuing monthly reports on a timely basis for review and prayer by the pastor, finance committee, and board.

Responsibility to the Greater Church

As mentioned before, you are part of the team of people in your Conference & FMCUSA who deal directly with finances in local churches and the conference. As a local church treasurer you are responsible for reporting and making timely payments to the conference and denomination in two ways:

Monthly Report from Local Church Treasurer to Conference

The Monthly Report Form from Local Church Treasurer to Conference Treasurer (remittance form) is the avenue through which the local church sends monies designated for apportionments, home ministries, insurance, loan payments, missions, etc. Forms and payments are due by the last working day of the month to be credited for that month.

Understanding the Treasurer Remittance Form - Appendix A

This form was created for the specific purpose of providing the local treasurer with a way of remitting one check to the Conference Treasurer each month. The form should be filled out and returned with the check to the Conference Office by the last working day of the month. Beginning with the first mailing in January, the Conference Treasurer will send the remittance form along with a letter suggesting amounts to reach the Home Ministries and Apportionment obligation within a 10- or 12-month timeframe. Since the remittance form is a vital form of communication between the local church treasurer and the Conference Treasurer, we ask that proper attention be given to completing the form correctly to safeguard against error. The form is available in Excel format. One will be sent to you each month with the spreadsheet for your church, the loan detail and Insurance invoice (if it applies to you)

How to Use the Remittance Form:

- 1. The Top Section:** The form is divided into three sections. The first section calls for general information from the remitter. Here you record the date, local church name, local church treasurer, address, phone, and email address. ***Correct completion of this section provides the Conference Treasurer a quick reference to who should be contacted in the case of an error or question.***
- 2. The Body:** The middle section, or the body of the form, asks for a breakdown of the amount on the check. The body of the remittance form is designed in two columns. The first column is entitled “*Miscellaneous*”. Under this column monies due for apportionment (both for current or prior years) for the pastor’s insurance; payments on outstanding loans; giving to scholarship; ministers trust; Heritage Village; Roberts Wesleyan College; Oakdale Christian School; Bishops’ Crisis Response; Olive Branch Mission; God’s Choice, and others are recorded. A total is placed for these funds at the bottom of the first column. The second column is for denominational items. Under this column monies that are turned into Headquarters each month are recorded. These funds are for Home Ministries (both current and prior years), and world missions. The missionaries and projects our conference supports are listed. If your church supports different missionaries, please list them either as “Other” or if using the Excel version, you may substitute their names instead of the ones listed. A total is placed for these funds at the bottom of the second column.

3. **The Final Section:** The final section is for the recording of the columnar totals. The total from the first column goes in box (1) while the total from the second column goes in box (2). The two totals are added together and recorded on the line that reads “check enclosed”. The box in the lower left-hand corner of this section provides information as to who to make the check payable to (*The Harvest Conference Free Methodist Church*) and a statement “***receipts must reach the Conference Treasurer by the last day of the month to be credited for that month.***”

Bonding Officers

Bonding of its officers is a precaution that the congregation should consider in its corporate stewardship. In effect, bonding buys insurance on the officer's reliability and assures the congregation that finances are being handled correctly. Some congregations are reluctant to bond persons handling finances, believing that the church should not question the integrity of any of its leaders. Unfortunately, irregularities in the handling of church money occur often enough that a congregation cannot ignore that possibility. If the officers are not bonded, the congregation should be ready to safeguard both the money and the individuals who handle it. This should include an annual audit. The cost of bonding will vary greatly, depending on the number of persons involved and the amount of money handled. The best place to begin seeking information on bonding is with your congregation's local insurance agent. For a small premium, bonding can often be added as a rider to the congregation's current policy.

Financial Examination

Congregations handle thousands of dollars annually. Finances of that magnitude demand careful and effective management, especially when entrusted to volunteer treasurers, financial secretaries and other officers. All financial records and reports should be examined annually, both for the protection of the congregation and those responsible for handling its funds.

In-House Audit: A larger congregation may choose to employ the services of an outside professional auditor. A small congregation may ask the stewardship department to select an auditing committee of competent laypeople to do the task. The auditing committee should not include individuals who have been involved in handling funds or keeping records, nor should members of their families be selected. Below are suggested functions of the auditor and guidelines for an in-house audit:

1. The auditor insures a third party review of the financials.
2. The auditor receives reports of any suspected wrongdoing or violations of financial policies.
3. The auditor prepares an annual report and makes it available for members to review.

Guidelines for an In-House Audit

Income

1. Check how money is received (Sunday offering, mail, internet donations, etc.) and what happens to it before it is deposited. Who handles, counts and deposits it? Is a timely deposit made?
2. Compare the entries in the cash-receipts journal with deposit slips and counter's reports.
3. If the church has both financial secretary and treasurer, compare their monthly reports.
4. Check to see if designated monies were used for their intended purposes.
5. Investigate any checks outstanding for more than 30 days.

Expenditures

6. Review cash-disbursements.
7. All checks listed in the general ledger should be made with pre-numbered checks. The number, date, amount, payee and accounts should also be listed in the ledger.
8. From the cash-disbursements, trace the entries to the general ledger for proper recording.
9. Examine payroll records. Has the treasurer complied with government regulations about social security taxes, unemployment insurance, worker's compensation insurance, income tax withholding, and other state and federal requirements.
10. Account for all checks used.
11. Make sure the bank statements were reconciled.

2. Petty-Cash Funds

1. If the office has a petty-cash fund, examine the disbursements, receipts, and balance.

3. Debt Retirement

1. Debt balances to all lenders should be verified. Examine loan conditions and repayment schedules to insure on-time payments.

4. Insurance policies

1. Check policies for limits (coverage, premium, and payment terms) and expiration dates.

5. Saving Certificates

1. Check amounts, interest, and conditions of all saving accounts.

In most cases, having an auditor examine every entry in the records and every document supporting those entries would involve a tremendous expenditure of time. Such a thorough examination is not always feasible. The auditor's primary concern should be about control and accuracy of the handling and reporting of funds. Instead of going through every item in detail, the auditor should check the accuracy of financial records through tests and samples. To test the financial records means to examine a part of or a sample of all the financial transactions to determine accuracy. By examining a part of the records, the auditor can draw conclusions about the whole set. If the tests and samples reveal numerous or serious errors, the auditor will want to bring this to the immediate attention of the Pastor while remembering that errors in recording and reporting are not necessarily indicators of fraud. Many church treasurers are untrained and give of their time only after much asking. A kind word and a helpful suggestion will go a long way in improving their skill. When properly done, the annual audit signals to the congregation that their leadership takes its stewardship responsibility seriously. The auditing report should be written so that a legal record is at hand in case of later examination.

Funding Major Capital Expenditures

That new building project or major renovation will likely take more money than a Sunday school class or Youth group can raise in next year's ice cream social. Whether it is remodeling, construction, or relocation, most congregations experience "sticker shock" when the cost estimates arrive. "How are we going to pay for it?" Rarely is a congregation able to fund a major capital expenditure from its operational income. Most churches simply cannot afford to put away extra money in a building fund or add a major monthly mortgage payment to the general fund. The answer: a capital campaign.

Capital Campaigns

A capital campaign seeks gifts that are over-and-above regular giving -- special gifts for a special project. By receiving pledges for capital that are separate from general fund expenses, a congregation can take advantage of the special type of giving received through a capital campaign. You will not receive more than token over-and-above gifts unless you conduct a special effort to solicit them.

Handling Capital Campaign Money

It is critical that gifts to capital projects remain separate from regular income. If possible, it is recommended that a different treasurer be appointed for the capital funds. This avoids extra work for the regular treasurer and makes it clear that the capital contributions are over-and-above giving. If not possible it is suggested that separate offering envelopes be used. This makes it easier to keep track of the capital offerings and clearly separates them from other giving.

Financing Capital Projects

For major capital projects, it is suggested that a congregation not borrow more than can be repaid in a 15-20 year period. A portion of any capital project should be underwritten from the outset. One suggestion is that a congregation should not borrow more than 75% of the cost of the project. While others may suggest that a higher percentage is acceptable, some equity interest is always desirable. Lenders typically limit financing to 75% of total costs, up to 90% depending upon the nature of the project.

The Harvest Conference is currently assisting our churches through an established loan fund. If you would like information on how the loans are obtained, interest rates, and repayment terms, please contact our office.

Taxes

When a New Pastor is Appointed to a Church:

1. The breakdown of their pay must be decided by the pastor and the Conference Office should be contacted to explain existing policies concerning benefits available to clergy including life, health, dental & disability insurance, and the Free Methodist Church Pension Plan.
2. All *appointed and paid* Pastors should be a W-2 employees.
3. This must all be put in the minutes of the board or society meeting before they are given their first paycheck.

When the W-2 is Done at the End of the Year:

1. The portion designated as “housing” by the pastor should not be placed in box 1 of the W-2.
2. It should be placed in box 14 and marked “Housing.”
3. Any love gift given the pastor (like for pastor’s appreciation or Christmas) should go in box 1.
4. We have been told that an electronic tax return cannot be done if there is nothing in box 1. We have been advised by a CPA to put at least \$25 of what would normally be placed in box 14 “Housing” in box 1 instead.

Any Time there is a Moving Expense Involved:

1. All receipts must be submitted to the Conference Office.
2. The Conference will then write a check to the church they are moving to or from (if they are leaving the conference) for their share of the amount of the cost as per the most current Moving Policy.
3. The church should then write the pastor a check and put the amount on their W-2 in box 1.

From p 28 of The Harvest Conference Policy Manual *words in Italics are added*

Paying other people:

1. When paying Church Secretaries, custodians, worship leaders or other part time positions that are not appointed treat them as a non-employee. Please use a 1099 NEC the end of the year.
2. If any of these positions are full time, they should be treated as an employee and have federal, state, and local taxes taken out of their pay. This would require a W-2 at the end of the year.
3. For contractors who have done work on the church (roofs, furnaces, painting, etc), that have been paid \$600 or more, you should get them to fill out a W-9. From that you will determine if you should give them a 1099 NEC. If they are incorporated (either a C Corporation or an S Corporation) you do not need to give them one. If they are a partnership or an individual, you should.

4. If you have paid rent to any individual or partnership totaling \$600 or more, you should get them to fill out a W-9. From that you will determine if you should give them a 1099 MISC. If they are incorporated (either a C Corporation or an S Corporation) you do not need to give them one. If they are a partnership or an individual, you should.
5. If you have any questions on this section, please contact the tax person who does your year end W-2s or 1099s.

Thank you for serving!

Thank you for your ministry and leadership—for your significant role in helping your church carry out its ministry, purpose, and vision!

**“God is not unjust; he will not forget your work
and the love you have shown him
as you have helped his people
and continue to help them.”**

Hebrews 6:10

Appendix