

FINANCE COMMITTEE REPORT



A FAMILY OF CHURCHES IN TEXAS, LOUISIANA, AND ARKANSAS

Name of Church _____

Date of Charge/Church Conference _____

Report completed by _____

In the Trinity Conference of the Global Methodist Church, we are grateful for local church Finance Committee members who “oversee the stewardship of financial resources as their priority throughout the year, seeking as part of the ministry of discipleship to move members toward tithing and beyond, with an attitude of generosity” (Book of Doctrines and Disciplines ¶447.2).

To transparently share the good work of each church’s Finance Committee with the whole church, the Finance Committee is required to submit a written report to the annual church conference. This form is designed to help meet that requirement. In addition, the Finance Committee should include the year-to-date financial statements (including fund balances and income & expense reports for the General Fund and all designated accounts) in whatever form they are generally shared with the Church Council or church members.

Please answer the following questions, yes or no:

Did the Finance Committee compile a complete annual budget for the local church and submit it to the Church Council for review and adoption this year (¶447.3)?

Yes **No**

Is the Finance Committee developing and implementing plans that will raise sufficient income to meet the budget adopted by the Church Council (¶447.3)?

Yes **No**

Is the Finance Committee administering funds received according to instructions from the Church Council (¶447.3)?

Yes **No**

Has the Finance committee designated at least two persons not of one immediate family residing in the same household to count the offering (¶447.4)?

Yes **No**

Are the counters working under the supervision of the Financial Secretary, and submitting to the Financial Secretary and Treasurer a record of all funds received (¶447.4)?

Yes **No**

Are funds received deposited promptly in accordance with procedures established by the Finance Committee (¶447.4 and 447.8)?

Yes **No**

Has the Finance Committee recommended proper depositories of the church's funds to the Church Council (¶447.8)?

Yes **No**

Is the Financial Secretary keeping records of all contributions and payments (¶447.4)?

Yes **No**

Is the Treasurer disbursing all money contributed to causes represented in the local church budget, and such other funds and contributions as the Church Council may determine (¶447.5)?

Yes **No**

Are contributions designated for specific causes and objects being promptly forwarded according to the intent of the donor and not retained or used for any other purpose (¶447.9)?

Yes **No**

Is the Treasurer remitting the connectional funds due each month to the Trinity Conference and GMC Treasurer (¶447.5)?

Yes **No**

Is the Treasurer making regular and detailed reports on funds received and expended to the Finance Committee and the Church Council (¶447.5)?

Yes **No**

Is the Finance Committee preparing at least annually a report to the Church Council of all designated funds that are separate from the current expense budget (¶447.11)?

Yes **No**

Is the Treasurer adequately bonded (¶447.5)?

Yes **No**

Has the Finance Committee established written financial policies to document the internal controls of the local church (¶447.6)?

Yes **No**

Note: Sample financial policies are available from your Presiding Elder and from other GMC churches in your area.

Has the Finance Committee made provisions for an annual audit of the financial statements of the local church and all its organizations and accounts (¶447.7)?

Yes **No**

If your answer above is yes, attach the annual audit letter or statement verifying the accuracy and reliability of church financial reporting.

If your answer above is no, is the Finance Committee planning to make provisions for an annual audit before the next church conference?

Yes **No**

If you answered no to any question above, please explain your reasons below:

Annual Audits

According to ¶447.7, the Finance Committee “shall make provision for an annual audit of the financial statements of the local church and all its organizations and accounts. The committee shall make a full and complete report to the annual charge (or church) conference.”

A local church audit is an independent evaluation of the financial reports, records, and internal controls of the local church. The audit shall be conducted to:

- reasonably verify the accuracy and reliability of financial reporting;
- determine whether assets are being safeguarded; and
- determine compliance with local law, local church policies and procedures, and the Book of Doctrines and Discipline.

The audit may include:

1. a review of the cash and investment reconciliations;
2. interviews with the Treasurer, Financial Secretary, pastor(s), and any other persons who oversee finances at the church to gauge compliance with the church’s financial policies and procedures;
3. a review of journal entries and authorized check signers for each checking and investment account; and
4. other procedures requested by the Finance Committee.

The audit “shall be performed by an audit committee composed of persons unrelated to the persons listed in 2 above or by an independent certified public accountant (CPA), accounting firm, or equivalent” (¶447.7).

Recommendations when selecting an auditor or audit committee

For churches with less than \$500,000 in receipts, each year, an independent qualified member of the church or a volunteer from another church may perform audit procedures, evaluate internal controls, and report the results directly to the church’s Finance Committee.

For churches with between \$500,000 and \$1 million in receipts, each year, an independent qualified member of the church or other volunteer may perform audit procedures (as described above). However, we recommend an external audit to be performed by a CPA **every 3 years.**

For churches with between \$1 and \$2 million in receipts, each year, an independent qualified member of the church or other volunteer may perform audit procedures (as described above). However, we recommend an external audit to be performed by a CPA **every 2 years.**

For churches with receipts greater than \$2 million, we recommend an external audit to be performed by a CPA **every year.**