

Protect Your Church's Finances Through Internal Cash Control

ENSURING YOUR MONEY IS SAFEGUARDED

In handling money, your church must do more than just collect the offering and take it to the bank.

You should be tracking how much comes in, who it comes from, what it's used for, and how much everyone gives during a year. This requires substantial record keeping and an effective internal control structure to ensure that the information is accurate. Also, it involves many people who don't think of themselves as having any accounting or control responsibilities—for example, the ushers who collect tithes and offerings during the service.

To help your church, here are some procedures for strengthening control of your cash receipts and disbursements.

CASH RECEIPTS

- For your offerings, enlist money counters (tellers) who aren't related and don't work at the same place during the week.
- Avoid selecting someone experiencing a financial crisis. This kind of responsibility may expose such a person to temptation.
- Rotate tellers periodically. Try using teams.
- When you empty your offering plates, have at least two tellers present. Ask them to count and bag offerings on church premises.
- Designate a teller to record the money. Ask another to review and initial the record.
- On a regular basis, have someone other than the tellers reconcile the bank account and money received (to the bank deposit, donor records, and general ledger).

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- Immediately stamp all checks “for deposit only” and place the money received in a lockable canvas cash bag. Use a bag with only two keys—one you keep at the bank, the other at the church. (Continued page 2)
- Deposit cash daily in your bank account. Never keep cash on the premises unless you use a lock box.
- Compare deposits from the regular services to previous services, noting the consistency of amounts. The amount of money received during morning worship services usually doesn’t vary greatly from week to week.
- Send periodic statements to donors detailing the dates and gift amounts received. If a discrepancy arises, resolve it immediately by securing the assistance of someone other than the teller who originally counted the money.

CASH DISBURSEMENTS

- Make all disbursements, except from petty cash, by check or draft.
- Require two signatures on all checks over a stated dollar amount.
- Prepare cash disbursements only when someone has approved and documented the payment.
- Mark supporting documents “paid” to prevent resubmission.
- Lock up all blank checks.
- On a regular basis, have someone other than the individual preparing disbursements reconcile check registers to the bank statements.

COMPUTER CONTROLS

If your church is using computers in record keeping and financial record processing, you need to safeguard your computer data. This can be done by saving data frequently, protecting important programs from being erased, and storing CDs/DVDs in protected areas (preferably at least one copy off-site).

In addition, because of the sensitive information maintained on the computer (donor giving history or counseling information, for example), consider using passwords or restricting access to only certain people.

These simple steps can help your organization be a good steward of the funds the Lord has entrusted to you.



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