

CHRISTIAN MONEY \$ENSE

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Wise Financial Stewardship for Churches (Part 3)

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Raise your hand if you would like your ministry to be a part of a financial scandal. Financial mismanagement and scandal can ruin a ministry. Not surprisingly, the Apostle Paul had some advice on this subject. "But among you there must not be even a hint of sexual immorality, or of any kind of impurity, or of greed, because these are improper for God's holy people" (Eph. 5:3 NIV). Paul says to avoid even the hint of greed. This means having pure motives and processes and making sure others have the *impression* that our motives and processes are pure.

Financial procedures are a way to protect your congregation and those who handle the church finances from false accusations while safeguarding the resources the Lord has given your church. The past two weeks we have examined both general financial stewardship principles and proven procedures for cash receipts in your ministry.

A pivotal principle in financial control is to have different people perform the following duties: (1) bookkeeping, (2) approving payments, and (3) handling money. Violating these principles increases the risk that errors or fraud will occur and will continue undiscovered for a longer time. You can be creative in how you segregate these functions in view of your particular situation. Below are some proven methods related to cash disbursements.

Wise Stewardship for Disbursements

- Keep a close watch on the petty cash file. While the amount of cash in the box is usually insignificant (\$50 to \$100), the expenses that flow through petty cash can be significant over the course of a year. Always make sure that total cash plus receipts in the box equal the predetermined amount, and check the validity of the receipts.
- Give limited access to church credit cards. Very few individuals should have a church credit card that is

carried at all times. Approval limits for purchases must be communicated clearly.

- Proper documentation should always be required before any expenses are paid. No receipt equals no payment. Use a standard form that is attached to groupings of receipts. The form would show purpose, dates, amounts, etc. It also allows the bookkeeper to easily enter data into the accounting software. Keep copies of documents for future reference.
- Predetermine the group of people who are able to sign checks. It is a common procedure in many organizations to require dual signatures on checks over a certain higher dollar amount. This will require coordination with your bank. Also, the bookkeeper should not be the person authorized to sign checks. If this is not followed, the bookkeeper has opportunity to cover up his or her own potential mismanagement.
- When a person is authorized to sign checks, it is better if that person does not sign a check made payable to him or her. Have another approved person sign it.

Ministries gain credibility with current and future members when excellence is pursued. The steps described above are a practical way to gain added financial control. Equally important, a ministry will be able to distance itself from "any hint of greed." The benefits are worth the cost. The members of our congregations are required to operate under similar procedures where they are employed. They expect no less from their church. If you have specific questions regarding financial stewardship procedures for your ministry, call BBC Foundation. We exist to help individuals and local churches become better stewards of the money God has entrusted to them.

BBC Foundation has been ministering to churches and individuals regarding biblical stewardship since 1992. Send your questions on finances and stewardship to: BBC Foundation, 538 Venard Rd., Clarks Summit, PA 18411. Phone: (800) 451-8668, website: bbcfoundation.org; e-mail: info@bbcfoundation.org