

CHURCH FINANCIAL WORKSHOP

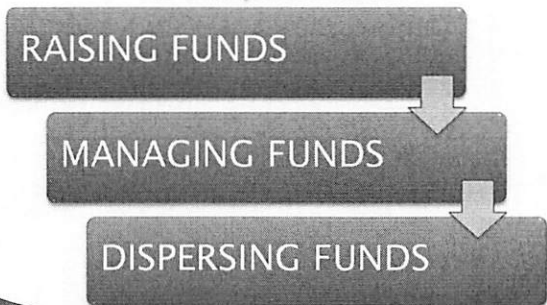
Designed for:
CHAIRMAN OF FINANCE COMMITTEE
TREASURER
FINANCIAL SECRETARY

COASTAL VIRGINIA DISTRICT
LEADERSHIP TRAINING
Mary Stroh, District Treasurer
December 5, 2024

FINANCIAL RESPONSIBILITIES



THE FINANCIAL SYSTEM
is the process of:



FINANCE OBJECTIVES

Sense of Direction

Plan to move the church's financial stewardship forward

Ability to monitor ongoing finances

FINANCIALLY VITAL CONGREGATION

TRANSPARENT IN RELATIONSHIP WITH MONEY

THINKS MISSIONALLY ABOUT BUDGETING AND FUNDRAISING

ENGAGES IN FINANCIAL BEST PRACTICES

RESPONSIBILITIES FOR THE YEAR

- > Overseeing Stewardship
- > Compiling a budget annually
- > Raising sufficient income to meet the budget
- > Administering funds received by the church
- > Counting and depositing the offering
- > Disbursing funds
- > Establishing internal control policies
- > Providing for an annual audit

RESPONSIBILITIES FOR THE YEAR

- > Using contributions in accordance with donors' intent
- > Providing appropriate financial reports to the church council
- > Bonding of those who handle church funds

YEARLY PLANNING

- > When and how to develop annual budget
- > When and how to conduct annual fund campaign
- > When and how treasurer & financial secretary report
- > How much annual income should be reached each quarter
- > What will be done about any shortfall
- > When the annual audit will be completed and by whom
- > Bonding of those who handle church funds

CHAIRMAN'S RESPONSIBILITIES

Calls Committee Meetings

Sets the Agenda

Runs the Meetings

MEMBERSHIP OF FINANCE COMMITTEE

- > Chairperson
- > Pastor(s)
- > Lay member of the annual conference (one)
- > Chairperson of Church Council
- > Chairperson of Staff/Pastor Parish Relations
- > Representative of Trustees
- > Chairperson of Stewardship
- > Lay Leader
- > Treasurer and Financial Secretary
- > Church Business Administrator
- > Others as determined by the charge conference

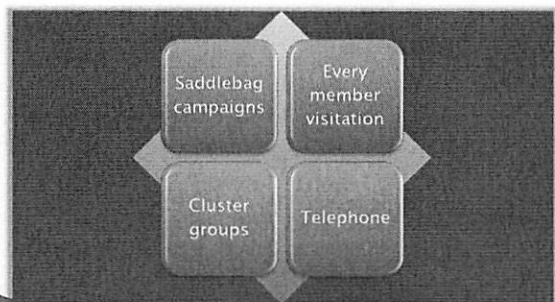
CREDIT CARD POLICY

- Drafted by Finance Committee
- Copy provided to each employee
- Signed copy returned to treasurer/church office
- Samples available from District Office

FUNDING CAMPAIGNS

- Base Expansion** • Increase the number of commitments received
- Upgrade** • Increase the amount committed by those members comprising the financial base.

BASE EXPANSION CAMPAIGNS

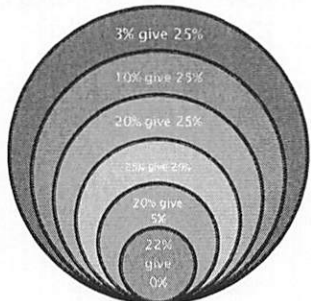


UPGRADE CAMPAIGNS




THE GIVING CIRCLE

3/4 of income comes from 33% of membership

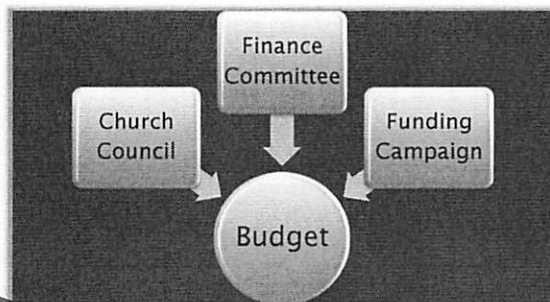


FINANCIAL REPORTS



Clear and easy for users to follow
Provide enough information to present an accurate picture of the financial condition of the church
Available on a timely basis

BUDGET PLANNING



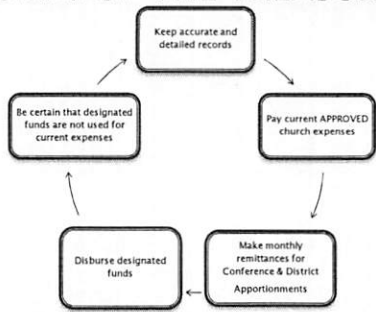
FINANCIAL SECRETARY

- Responsible for:
- Receiving all funds
 - Recording all funds
 - Depositing all funds
- Keeps two kinds of records:
- Records of moneys received and reports conveyed to the treasurer
 - Records of all funds received from individuals and groups

IRS Required Substantiation

NO GOODS OR SERVICES WERE PROVIDED TO THE DONOR IN EXCHANGE FOR THE CONTRIBUTION EXCEPT INTANGIBLE RELIGIOUS BENEFITS.

DUTIES OF THE TREASURER



22222		Employer's social security number		OMB No. 1545-0047	
1 Employer identification number (EIN)		3 Wages, tips, other compensation		2 Federal income tax withheld	
4 Employer's name, address, and ZIP code		5 Social security wages		6 Social security tax withheld	
		7 Medicare wages and tips		8 Medicare tax withheld	
		9 Social security tips		10 Allocated tips	
11 Contract number		12 Dependent care benefits			
13 Employer's federal and state identification numbers		14 Other			
15 State wages, tips, etc.		16 State income tax		17 Local wages, tips, etc.	
18 Local income tax		19 Local income tax		20 Local taxes	

Form **W-2** Wage and Tax Statement **2024** Department of the Treasury - Internal Revenue Service
Copy 1 - For State, City, or Local Tax Department

COMPENSATION INCLUDED IN INCOME

- Salary (Do not include Accountable Reimbursement.)
- Housing allowance
- Utilities and other cash allowances
- Cash "gifts" paid thru the church account
- Moving Expenses paid or reimbursed by the church
- Cost of employer provided life insurance in excess of \$50,000

2022 Virginia Conference Clergy Life Insurance Premiums

Active clergy in the Virginia Conference who are participants in the Virginia United Methodist Pension Plan had group term life insurance for 2022 in the amount of \$75,000. This was comprised of benefits from the General Board of Pension and the Virginia Conference. The IRS requires that equivalent premiums for group term life above \$50,000 be reported for the person covered by insurance as additional income. Each active clergy enrolled in CFP had \$25,000 in group term life insurance above the \$50K and should report this additional income on their tax returns. The following table provides the data needed by age group.

Age as of 12/31/2021	Pastor's Equivalent Cost \$1,000 per month	Sample Calculation for 57 year old	
Under 25	0.05	Basic Insurance per \$1,000	25
25 thru 29	0.06	times the rate from schedule on the left	0.43
30 thru 34	0.08	times the # of months worked	12
35 thru 39	0.09	Equals the Total on W-2	129
40 thru 44	0.10	(Box 12 code C on W-2)	
45 thru 49	0.15		
50 thru 54	0.25		
55 thru 59	0.43		
60 thru 64	0.66		
65 thru 69	1.27		
70 and above	2.06		

Note: Clergy age is based on the last day of the year 12/31/2021.

COMPENSATION EXCLUDED FROM INCOME

- Housing/Parsonage Exclusion approved by charge conference
- Personal payments for medical & dental insurance and flex spending account (NOT life insurance)
- Dependent care payments
- Personal pension payments officially designated as salary reduction or BEFORE TAX

EMPLOYER'S VIRGINIA STATE ID NUMBER

30-EINF-001
30-540576601F-001

FILE W-2s by JANUARY 31

MAIL OR FILE ONLINE
WWW.SOCIALSECURITY.GOV/EMPLOYER
WWW.TAX.VIRGINIA.GOV
