

# BUC GUIDELINES

## C20 Help I'm a Church Treasurer (11/2008)

**These notes are offered as guidelines by The Baptist Union Corporation Limited to provide information for Baptist churches.**

**These notes can never be a substitute for detailed professional advice if there are serious and specific problems, but we hope you will find them helpful.**

**If you want to ask questions about the leaflets and one of the Baptist Trust Companies are your property trustees, you should contact them. They will do their best to help.**

**If your church property is in the name of private individuals who act as trustees they may also be able to help.**

### WHAT IS A CHURCH TREASURER?

"The person who looks after the church money and accounts" is the short answer - but, of course, there is a lot behind that simple statement.

The Treasurer will have responsibility for the payment of bills, banking, gifts and donations and keeping proper financial records. The Treasurer is part of the church leadership group and, of course, the church membership. The Church Treasurer is a financial 'servant' and should not act without authority.

Treasurers are not 'financial directors' who control the purse strings only allowing money to be spent on their favourite projects. The Treasurer must be able to manage the church's financial resources ensuring that they are spent effectively, whilst preventing the extremes of either overspending or the accumulation of huge reserves.

Ideally, the Treasurer should have some knowledge of financial matters and accounts but this is not always possible. Someone who is well organised and willing to learn the job can take on this task. The willing volunteer with reasonable skill, the right personal and spiritual qualities and who can work diligently may be better than someone with greater technical knowledge of accounts but who does not have the time or enthusiasm to do the job well.

A Treasurer should be able to inform the Minister, Deacons, Elders (if any) and members about the church's financial situation on a regular basis. Sometimes it may be necessary to warn the church that a project must be reconsidered because there is not enough money to cover the costs. At other times the church can be encouraged to spend resources it has received on its primary objects through new activities and projects.

### CHOOSING A CHURCH TREASURER

Churches will have their own constitution or rules that state how Church Treasurers are chosen.

Some churches always choose their Church Treasurer from among the Deacons. In other churches the Church Treasurer will be chosen from among the whole membership. When this happens the Treasurer will automatically become a Deacon (or part of the leadership group) because they have such an important co-ordination and leadership role within the church

The selection process may vary from church to church but there are certain essential elements. It is

necessary that the Church Treasurer has the support of the church members. It is important that it is possible to effect a change of Church Treasurer if this is felt to be necessary. Some churches review the appointment of Treasurer annually, others may appoint a Treasurer to serve for three years with the possibility of a further term of three years but then a compulsory period of 'retirement' before creating an opportunity for that person to be considered again.

Some churches have a finance group who work with the Treasurer. This might be a sub group from among the church leaders, but at other times it will be members of the church who have particular skills that will be helpful.

The task of 'Treasurer' can be very time consuming so sometimes tasks are delegated. This may mean, for example, that somebody else deals with the administration of the Gift Aid scheme or takes responsibility for the counting and banking of the offering.

The Treasurer will still need to oversee these tasks but it is important that other members of the church realise that the Treasurer will sometimes need help. This is because certain tasks should not be carried out by an individual on a regular basis over an extended period of time. It is only fair to a Treasurer that they are properly supported and that people take their turn in helping with tasks such as counting the offering where openness and mutual accountability are essential - for the benefit of the church and - more importantly - for the benefit of the Church Treasurer.

## **WHAT ARE THE MAIN TASKS INVOLVED IN BEING A CHURCH TREASURER?**

### **Counting and Banking the Offering and other Donations**

Wherever possible, two people should be present throughout the counting, recording and bagging of the weekly offering. This should be done promptly and certainly it should be done before money is taken off the church premises. Without proper records of cash received, checked by more than one person, it is impossible to counter any suggestion, however unfounded, that money has been misused. It is preferable that this responsibility is rotated rather than having the same two people each week. The actual banking of this money is often delegated to somebody who has time to visit the bank. Many churches encourage members to give by standing order and this can be very helpful in limiting the amount of time spent counting and recording cash income.

### **Making Payments**

This will include the payment of bills, reimbursing expenses, paying visiting preachers and passing on charitable donations. Always pay promptly and whenever possible pay by cheque. All cheques should require two signatures to ensure security and accountability. Choose enough people as joint signatories to ensure that there are people available to deal with this even at holiday time. Acting in the best interests of the church, and of the Treasurer, the Managing Trustees should never allow blank cheques to be signed.

When paying visiting preachers the Treasurer should decide in advance how much will be given and just give it! This should be enough to cover travel expenses plus something towards the time that has been given to preparation. Asking the preacher to state their expenses can be embarrassing for everyone!

### **Keeping Accurate and Up-to-Date Records**

All donations and payments should be recorded as soon as possible. Some Treasurers will keep their records in a basic accounts book others will use a suitable computer programme or spreadsheet. The format is not as important as keeping the records up-to-date so that it is possible to give a report on the church's financial position when it is needed.

### **Preparing and Agreeing a Budget for the Church**

This is a very important area. Other people will need to help the Treasurer with this task and where there is a finance group they will be able to help the Treasurer. The Treasurer will need to talk to others

about their plans so that the budget is a sensible forecast of the income and expenditure. There will need to be a review of the costs that were actually incurred in the past year, the actual income and realistic estimates will need to be made for the coming year.

We would want to suggest that outside giving should form part of the Budget with at least 5% of General Fund income being allocated for the work of each of BMS World Mission and Home Mission Fund.

Setting a reserves policy is an important part of the planning and budget process.

Once the budget is agreed it will be a very useful tool.

Churches will vary as to the arrangements that are made for spending money. Sometimes the Treasurer is allowed to make payments up to a pre-agreed amount without reference to the Deacons. Sometimes, once a budget is agreed, the Treasurer is able to make payments (particularly smaller payments) without reference to others provided the item of expenditure falls within a category in the agreed budget.

On the other hand a budget can be very useful as a means of checking whether the forecasts that have been made are worked out in practical reality. If the expenditure matches the budget but only half of the predicted income has been received adjustments will need to be made. Hopefully, the budget will help the Treasurer and church leaders to identify problems. It is vital that the financial aspects of church life are considered regularly, not just once a year when the annual accounts are presented.

### **Regularly Reporting to the Leaders and Church**

All the leaders in the church will need to be kept aware of the church's financial position and, in particular, how the current income and expenditure compares with the budget. One way to do this is to prepare a brief monthly statement or summary of the church's current position. If this is done in exactly the same way each month the leaders and church members will learn to read the statement, understand the financial information it contains and assess whether any special action is needed.

The Treasurer will also report to church meetings on a regular basis but there will be a special presentation when the annual accounts are prepared. It is usual for church members to receive copies of the accounts and for these to be formally approved by the church members. This is an opportunity for them to ask questions and perhaps give guidance to the Treasurer on matters that should be taken into account for the future.

### **Preparing Accounts**

The Treasurer needs to ensure that the church's annual accounts are prepared in the correct format and checked each year. For information about the technical details that are involved please refer to the accounting guidelines leaflets prepared by the Baptist Union of Great Britain. There are different leaflets for churches with an income under £100,000 and above the £100,000 limit.

The requirements for checking accounts vary depending on the income of the church. Some will need to be 'independently examined' but churches with a large income will need a professional audit.

### **Paying the Minister**

This will involve dealing with tax, national insurance and pension contributions. Where a new Treasurer is taking over from someone else, help may be needed until the processes involved are understood. Help and advice is available from a number of sources such as the Baptist Union of Great Britain finance office or the local Association Treasurer.

Some Associations operate a payroll scheme to relieve Treasurers of this task.

### **Administering the Gift Aid Scheme**

Gift Aid enables a charity to recover tax. For full details of what this involves please refer to the Baptist

Union of Great Britain Gift Aid guidelines leaflet. This may be a task that is easily delegated.

## **Bank Reconciliation**

Most of us are used to checking bank statements to ensure that the payments into the account and the withdrawals from the account are correct. A Church Treasurer should do this at least once a month to ensure that the church's records can be 'reconciled' with the bank statements. Doing this on a regular basis will mean that any mistakes are identified. Finding a mistake in the records for a month is much easier than finding a mistake for a whole twelve-month period when the accounts need to be finalised and balanced.

## **ASSOCIATION OF CHURCH ACCOUNTANTS AND TREASURERS**

We would encourage all Church Treasurers to join the Association of Church Accountants and Treasurers.

Membership currently is available to Baptist Churches. Each Church Treasurer will have received a detailed handbook on all aspects of being a Treasurer as well as regular updates and newsletters. For more information please contact the Baptist Union of Great Britain's Finance Office or visit the Association of Church Accountants and Treasurers' website at [www.acat.uk.com](http://www.acat.uk.com)

## **WHERE CAN I GET SOME HELP?**

Some local Baptist Associations run training days or other events aimed at Church Treasurers. Even if there is no training event your local Baptist Association will be able to offer guidance as to how the various tasks can be organised.

## **MANAGING TRUSTEES?**

Baptist churches are charities and, as such, are subject to the general requirements of charity law, the main provisions of which are brought together in the Charities Act 1993. Although, in a Baptist church, the church meeting has ultimate authority with regard to any decisions taken by the church, when it comes to the law the church's leaders, including the Treasurer, are held responsible for the church's decisions.

This is because the law regards the people who actually have the general control and management of the administration of a charity as the 'managing trustees'. In the case of a Baptist church, these Managing Trustees are usually the Minister and Deacons. If the church has Elders then they are included as well. If the church has a 'Leadership Team' instead of Deacons and/or Elders, then this group would be regarded as the Managing Trustees.

Managing Trustees should at all times act:

- with integrity;
- In the best interests of the church;
- without regard to their personal interests.

**More information can be found in the BUC Guideline leaflet "*C17 Help I'm a Managing Trustee.*"**

**It is vital that you read that leaflet alongside this leaflet to make sure that you understand your responsibilities as a Managing Trustee.**

**This leaflet is about Church Treasurers – it is not a complete guide to all your responsibilities.**

The other leaflets in this series are:

*C17 Help I'm a Managing Trustee*

C18 *Help I'm a Deacon*  
C19 *Help I'm a Church Secretary*

The leaflets on financial topics are:

F5 *Taxation and Related Matters*  
F6 *Accounting Under £100,000*  
F7 *Charity Accounts Over £100,000*  
F8 *Gift Aid*  
F9 *Charity Reserves*  
F10 *Annual Reports*  
F13 *Self Assessment and the Minister*

**The Baptist Union Corporation produces a number of guideline leaflets on a range of subjects that are of interest to churches. These are available from The Baptist Union Corporation.**

**AVAILABLE FROM BUGB PUBLICATIONS**

***Nothing Spiritual about Chaos***

**by Rachel Tole**

A practical guide for Baptist church secretaries and administrators

This is a very helpful book. It is packed with useful information that would help anybody involved in the leadership of a Baptist church.

**If you have access to the internet you can order this on-line at [www.baptiststore.co.uk](http://www.baptiststore.co.uk)**

**If you do not have access to the internet please contact our publications department** (there are lots of materials available to help your church and its mission in your community)

To order this item from our publications department please contact:

Hazel Stanyon  
Tel: 01235 517708  
Email: [hstanyon@baptist.org.uk](mailto:hstanyon@baptist.org.uk)

<b>Association Trust Company</b>	<b>Contact</b>
<b>Baptist Union Corporation Ltd</b>	Baptist Union Corporation Ltd Baptist House PO Box 44 129 Broadway Didcot Oxfordshire OX11 8RT Telephone: 01235 517700
<b>East Midlands Baptist Trust Company Ltd</b>	The Baptist Union Corporation Ltd Baptist House PO Box 44 129 Broadway Didcot Oxfordshire OX11 8RT Telephone: 01235 517700
<b>Heart of England Baptist Association</b>	Heart of England Baptist Association BMS International Mission Centre 24 Weoley Park Road Selly Oak Birmingham B29 6QX Telephone: 0121 472 4986
<b>London Baptist Property Board</b>	London Baptist Association 235 Shaftesbury Avenue London WC2H 8EP Telephone: 020 7692 5592
<b>North West Baptist Association</b>	Baptist Union Corporation Ltd Baptist House PO Box 44 129 Broadway Didcot Oxfordshire OX11 8RT Telephone: 01235 517700
<b>South West Baptist Trust Corporation</b>	South West Baptist Trust Corporation Wonford Baptist Chapel 36-38 Wonford Street Exeter Devon EX2 5DL Telephone: 01392 433533
<b>West of England Baptist Association</b>	West of England Baptist Association The Old Forge Broom Hill Stapleton Bristol BS16 1DN Telephone: 0117 965 8828
<b>Yorkshire Baptist Association</b>	The Baptist Union Corporation Ltd Baptist House PO Box 44 129 Broadway Didcot Oxfordshire OX11 8RT Telephone: 01235 517700

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This is one of a series of *Guidelines* that are offered as a resource for Baptist ministers and churches. They have been prepared by the Baptist Union Corporation Limited and are, of necessity, intended only to give very general advice in relation to the topics covered. These guidelines should not be relied upon as a substitute for obtaining specific and more detailed advice in relation to a particular matter.

The staff at the Baptist Union Corporation, at Baptist House (or your regional Trust Company) will be very pleased to answer your queries and help in any way possible. It helps us to respond as efficiently as possible to the many churches in trust with us if you write to us and set out your enquiry as simply as possible.

The Baptist Union Corporation staff also deal with churches that are in trust with the East Midland Baptist Trust Company Limited, the North Western Baptist Association (Incorporated), and Yorkshire Baptist Association.

**If your holding trustees are one of the other Baptist Trust Corporations you must contact your own Trust Corporation for further advice. A list of contact details has been included.**

**If you have private trustees they too should be consulted as appropriate.**

**Contact Address and Registered Office:**

The Baptist Union Corporation Ltd, Baptist House, PO Box 44, 129 Broadway, Didcot, Oxfordshire OX11 8RT England

Telephone **01235 517700** facsimile **01235 517715** e-mail **buc.corp@baptist.org.uk** **DX 40852 Didcot**

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