

INTERNAL CONTROL/SEGREGATION OF DUTIES

After the offering is taken, 2 people (not related to each other) put all money (cash, checks, coin) in a safe or a secure place for the Financial Secretary and helper to count and record.

Helpers for the Financial Secretary should be selected ahead of time and approved by the Congregation. These should not be related individuals or related to the Financial Secretary.

The Financial Secretary and helper will count all the money, recording the denomination of the bills and coin on a sheet of paper and each initialing the paper. Checks should be photo copied. These papers along with total of deposit should be kept by the Financial Secretary in a safe place. The Financial Secretary will then record the what individuals gave on their giving statements. If money is collected for a dinner or event, it should be counted by two individuals at the time of the event, the amount written down and put with the money in the safe. Then the Financial Secretary and helper can verify the amount and record it properly. The Financial Secretary and helper will take the deposit to the bank. The Financial Secretary and helpers have nothing further to do with bill paying or bank reconciliations.

The Bookkeeper will pay bill in a timely manner. Requests for reimbursement are recorded on the proper form and all receipts are attached. The request is then approved by an approved individual (not the bookkeeper) and put in for payment. If bills that are in the name of the Church need approval before they are paid, this should all be so noted. The Bookkeeper signs the checks and distributes them or mails them.

If the Bookkeeper is to do the paychecks, then all payroll should be set up so that the Bookkeeper cannot change the amounts to be paid.

The Bookkeeper does not count money, make deposits, or reconcile bank statements.

The Treasurer, or person reconciling the bank statement, should not count the money or make deposits, or write or sign checks. If bank statements come in the mail, someone besides the person doing the reconciliation should open them and initial and review them. If the statements, are downloaded from the bank, it should be done at the church and again someone besides the person doing the reconciliations should have immediate access and initial & review them.

The Treasurer should reconcile the bank statements, making sure that they balance and that there are no irregularities. If necessary, the Treasurer should make any adjusting journal entries. A record should be kept of all journal entries. Financial Statements should be printed and filed in the proper place and sent to Session for their monthly meeting.

Finance committees should review transaction periodical and meet with the those handling the money, writing checks and doing reconciliations.

I realize that smaller Congregations have a limited number of people to do these duties, but do the best you can. The Presbytery office does Financials Reviews for churches. Just ask.

- Offerings collected should be kept in a safe until counted & deposited in the bank.
- Funds collected for events during the week should also be kept in the safe until counted.
- All counting of funds should be done in the church.
- Background checks are to be performed on all employees & volunteers involved in handling money and recording it.

Cash Breakdown Sheet

Event _____ Date _____

<u>Currency</u>	<u>Coin</u>	
_____ x \$100 = _____	_____ x 1.00 = _____	
_____ x \$50 = _____	_____ x .50 = _____	Currency = _____
_____ x \$20 = _____	_____ x .25 = _____	Coin = _____
_____ x \$10 = _____	_____ x .10 = _____	
_____ x \$5 = _____	_____ x .05 = _____	Total Cash = _____
_____ x \$1 = _____	_____ x .01 = _____	Total Cks = _____
Total Currency = _____	Total Coin = _____	Grand Total = _____

Account to Deposit Money into: _____

Money Counted by: _____