

# Eight Keys for Healthy Financial Boundaries in Ministry

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Creating healthy financial boundaries in your congregation is a proactive way to build trust, to prevent conflict, and to open the door to stronger financial support for the ministry God is calling your congregation to do. If you go to: <https://www.vasynod.org/resources/financial/>, you will find complete guides listing best practices for accounting and church finances. The following seven keys are designed to provide a quick review of your current practices.

1. **Separation of Financial Responsibilities:** For the safety of everyone involved in the financial ministry of the congregation, multiple people should be involved in counting offering, recording deposits, writing checks and signing checks. The pastor should not be a signatory on a church account.

*Quick Review:* How many people have responsibility for the church's finances?

2. **Avoid Conflicts of Interest:** Congregational Leaders have a legal and moral responsibility to act in the best interest of the whole congregation. Even the perception that a congregational leader is benefiting financially from the congregation can create a lack of trust and damage the ministry.

*Quick Review:* Does your congregation have a conflict of interest form signed annually by the Congregation Council and Pastor?

Does your congregation have a gift acceptance policy for staff outlining what gifts staff can and cannot accept?

3. **Never Count Alone:** To ensure there are no questions about reception and deposits of offering, there should always be multiple people who are not related overseeing the counting of the offering.

*Quick Review:* How many people serve as counters for the offering?

4. **Always have a Paper Trail:** Every deposit that is made and check that this written should be accompanied by a paper trail.

*Quick Review:* Are deposit slips retained?

Are receipts submitted for reimbursements?

Is there a check request form to authorize each check?

Are quarterly statements sent to members to check contribution records?

Are complete monthly financial reports provided to the Council?

5. **Monthly Reconciliation:** One easy way to catch mistakes or problems is to reconcile your accounts monthly. Ideally, the person reconciling the account should not have the authority to sign checks.

*Quick Review:* Are your church bank accounts reconciled monthly?

6. **Yearly Audits:** An audit provides assurance that financial records accurately represent the financial condition of the organization and ensure that financial policies are being followed. Since a complete outside audit by an auditing firm can be expensive, some congregations conduct an internal audit using leaders who are not involved in the finances of the congregation.

*Quick Review:* When was the last time your congregation conducted an audit?

7. **Review Your Insurance Coverages:** Each congregation needs a comprehensive insurance program to protect the property and ministry of the congregation. Insurance limits should be reviewed regularly to ensure that the congregation has the appropriate levels of coverage.

*Quick Review:* When was the last time the Council reviewed the congregation's insurance limits?

- 8. Gift Acceptance Policy for the Congregation:** A large bequest or a tangible property gift can be a blessing to a congregation, but sometimes those gifts come with strings attached or the size of the gift can lead to conflict around how to use the gift. The time to have conversations about bequests and tangible property gifts is before those gifts are received. Having a policy in place can prevent conflict and encourage giving.

*Quick Review:* If your congregation received a large bequest, how would the gift be handled?