



Training Series

Church Finance

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Presentation available for download at www.umff.org under "How We Serve", "Resources"

Agenda

- Authority & Secrecy
- Budgets & Reporting
- Tax Exempt Status
- Employment Taxes
- Clergy Taxes
- Audits
- Checks & Balances
- Insurance
- Rental of Property
- Pastoral Compensation
- Housing Allowance / Exclusion
- Clergy Health Benefits
- Clergy Pension Benefits
- CPP (Death & Disability)
- Reimbursement Accounts
- Discretionary Accounts
- Apportionments
- Job Descriptions
- Record Retention
- Investments
- Resources

Authority & Secrecy

- *The Book of Discipline (BoD)* is authoritative governing document for United Methodist Churches.
- On-line version available at www.cokesbury.com/book-of-discipline-book-of-resolutions-free-versions
- **Charge Conference** is oversight body of the church (BoD ¶ 247)
- Charge Conference designates **Church Council** as executive agency (BoD ¶ 244.1)
- All meetings, except SPRC, are to be open (BoD ¶ 722)
- All financial statements of church, organizations and accounts undergo an annual audit (BoD ¶ 258.4.d)
 - Finance committee must provide “full and complete report to the annual Charge Conference”.
 - Membership of Charge Conference includes all members of Church Council.
 - *All church financial statements are therefore open to all members of the Church Council.*

Authority & Secrecy

Details of financial giving shared only with those that have “a need to know”

- Financial Secretary
- Pastor shall have access to such records (BoD ¶ 340.2.c.2.c)



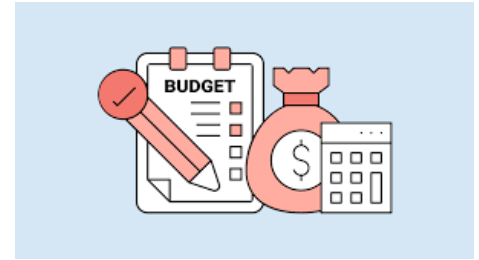
BoD ¶ 244.3

- "The pastor shall be the administrative officer and, as such, shall be an ex-officio member of all conferences, boards, councils, commissions, committees, and task forces, unless otherwise restricted by the Discipline."
- Pastor is “member” of all committees except Trustees and SPRC
- Pastor has full access to all information for committees & sub-committees

Opinion: No one person can make unilateral decisions of significance.

Such decisions are made by the Church Council & executed by committees.

Budgets & Reporting



- Essential component of a well-run church
 - Helps to projection income & expenses
 - Provides yardstick to measure progress in meeting goals
 - Presents snapshot of financial matters to congregation
- Prepared annually:
 - By Finance Committee member with expertise
 - Based upon input from Church Council & Committees
 - Published in advance & approved by Church Council
- Includes all income / expenses
- Financial reporting can strengthen Stewardship efforts; lack of reporting can be drag on giving
- UMFF offers training session on *Church Budgeting* ₅

Sample Budget Calendar

(based upon a calendar fiscal year)



January	February	March
April	May	June
July	August	September
October	November	December

- February thru December:
 - Furnish Church Council & Committees with “Budget vs. Actual” report with explanations of variances
 - Determine actions needed to bring spending in line with Budget
- October:
 - Request Committee Chairs to provide input for next year’s Budget
 - Obtain from NYAC: Apportionments, HealthFlex, Pension, CPP
- November:
 - Compile & distribute draft budget to Church Council
- December / January:
 - Revise as necessary & obtain Church Council Approval
 - Communicate budget to congregation
 - Budget does not require Charge Conference approval

Sample Budget Format

First United Methodist Church								
2025 Budget Worksheet								
	2025 Budget	2024 Budget	2024 Actual	Increase / (Decrease)		Pre- School	Source	Budget Notes
				2024 Budget	2024 Actual			
Income								
I-1 · Pledges	\$ -	\$ -	\$ -				Stewardship	
I-2 · Non Pledge Regulars	-	-	-				Fin. Sect	
I-3 · Loose Plate	-	-	-					
I-4 · Christmas/Easter Offering	-	-	-					
I-5 · Facility Rent	-	-	-					
I-6a Preschool Facilities Donation	-	-	-			Yes		
I-6b Preschool Insurance	-	-	-			Yes		
I-7 · Fund Raising Projects/Tag Sale	-	-	-				M&O	
I-8 · Designated Contributions	-	-	-					
I-9 · Misc, Other Income	-	-	-					
I-10 · Interest Income	-	-	-					
I-11 · Cell Tower Income	-	-	-				Trustees	
Sub-total	\$ -	\$ -	\$ -					
A · Administration								
A-1 · Administrative Salary			\$ -			Yes	SPRC	
A-2 · Office Supplies			-			Yes		
A-3 · Office Equipment			-			Yes		
A-4 · Postage			-					
A-5 Communications			-					
A-5a · Telephone - Church			-					
A-5b · Telephone - Parsonage			-					
A-5c - Cable/Internet - Parsonage			-					
A-5d - Other			-					
A-7a · Church's Share of FICA			-					
A-8 · Administration - Misc.			-					
A-9 · Payment Desig. Contribution			-					
A-11a - Workmans Comp			-			Yes	NYAC	
A-11b · Insurance Property & Liability			-			Yes	NYAC	
A-11d · Umbrella Policy			-			Yes	NYAC	
Sub-total	\$ -	\$ -	\$ -					

Sample Budget vs. Actual Report

First United Methodist Church						
2025 Financial Results						
Year-to-Date Through July 31st						
	A	B	C	D	E	
	YTD Actual	Deposits / Bills Outstanding	Adjusted YTD Actual	YTD Budget	Variance (Fav / Unfav)	Comments
Income						
I-1 · Pledges						
I-2 · Non Pledge Regulars						
I-3 · Loose Plate / Visitor Donations						Includes a \$1,500 donation in June
I-4 · Christmas/Easter Offering						
I-5 · Facility Rent						
I-6a · Preschool Facilities Donation						
I-6b · Preschool Insurance						
I-7 · Fund Raising Projects/Tag Sale						Cancellation of fund-raising dinner
I-8 · Designated Contributions						
I-9 · Misc, Other Income						
I-10 · Interest Income						
I-11 · Cell Tower Income						
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	
A · Administration						
A-1 · Administrative Salary						
A-2 · Office Supplies						
A-3 · Office Equipment						
A-4 · Postage						
A-5 · Communications						
A-5a · Telephone - Church						
A-5b · Telephone - Parsonage						
A-5c · Cable/Internet - Parsonage						
A-11a · Workmans Comp						
A-11b · Insurance Property & Liability						
A-11d · Umbrella Policy						
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	

Tax Exempt Status



- UMC denomination is a **Tax Exempt Religious Organization** under Section 501(c)(3) of tax code
- **Group Tax Exemption ruling granted to UMC in 1974**
 - Exempt from Federal Income Tax
 - Generally exempt from Form 990 (Organizations Exempt from Income Tax)
 - Donors may deduct contributions on tax returns (acknowledgement required)
- **All NYAC churches / ministries covered by group ruling**
- **Churches may request a specific IRS inclusion letter.** Process is automated www.umgroupruling.org/einstart
- **Churches may elect to be included on *GuideStar*, a database of IRS-recognized Not-for-profits.**



Employment Taxes



- Understand difference between “employee” & “independent contractor”
- Significant back taxes, penalties, interest for improper classification
- How the individual wants to be classified is irrelevant
- **IRS 20 Questions Test**
 - Do you set the worker’s hours? (Independent contractors work when they want)
 - Do you have right to give worker instructions about when, where, and how to work?
 - Must the worker provide services personally, vs. delegating tasks to others?
- **Must withhold & remit Federal, State, Local & Social Security taxes for:**
 - Secretary & other lay employees
 - Organist
 - Sexton
 - Child-care providers (e.g. nursery care during church services)
- **Use of outside vendor (ADP, Paychex, etc) or software program that is updated regularly is critical. Ensures current withholding rates are used & that quarterly payroll records are accurate.**

Clergy Taxes

Ordained, commissioned, or licensed ministers have dual tax status:

- 1) “Employees” for tax reporting purposes (Issue W-2, NOT 1099)
- 2) “Self-employed” for tax remittance & Social Security tax purposes

No mandatory income tax withholding (may be done voluntarily)

Social Security taxes are never to be withheld for clergy

Clergy should be making quarterly estimated payments of Federal, State, Local and self-employment taxes.

Self employment taxes must include the value of a parsonage.

Move Costs:

- Tax Cut and Jobs Act suspended both the tax exclusion and the deduction related to moving expenses for taxable years 2018 until 2025.
- Reimbursement / direct payment) of move costs taxable to the recipient
- Must be reported on W-2



Audits



- **Audits required by the BoD:**
 - Section 258.4 c) makes it *mandatory* that every local church finance committee "shall make provision for an annual audit of the financial statements of the local church and all its organizations and accounts. The committee shall make a full and complete report to the annual charge conference." (Example: Trustees, UMM, Endowments, Checking, Pre-school, Brokerage)
- **“Local Church Audit Guide” and related FAQ:** www.gcfa.org/forms-and-assets
- **Audits:**
 - Receipts > \$2.0M – Audit performed annually by independent CPA
 - Receipts between \$1.0M & \$2.0M – Audit performed every two years by CPA
 - Receipts between \$500k & \$1.0M – Audit performed every three years by CPA
 - Receipts < \$500k – Audit procedures performed by qualified member of church
- **Meant to be process that provides reasonable assurance that good stewardship is practiced regarding handling & accounting for funds & other assets.**
 - Needs to be “independent”
 - All accounts of all organizations must be included or separately audited
- **Audit reports provided to District Superintendent at Charge Conference**

Audits (continued)



Why do an Audit?*

- *Protects church officials from unwarranted charges of careless or improper handling of funds*
- *Builds trust & confidence with financial supporters*
- *Sets habits of fiscal responsibility*
- *Ensures continuity when there is turnover*
- *Ensures gifts made to church with special conditions are handled in accordance with donor's instructions*
- *Provides checks & balances for monies received and disbursed*

Conducting an audit is not a symbol of distrust

- Mark of responsibility
- Good stewardship demonstrated for all to see
- Message to church donors that you care about their gifts

* From the Local Church Audit Guide

Check & Balances

- Financial Secretary(ies) & Treasurer must be separate unrelated people.
- Finance committee designates at least two persons (not related and not the Treasurer) to count offerings & give records to Financial Secretary and Treasurer (*BoD* ¶ 262.4 a).
- Adequate bonding on church members handling money. (*BoD* ¶ 258.4b)
- Deposit funds promptly - consider establishment of night-drop
- Review bank signatories annually
 - Remove those that have left their role
 - Clergy should not be signatories on any account (one exception)
- Bank statements must not be reconciled by individuals that have signing authority on the accounts.
- All church mail should be addressed to the church address, not to individuals.



Check & Balances (continued)

- Adopt policy that checks require two signatures
- If you see something on a statement or report that does not make sense, question it.
- Do not ignore mail from municipal officials or tax / regulatory authorities.
- Pastors are entitled to question / understand all financial activities - but must not personally manage any of them.
- Minimize use of petty cash & establish procedures / maximums.
- Vendor invoices should be approved by the ordering party prior to payment.
- Two areas of finance that should be kept confidential:
 - Records of giving by person
 - Pastor's use of a Discretionary Account (not the Reimbursement Account)

Insurance

- Single-most important action church can take to protect assets, people and ministry
- Churches required to bind:
 - Property, Liability, Automotive, Umbrella
 - Umbrella coverage is required if operating a preschool
- Ensure policy has updated / accurate values for costs to rebuild structures and replace contents.
- Obtain bids periodically to ensure premiums are competitive.
- Report claims to insurer immediately.
- All churches and church-controlled preschools participate in the Conference's policy for *Workers' Compensation*.
- Save expired policies for potential future claims
- Minimum Insurance requirements: NYAC.com "Resources" "Local Church Policies"



Rental of Property

- **Tax-free status:**
 - Rental of real property does not jeopardize tax-free status.
 - Steeples rented to telecommunication companies & facilities to outside groups.
 - Income must be used for 501c3 purpose & does not constitute primary source
 - Creation of leases / use of terms such as “landlord” / “tenant” / “rent” OK
- **Income Taxes:**
 - Outside income usually subject to UBIT (unrelated business income tax)
 - Exemption for the rental of real property.
 - If no debt on property, all rental income is excluded from UBIT and not taxable.
 - If debt exist income could be subject to UBIT but only if less than 85% of the facility is used for exempt (church) purposes.
 - Rental of parking lots not considered rental of real property and is taxable
- **Property Taxes:**
 - Churches should assume property rented will be put back onto tax rolls.
 - Example - if church rents entire 2nd & 3rd floors of a three story education building, municipality could put 2/3rds of building value on tax rolls.
- **Approvals:**
 - Property leased for term of more than 30 days must comply with approval requirements of ¶ 2540 & 2541 of *The Book of Discipline*.



Pastoral Compensation

- Pastors under Episcopal appointment (appointed by Bishop) eligible for minimum salary, reimbursement account & benefits.
- Minimum salary schedule: nyac.com “Resources”
- “Retired” pastors who continue to serve: no healthcare or pension benefits billed to the church.
- Staff Parish Relations Committee recommends compensation to Charge Conference based upon:
 - Local cost of living
 - Other forms of compensation (e.g. housing)
 - Other compensation-related obligations
 - Other church related obligations
 - Performance



Housing Allowance / Housing Exclusion

- Churches required to provide housing to clergy in form of parsonage or *Housing Allowance*.
- Clergy not taxed on housing including value of parsonages, housing allowances / housing expenses.
- ***Housing Allowance***: cash paid to pastor, in addition to salary. Usually paid when no parsonage provided.
- ***Housing Exclusion***: amount of salary that pastor treats as non-taxable because it relates to housing. Not paid to pastor but instead deducted from income on W-2.
 - If pastor provided with parsonage with church paying all expenses, unusual to have large *Housing Exclusion*.
 - *Housing Exclusion* must be signed by pastor & church prior to income being excluded.
 - Pastor & church should sign Housing Exclusion prior to January 1st each year (or July 1st if being reappointed).

Housing Allowance / Housing Exclusion Examples

	<u>Pastor A</u>	<u>Pastor B</u>
Salary	\$40,000	\$40,000
Parsonage	Yes	No
Housing Allowance	N/A	\$10,000
Housing Exclusion	\$2,000 *	\$5,000
Total Compensation	\$40,000	\$50,000
Amount Reported on W-2	\$38,000	\$35,000

Available at NYAC/Resources (under “Pastors”)

- Housing Exclusion Worksheet
- Housing Exclusion Q&A's
- Housing Exclusion Resolution

* Housing costs paid by the pastor personally such as furniture



Clergy Health Benefits



- Eligibility: Must be under Episcopal appointment at $\frac{3}{4}$ time or greater.
- Conference participates in plan provided by Wespath – “HealthFlex”
- Healthcare costs allocated based on “uniform rate” regardless of number of dependants or participation of eligible clergy
- Uniform rate charged to churches for 2025: \$21,000
- Pastors choose from variety of medical, dental & vision plans
- Pastor contribution can be withheld pre-tax if church adopts Section 125 Cafeteria Plan – (www.nyac.com/section125plans)
- Clergy may elect Medical Reimbursement Account (2025 max \$3,300)
- MRA is “use it or lose it” but one may rollover \$660 into new plan year
- Policies set annually by Conference Board of Pension & Health Benefits

Clergy Pension Benefits



A) Clergy under Episcopal appointments serving at least 75%:

- Current plan known as CRSP (Clergy Retirement Security Program)
- CRSP has both a Defined Benefit & Defined Contribution component
- 11.8% of Plan Compensation for DB / DC administered by Conference
- If clergy contributes 1% to UMPIP an additional 1% is contributed to CRSP DC
- CRSP ends 12/31/25 and will be replaced by “Compass”

B) Clergy under Episcopal appointments serving less than 75%:

- 10.8% UMPIP (DC) contribution administered by church with Wespath directly
- Increases to 11.8% for clergy that contribute 1% to UMPIP

Contributions are based upon “Plan Compensation,”

- Plan Compensation defined as salary plus either:
 - a) 25% of salary if parsonage provided, or
 - b) actual housing allowance, plus any other allowances paid.

Comprehensive Protection Plan (CPP)

- **Eligibility:**
 - Full-time Episcopal appointment
 - Must earn at least 25% of the Denominational Average Compensation
- **Benefits:**
 - Disability: 70% of plan compensation offset by Social Security benefits
 - Death Benefits – Active pastors
 - Death Benefits – Retired pastors
 - Other Death Benefits (Active or Retired):
 - Spouse
 - Surviving Spouse
 - Child under 18
- **Cost:**
 - 3.0% of Plan Compensation



Pastor Reimbursement Account

- Required by BoD & NYAC for pastors under Episcopal appt.
- Covers costs related to performing ministry
- Church determines amount but 2025 minimum is \$6,400
- Prorated for service (e.g. half-time pastor gets \$3,200)
- Can't be divided into installments & paid to pastor
- Disbursement requests must be accompanied by receipts
- Funds remaining at end of year expire
- Examples of Professional Expenses:
 - Auto / travel
 - Books / periodicals
 - Continuing education
 - Conference fees
 - Dues / memberships
 - Electronic devices (cell phones, PDA's, tablets, etc.)
 - Meals (business only)
 - Move costs that exceed reimbursement



Pastor Discretionary Account

- Optional - Not required by BoD or NYAC
- Funded by church budget or special donations
- Details of spending not required to be disclosed by Pastor
- Pastor must document spending carefully and retain records in case of an audit
- Disbursements must be for ministry-related expenses
- Funds not spent on ministry considered taxable income
- Funds remaining at end of year can be “rolled-over”



Shared Ministry Apportionments

Statistical Tables



- **Three tables:**
 - Table 1 – Membership data
 - Table 2 – Financial data
 - Table 3 – Stewardship data
- **Used by the both the Conference & General Church for general information, decision making & to set apportionments**
- **The following Table 2 line items form the basis for apportionments:**
 - Salaries paid to Clergy
 - Allowances paid to Clergy
 - Accountable Reimbursements
 - Salary & Benefits for church staff
 - Program expenses
 - Office expenses
- **Data collected via an on-line system - from mid-December for 6 weeks**

Shared Ministry Apportionments *Basics*



- **Apportionments = Church's Share of Conference Budget**
- **Conference Budget:**
 - reflects priorities established by the Annual Conference
 - represents requests from Boards, Committees, Agencies and staff presented to and reviewed annually by CF&A
 - smaller gifts combined into larger ones effect transformative change throughout the world
- **Once approved at Annual Conference – Finance office apportions budget to each church based upon Conference formula**
- **Apportionments based upon church expenses reported on a two year lag – not membership rolls**
 - Ex: Church expenses incurred in 2024, reported in early 2025, used to assess apportionments for 2026
- **2024 Conference budget: \$7,495,774.**

Shared Ministry Apportionments Calculation

**3 OUT OF 2
PEOPLE
HAVE
TROUBLE
WITH
FRACTIONS**

$$\frac{\text{Apportionment Base of Church}}{\text{Apportionment Base of Conference}} \\ \text{(sum of apportionment bases of all churches)} \\ = \text{Apportionment factor: } xx.x\% \\ \times \text{ Conference Budget} \\ = \text{Apportionment (\$)}$$

Example:

$$\frac{\$125,000}{\$32,000,000} \\ = 0.00390625 \\ \times \$8,000,000 \\ = \$31,250$$

Apportionment Base (Table II):

- Amount paid to Pastor
- Amount paid to Assoc. Pastor
- Accountable Reimbursements
- Salary & Benefits for staff
- Program expenses
- Office expenses

Shared Ministry Apportionments

Adjustments



- Formula set by Annual Conference
- Some churches surprised by apportionments
- Submissions scrubbed for obvious errors & large variations
- Conference has no reserve for “mistakes”
- Once numbers finalized - impossible to make adjustments - would impact all other churches in the conference (approx. 400)
- Review of data prior to submission is therefore critical
- Preliminary apportionments posted prior to Annual Conference
- Church leaders asked to review data
- Final apportionments posted after Annual Conference
nyac.com “Finance,” “Apportionments”

NYAC Apportionment Data

Available at www.nyac.com/apportionments

The New York Annual Conference / Finance / Apportionments

Apportionments

[2025 Final Apportionments](#)

[2024 Final Apportionments](#)

[2023 Final Apportionments for all six districts](#)

[2022 Final Apportionments](#)

Go here to view the final apportionments for the Conference (all six districts)

[2021 Final Apportionments](#)

Go here to view the final apportionments for the Conference (all six districts)

[Understanding Apportionments](#)

Click here to download a pdf describing how apportionments are calculated and used by the Conference

[Treasurer's Remittance Report](#)

Go here to download the 2024 form as a [Word document](#) or as a [Fillable PDF form for download](#)

[Fitting the Budget Together](#)

Click here to read an article about the 2020 budget, and how it all fits together



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Treasurer Remittance Report



Treasurer's Remittance Report

Please make checks payable to NYAC, and mail to:
NYAC of the UMC, Lockbox 9458, P.O. Box 70280, Philadelphia, PA 19176-0280

Church #: _____ Date: _____

Church Name: _____ Check #: _____

City or Town: _____ Pastor's Name: _____

Person Completing Form: _____ Phone #: _____

Shared Ministry Apportionments

UMC Ministry Apportionments (current year)

The single apportionment line continues to cover all six categories of ministries in the same proportion as presented in the budget

Prior Year Apportionments	\$
Integrity in Pensions	\$

Conference, District, and other Gifts

NYAC Camping & Retreat Ministries	\$
*CT District Mission Society (DIMCHEX)	\$
NYAC Justice for our Neighbors (JFON)	\$
United Methodist Center of Far Rockaway	\$
**United Methodist City Society	\$

Special Sunday Offerings

Golden Cross	\$
Human Relations Day	\$
Native American Ministries	\$
Peace with Justice	\$
UMCOR Sunday	\$
United Methodist Student Day	\$
World Communion	\$

Special Appeals

Bishop's Appeal – NYC Asylum Seekers	\$
Bishop's Partners in Mission	\$
Class Leader – Helping Churches to Pay Apportionments	\$
Young Clergy Debt Assistance Program	\$

Health & Welfare Ministries

Anchor House	\$
Bethel Homes, Inc.	\$
Bishop's Partners in Mission	\$
Children's Home of Binghamton	\$
Methodist Home for Nursing & Rehab	\$
United Methodist Homes of CT	\$

Mission Initiatives

Youth Ambassador Ministry	\$
Caribbean Mission Partnership	\$

Other Remittances (specify)

	\$
	\$
	\$

Total Amount Enclosed

*CT Churches: Please consider a voluntary donation of 15% of World Service & Conference Benevolences to the District Missions and Church Extension Society (DIMCHEX)

**NY Churches: Please consider a voluntary donation of 15% of World Service & Conference Benevolences to the United Methodist City Society

- Available on-line
www.nyac.com/apportionments
- Provided in Word or fillable PDF
- Used to instruct Conference how to apply church payments

Financial Secretary



Role:

- Receives, records, & deposits funds in timely, thorough & confidential manner
- Works with Treasurer & Finance Committee to develop policies & procedures

Qualifications:

- Financial record keeping; ability to keep detailed, accurate records & maintain confidentiality

Responsibilities:

- *Deposits money as soon as possible after it is received*
- *Works according to guidelines established by Finance Committee to receive, record, & report funds to the Treasurer and Finance Committee*
- *Maintains records of how much money is given & by whom*
- *Keeps records in good order for audit*
- *Arranges for offering collections during worship services & other church gatherings making certain that more than one person is involved in collecting & counting money.*

More information available at:

- www.umcdiscipleship.org/resources/financial-secretary

Treasurer



Role:

- Disburses funds in a responsible and timely manner in accordance with policies.

Qualifications:

- Skills and interest in financial matters; ability to keep detailed, accurate records and maintain confidentiality

Responsibilities:

- *Disburses money contributed to the local church budget, keeping accurate records of how money is spent.*
- *Manages disbursement of funds according to the guidelines established by the committee on Finance and SPRC. This includes maintaining compliance with all disciplinary and governmental requirements.*
- *Works with the Financial Secretary to confirm records, and keep in good order for audit.*
- *Works with the Financial Secretary and chair of the committee on finance to make regular financial reports to the committee on finance, church council, and the charge conference.*

More information available at: www.umcdiscipleship.org/resources/church-treasurer

Finance Committee

Role:

- Raise, manage & distribute financial resources to support mission & ministry of the church.



Qualifications:

- Ability to listen & communicate with people of all ages who about mission & ministry

Structure:

- Comprised of chairperson, pastor, lay member of annual conference, chairperson of church council, chairperson or rep. from staff-parish committee, representative of the trustees, lay leader, financial secretary, treasurer and others determined by the charge conference.

Responsibilities:

- *Compile annual budget to support mission and vision of the church. Submit budget to Church Council for review & adoption*
- *Provide periodic reports showing how the church is doing vs. budget*
- *Develop & implement plans to raise sufficient income to support approved budget*
- *Establish written financial policies*
- *Recommend bank depositories & implement church instructions for administration of funds*
- *Arrange for annual audit of financial records of church & all its accounts.*

More information available at: www.umcdiscipleship.org/resources/finance-committee2

Record Retention (suggestions)

Document	How Long to Keep (minimum)
• Articles of Incorporation, amendments, bylaws	Permanently
• Background checks for those responsible for youth & vulnerable adults	Permanently
• Certificate of incorporation and corporate records	Permanently
• Minutes	Permanently
• Property records	Permanently
• Contracts and leases	Permanently
• Insurance policies, including expired policies	Permanently
• Insurance letters/correspondence	Permanently
• Audit reports	Permanently
• Employment applications (for current employees)	Permanently
• Bank statements, reconciliations & cancelled checks	7 years
• Invoices from vendors	7 years
• Giving (stewardship records)	7 years
• W-2 and 1099 forms	7 years
• Housing allowance forms	7 years
• Business correspondence	7 years
• Personnel records (after termination)	7 years

Record Retention



- Important for church to discuss / adopt policy
- Consider security of environment & physical conditions
- Avoid storage in private homes, attics or basements
- Reasons to retain documents: legal requirements, needs of organization & historic importance
- Retaining insurance policies particularly important
- General Commission on Archives & History
Guidelines: <https://gcah.org/resources/guidelines/>

Church Investing



- Methodist based organization offering investment management to over 400 churches in NYAC & Upper NYAC
- Funds managed by SEC-registered investment advisers
- High quality equity and fixed-income portfolios
- Fees underwrite services to churches: grants and training
- Assistance in creating / adopting Investment Policies
- Investments comply with *Social Principles of The UMC*
- Consultation on Planned Giving, Stewardship & Capital Campaigns



Contact:
Executive Director: Ellen Knudsen
UM Frontier Foundation
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White Plains NY 10606
914-615-2239
eknudsen@umff.org
www.umff.org