



The
United
Reformed
Church

A large, stylized illustration of a church community. It features a large yellow circle with a thick blue outline, representing a table. Several blue-outlined figures are seated around the table, and one white-outlined figure stands behind it. Inside the circle, a group of white-outlined figures is gathered around a small white table. The background is a solid yellow color.

They've asked me to be a
church treasurer

They've asked me to be a **church treasurer**

Introduction

This booklet has been primarily written for those who are considering taking up or have very recently been appointed to the role of church treasurer in their local United Reformed church. It focuses on the core responsibilities, and necessary skills and abilities of post holders – including basic accounting principles and an overview of the legal obligations of church treasurers – but does not aim to provide detailed information on financial planning, budgeting and the minutiae of producing a perfect set of church accounts. Some sources of further information are indicated and these will help you if you decide to take on the role.

If you have been asked to take on the role of church treasurer because you're an accountant familiar with charity accounting, then you're unlikely to find information that's new to you in this booklet. However, church accounts do have some peculiarities with which a business accountant may not be familiar – notably in the area known as fund accounting. And, for everyone else, we hope it's worth the read!

The person

Money is an essential part of (church) life and proper management of the financial resources of a church can allow church life to blossom, while poor money management will, sooner or later, negatively impact on that church's mission and ministry. Effective treasurers need to understand how to keep good financial records, ensuring they comply with charity law (and, if applicable, any local church or Synod requirements.)

It's also likely that you've been asked to take on this role because those looking for the next church treasurer have recognised key attributes and skills in you. Chief among these are your honesty, integrity and sound judgement;

it will also help if you have decent computer skills and an organised approach to maintaining files and records (both paperwork and computer files). Everything else can be learnt – if you are ready for the challenge and willing to learn. You don't need to have any prior experience of bookkeeping or accounts – but knowing how to use a spreadsheet is probably essential. And don't worry about the things you don't yet know – there is plenty of help and advice available not least from the Association of Church Accountants and Treasurers (ACAT); and as the URC, centrally, pays for membership of ACAT (www.acat.uk.com) for all the United Reformed churches there is no reason not to access their expertise. To access your ACAT membership you'll need login details which can be obtained from your Synod treasurer.

The other element of the role, found in the most effective treasurers, is what Robert Scott-Biggs, author of ACAT's excellent *Introductory Guide for New Church Treasurers* calls 'the spiritual calling or vocation.' He continues: 'This may seem a little exaggerated, perhaps even open to question. St Paul in his first letter to the Christians in Corinth states quite unequivocally "In the church God has appointed ... those with the gifts of administration ..." Paul clearly sees administration not only as an essential part of the early church but also as a spiritual calling. Administration, which incorporates oversight of church finance, is rooted firmly in New Testament authority and those possessing the necessary skills to undertake the required responsibilities have their "gifting" from God. The financial administrator is an essential part of the ministry team ...'¹

So, before taking on the role, you may like to consider whether you:

1. Have sufficient practical financial understanding to ensure the church accounts are kept properly
2. Appreciate the importance of the 'spiritual calling' element of the role
3. Possess or can rapidly acquire the necessary skills, particularly in the use of computers which will almost certainly be a part of the role other than for very small churches.
4. Are prepared to devote sufficient time to the work of treasurer.

1 Robert Scott-Biggs *Introductory Guide for New Church Treasurers* page 4

The appointment

If you do decide to accept the invitation, you'll be appointed by the Church Meeting on the recommendation of the Elders' Meeting and are accountable to both (though in practice and to avoid duplication many churches decide on one or the other). In some churches the treasurer is automatically a serving Elder, but this is not a requirement. In fact, in some churches where the treasurer is a serving Elder, they are released from some of the duties of eldership as it is acknowledged that treasurers fulfil a specialised area of service.

Taking up the reins – first things first

The role of treasurer involves you in every part of the life of the local church, giving you many opportunities to put your faith into practice as you advise on how the church should raise and spend its income. You have a privileged and respected position and may be surprised to discover just how much your expertise and guidance are called upon.

Where possible, and as soon as your appointment has been confirmed, arrange a handover with the outgoing treasurer – it will be invaluable to gain a detailed understanding of how they organised the work, as well as full information on the church's current financial position, banking arrangements and the current annual budget. It may seem obvious, but ensure you take detailed written notes during this conversation: you will want to refer to them later! Where the church has an accounts examiner who has performed that role for at least a year, an early meeting with them could also be useful.

Specific areas to cover during the handover include:

- Banking arrangements including:
 - Use of online banking (if it is not being used, we would recommend considering it)
 - The bank mandate/signatories
 - Any recurring payments made through the bank account.
- Payment of the minister's car allowance and expenses. (Details of how a minister is paid and what allowances s/he is entitled to can be found in the [Plan for Partnership in Ministerial Remuneration](#) – definitely worthwhile reading for church treasurers.)

- Any documentation relating to the annual submission of the minister's tax information to Church House;
- Payment of the church's Ministry & Mission (M&M) contributions;
- How to transact with HMRC for PAYE (if applicable) and Gift Aid;
- The workings of fund accounting (and specifically the treatment of any restricted funds);
- Policies for accruals (if used) and depreciation;
- How and when any church staff are paid and;
- Renewal dates of insurance policies and utility contracts.

If the church has a finance (or management) committee you will automatically be a member of it, and that committee will report to either the Church or Elders' Meeting. If your church does not have a finance committee, we'd recommend you start one! Being part of a committee will help to ease any sense of isolation and allow financial recommendations to be discussed before they are brought to the Elders' or Church Meeting.

Most treasurers have served with integrity and faithfulness, but just occasionally you might find the church accounts have got into a bit of a mess. This is rare, but should it be your experience, it might be worth starting from scratch and putting in place better systems and processes. If you do suspect malpractice or fraud by the previous treasurer then do report it immediately – in the first instance to the Elders' Meeting as charity trustees of the funds, and then, if your concerns are not taken seriously, to the police.

If you are not an accountant yourself, but there is an accountant in the congregation, it would be wise to enlist their help in giving a fresh start. If there is not a willing accountant to hand, you could speak to churches in neighbouring pastorates, or call your Synod office and ask if they can suggest someone to help you. The [finance pages](#) on the URC website contain a suggested format for church accounts, but Treasurers are not compelled to use it. Chartered accountants and statutory auditors, Sayer Vincent LLP, has produced a useful booklet [SORP 2015 made simple](#),



which has some useful definitions and guidance for those new to organising and presenting charity accounts. The Charities Commission also have a good section on [preparing accounts, including templates](#), on their website.

As an aside, it's worth remembering that there are people in the wider Synod who are able and willing to offer support, help and advice to local church treasurers. This is not a role where you are expected or encouraged to carry the burden alone.

What's involved in the role?

The detail of the treasurer's role may vary from church to church, but the following five items form the basis of the work of all United Reformed Church Treasurers.

- Maintain financial integrity by keeping the books in order and up to date. Don't overcomplicate, keep the financial records simply and in a way that is as easy as possible to understand; all receipts and payments to be clear and all paperwork to be filed logically.
- Manage the flow of money on a month-by-month basis, always ensuring that all bills are paid on time – adhere to the budget, calculate the flow of planned giving; be aware of all regular expenses and any 'one-offs' and, if it looks that cashflow might become a problem, tell the Elders'/Church Meeting immediately.
- Plan church finances so the mission of the church is fulfilled – see the budget section below.
- Be open and transparent in all financial dealings – making as much information as accessible as possible. As Scott-Biggs says: "The effective treasurer is one whose reports are simple, clear for all to understand and where there is no attempt to hide bad news. When financial difficulties or unforeseen expenditure looms large, it should be communicated as soon as possible so that possible solutions might be found."²
- Prepare (and probably present) the annual accounts and budget to the Church Meeting.

2 Robert Scott-Biggs *Introductory Guide for New Church Treasurers* page 7

Pointers toward good practice

Different treasurers/churches will certainly have different ways of doing things but there are some basic rules that we strongly recommend following:

1. Ensure the Sunday freewill (and any other) offerings are collected, counted, recorded and banked as soon as possible. All offerings are to be counted on the day they are made, and good practice dictates that two people count each collection. This can be delegated as necessary and appropriate.
2. Oversee the operation of the Gift Aid scheme. Information on the Gift Aid Scheme can be found on the [gov.uk website](https://www.gov.uk) and the United Reformed Church has produced [information for those operating the Gift Aid Small Donations Scheme](#). As with (1) the day-to-day work of operating the Gift Aid scheme could be delegated but overseen by the Treasurer.
3. Never make a payment without a corresponding invoice or other supporting paperwork.
4. Never accept cash without issuing a receipt or, at the very least writing down (in a notebook kept for the purpose) who gave it to you and what it is for, and issue the receipt as soon as you can.
5. Record all money received. No ifs, no buts.
6. Never mix up church funds with your own money.
7. Reconcile church accounts promptly against the monthly bank statement.
8. Attend Church Meetings, noting all decisions affecting finance.
9. If you don't know – ask!

The use of computers

For many people, computers are an essential day-to-day tool in an increasingly digital age. For some, they may still be a source of anxiety and lack of confidence; while a significant minority (and not necessarily older people) have no access to or experience of computing or the internet.



It is still possible in a small church to do the treasurer's role without the use of a computer. However, the submission of PAYE returns and Gift Aid claims can now only be done online and if the treasurer does not have this capability it may be necessary to pay a third party. For many treasurers, the use of online banking has transformed the handling of receipts and payments: cheques are becoming a thing of the past. And the maintenance of accounting records, and the preparation of reports, is routinely done using either a software package or spreadsheets.

In short: it is possible to be a treasurer without being computer-savvy but, in today's society, this is becoming harder and arguably puts you at a disadvantage. If you really do not have the necessary skills, you should reflect seriously on (and discuss if possible with the previous post-holder) whether you can really do the job adequately.

Financial planning and the budget



Many churches of all denominations fail to pay proper attention to financial planning and meaningful budgeting. For most churches a combination of forecasting the church's cash flow (estimating all income and expenditure on a month-by-month basis) plus a detailed annual budget, will ensure that there is always enough money available to pay essential bills and meet the stated mission and ministry objectives of the church (these being set in accordance with the estimated funds available).

At best, budgets provide a focus on the church's mission objectives and encourage the church to plan ahead in all areas of church life – and they are also a way of regularly assessing the church's financial progress – is it on course, and if not, what can be done about it? And, although the treasurer may be the person leading the budget process, the responsibility for it is shared with the minister and Elders' who are the trustees of the church's

As an aside, it's worth saying that many churches do not clearly communicate

A couple of other thoughts on budgeting: keep the format as simple.

Producing financial statements and end-of-year accounts

What reports are necessary?

All churches are legally required to prepare annual accounts and an accompanying annual report.

The form the annual financial reports take depends

Land improvements	Interest
Buildings	Taxes (property)
Vehicles	Taxes (misc.)
Equipment	Payroll/wages
Furnishings	Misc.

[illegible]

Larger churches, with annual incomes over £250,000 must produce accounts on an 'Accruals' basis, together with a Statement of Financial Activities and a balance sheet. Smaller churches may find it is helpful to use accruals if applying for grants.

Churches in England and Wales with an annual gross income in excess of £100,000 must also register with the Charity Commission of England and Wales and comply with its requirements for auditing and the filing of annual returns. All churches in Scotland are already registered with the Office of the Scottish Charity Regulator.

For churches in England and Wales with an annual income of less than £100,000, charity law still applies, even if the church is currently exempted from registration, and accounts still need to be prepared in accordance with the [Statement of Recommended Practice](#). Please see the last paragraph of 'Taking up the reins – first things first' section on page 4. Chapter three of ACAT's *Introductory Guide for New Church Treasurers* has detailed information on documenting receipts and payments and we recommend reading that guide.

Frequency of reporting

As well as the annual reporting it is good practice for treasurers to produce financial statements quarterly and/or for all Elders' Meetings and Church Meetings.

Carrying the burden

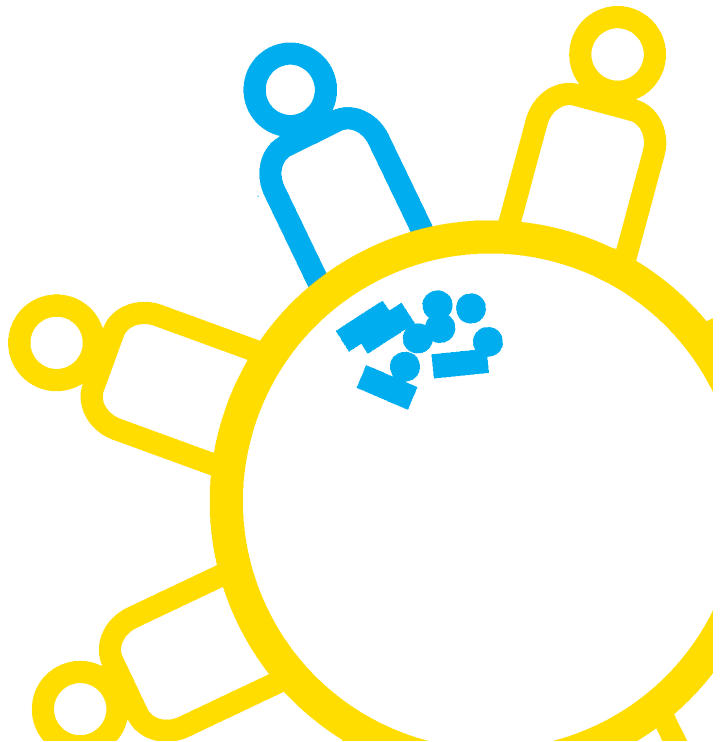
The treasurer's responsibilities are weighty. But there is one burden you should never be asked to carry alone – deciding what to do in a situation of financial difficulty. If the local church is struggling to meet its commitments, it is important that you keep the Elders' and/or Church Meeting properly in the picture. It is their responsibility, with the Treasurer's input, to decide how to respond to the situation.

With thanks

Treasurers help us all. While much of the work may be done quietly and privately, it is not taken for granted. The URC is deeply grateful for the many people who carry this responsibility in our local churches – thank you for considering taking it on.

Further information

- The [finance pages](#) of the URC website – including [information and resources about stewardship](#)
- The Association of Church Accountants and Treasurers ([ACAT website](#)) provides a wealth of excellent information
- The [Charity Commission](#)
- Other URC Treasurers, particularly this in neighbouring pastorates and your local Synod office.



This is one in a series of booklets designed to give information to those who have been asked to consider taking on a role in the United Reformed Church.

The booklets can be read and downloaded at www.urc.org.uk/ask



The
**United
Reformed
Church**

© United Reformed Church 2019

Written by Gill Nichol, a freelance writer and former Head of Communications of the URC. Designed and produced by the URC Communications Team.

The United Reformed Church, Church House,
86 Tavistock Place, London WC1H 9RT
020 7915 2020

www.urc.org.uk

