



THE FOURSQUARE CHURCH

Bookkeeping - Organizing the team

Who makes the decision?

One of the most important factors affecting the long-term financial health of the church is choosing the right leader or leadership team to take responsibility for budgeting, bookkeeping and other aspects of financial stewardship.

Things to keep in mind

As you begin this selection process, you may be tempted to ask the first person who "seems administrative" or is "familiar with bookkeeping" to oversee the church plant's finances. However, appointing the wrong leader in this area is one of the most common regrets expressed by new pastors. Consider the Apostle Paul's instruction in 1 Timothy 5:22: "Do not lay hands on anyone hastily." It is important to lay a firm foundation for the financial operation of your church by recruiting individuals experienced in accounting and government regulations specific to churches.

Longevity is an important consideration

Church financial reporting requires consistent attention to evolving accounting needs and internal control policies. These areas will be at greater risk if the person overseeing this area of ministry is rotated frequently. You may ask why this is so important, and the answer is simple:

- If the church's finances are not handled properly and reported accurately, the pastor and church council may make decisions based on inaccurate information.
- Poor financial decisions can not only affect the overall health and vitality of the ministry but can also create problems with regulatory bodies such as the IRS and the state attorney general's office. These issues can result in audits, fines, penalties, and sometimes costly sanctions for the church and the pastor.
- These issues can often be avoided by implementing strong internal controls and selecting a qualified and trustworthy individual to oversee the church's financial operations.

Explanation of services and referrals

A critical step in setting up the foundational administrative systems for a new church is to obtain professional assistance in setting up systems for bookkeeping and payroll.

If you choose to hire a professional bookkeeping company, your district office can provide referrals to bookkeeping firms specializing in church and nonprofit accounting that are available on a fee basis to manage certain aspects of the church's finances. This approach provides access to experienced individuals who can alleviate significant pressure from the church staff. While this approach has a cost, professional firms can generally provide outsourced services at a price comparable to hiring an inexperienced person to perform the same duties at minimum wage.

Paying a nominal recurring fee for expertise can save the church significant amounts of money in the long run by avoiding the fines, penalties and interest that often result when inexperienced individuals oversee this important area. Please be sure to use a firm that specializes in church finances.

Important advantages of using bookkeeping services that specialize in church ministry:

- Foursquare has preferred vendors that specialize in church accounting and payroll. The fees can many times amount to less than the cost of hiring a part-time bookkeeper at minimum wage.
- These service providers can remove the headache from church personnel and allow them to focus on missional objectives.