



Finance Committees

Harpeth River District
Sunday, March 2, 2025

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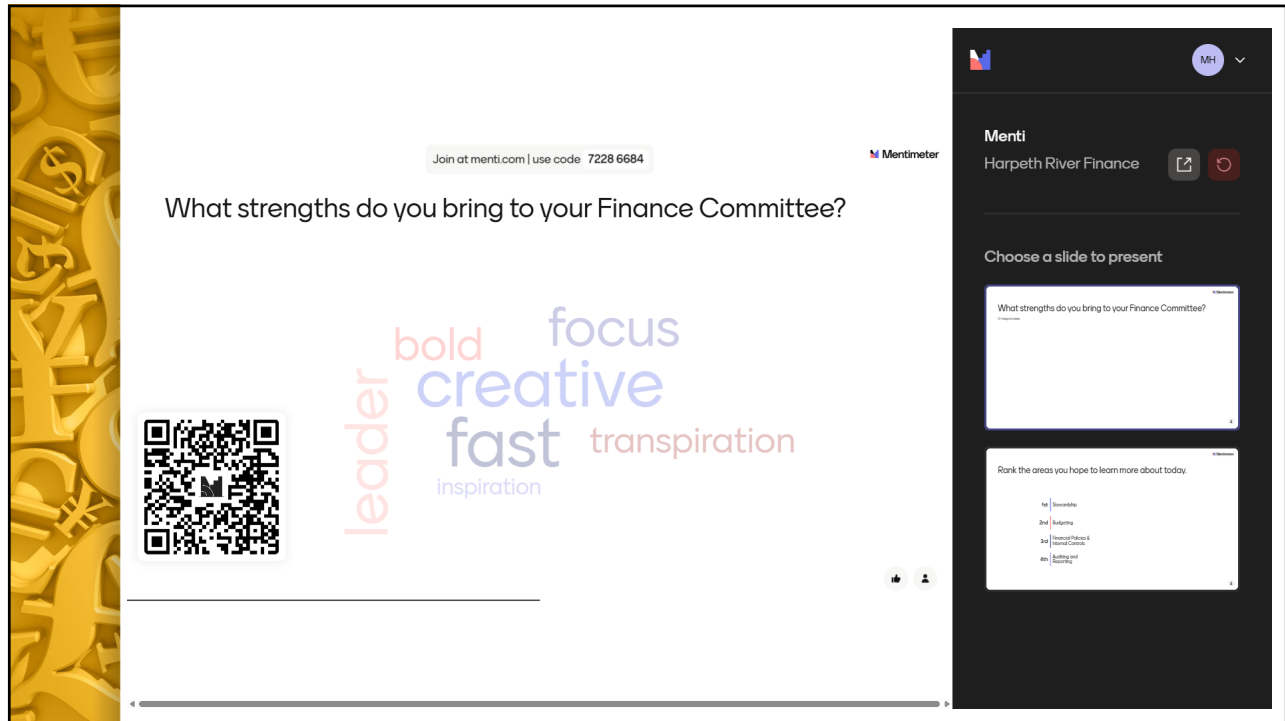


Mark Hagewood, TWK Treasurer

- Elected Treasurer in June 2024
- Certified Church Administrator
- 25+ years professional experience in UM Institutions
- 9 years in Belmont UMC's Business Office
- Lifelong United Methodist
- Married with two kids



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Mentimeter

What strengths do you bring to your Finance Committee?

leader bold focus
creative
fast transpiration
inspiration



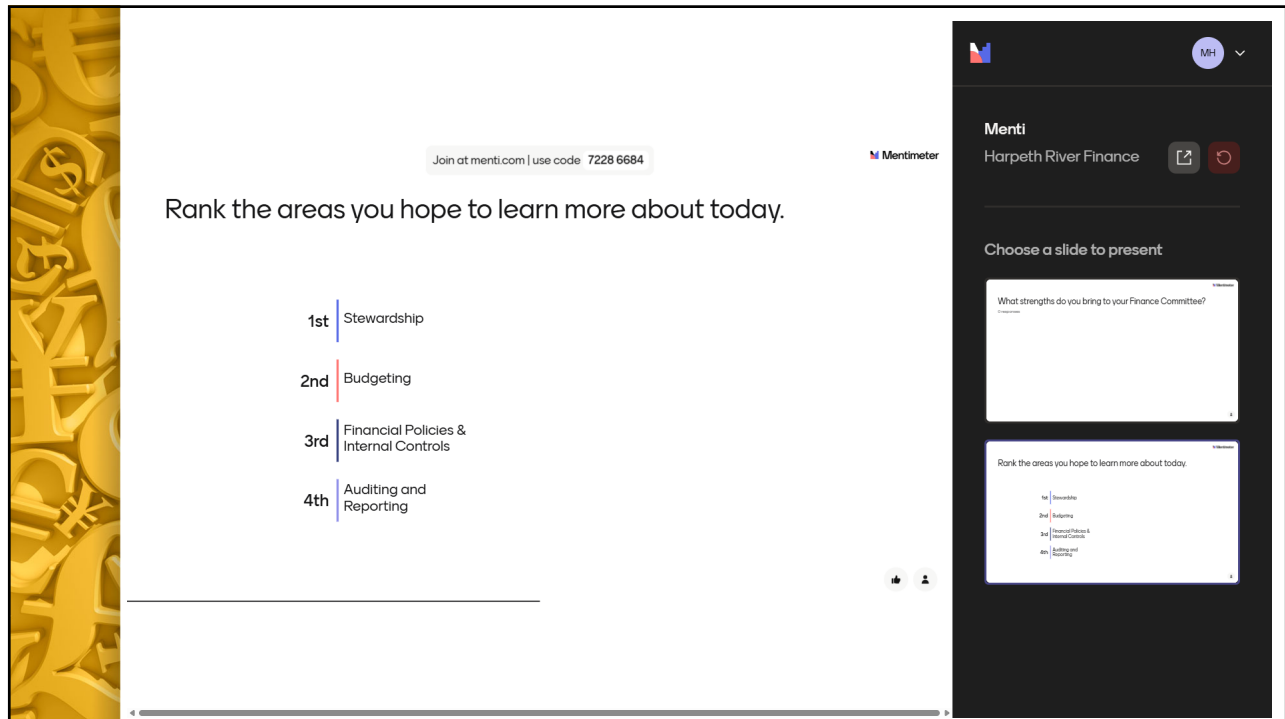
Menti Harpeth River Finance

Choose a slide to present

- What strengths do you bring to your Finance Committee?
- Rank the areas you hope to learn more about today

1st Stewardship
2nd Budgeting
3rd Financial Policies & Internal Controls
4th Auditing and Reporting

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Mentimeter

Rank the areas you hope to learn more about today.

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Overview – Stewardship of Financial Resources

♥ Encouraging Generosity in Members

🏠 Budgeting

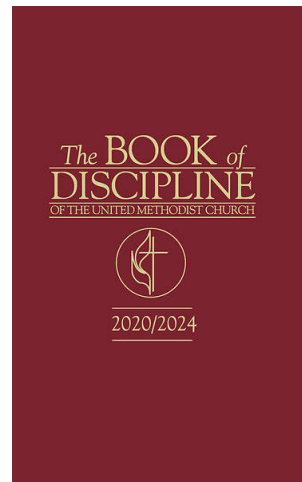
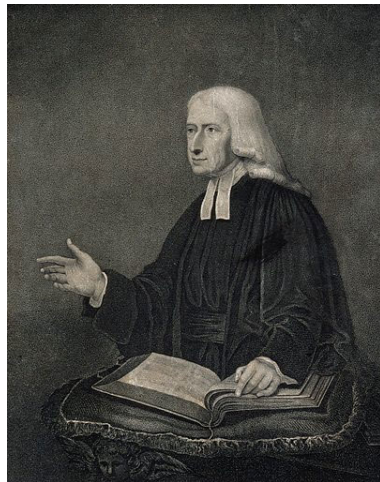
📄 Policies and Procedures

📊 Reporting and Audits

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Rooted and Guided



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Ways to Budget

Income First
vs.
Expense First

SALY
vs.
Zero-based

Fixed Numbers
and Variable
Numbers

Line Item and
Narrative
Budgets

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Budget Process

- Request
- Review
- Recommend

INCOME	Monthly	Annual
General Budget		
Global Missions		
Church Planting		
Church Development/Building Fund		
Leadership Development		
Community Outreach		
Benevolent Fund		
Other Designated Giving		
Childcare		
Facility Rental		
Other Rentals (Weddings, Funerals, etc.)		
Special Events		
Fundraisers		
Holiday Banquets		
Total Church Income:		

EXPENSES	Monthly	Annual
Management		
Pastoral Staff Salaries and Housing		
Employer Pension Contribution		
Employer Benefits (Health Insurance, etc.)		
Total Management:		
Administration		
Bank Charges		
Payroll Expenses		
Office Expenses		
Technical Support		
Other		
Total Administration:		
Nurture Ministries		
Sunday School		
Children's Ministry		
Youth Ministry		

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Financial Policies - Internal Controls



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Segregation of Duties

- Separate income (Financial Secretary) and expense (Treasurer) sides of the church
- Financial Secretary and Treasurer must be separate, unrelated people
- Offerings should be counted by two, unrelated people
- Keep the following tasks separate:
 - Approve payments
 - Signing of checks
 - Bank reconciliations



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Physically Secure Assets

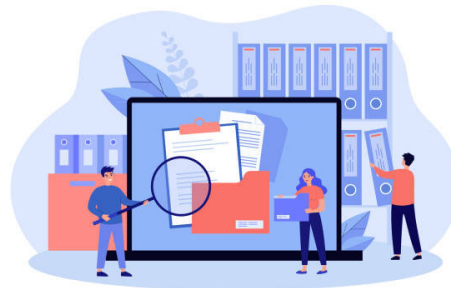


- Keep offering locked
- Promptly deposit funds
- Maintain bonding
- Limit keys/codes

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Other Internal Controls

- Authorization Procedures – who can do what
- Documentation for payables and receivables
- Reconciliations
 - Bank statements
 - Giving Statements
- Training for Volunteers and Employees

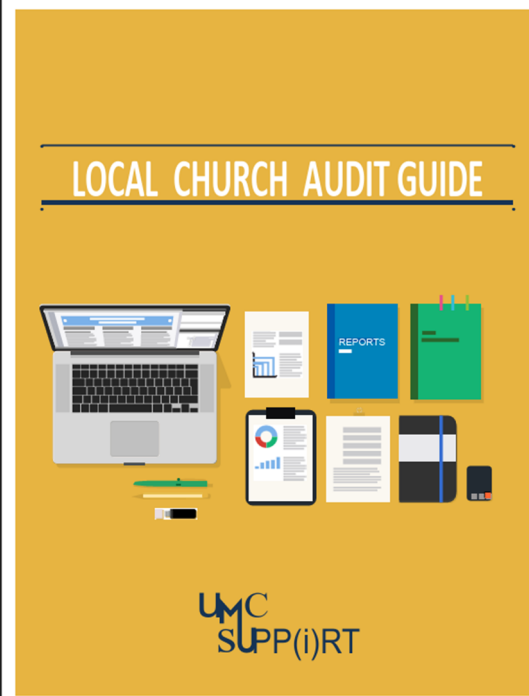


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Reporting and Audits

The General Council on Finance and Administration has produced a "Local Church Audit Guide" to help churches with this process.

<https://www.gcfa.org/resource/local-church-audit-guide>



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Types of Financial Reports

Statement of Financial Position (Balance Sheet)

- Assets
- Liabilities
- Net Assets

Statement of Financial Position (Example)

Assets	Total
Cash and Cash Equivalents	306,201
Fledge receivables	181,003
Fledge allowance account	(45,000)
Other receivables	603,589
Land, Buildings and Equipment	3,845,300
Depreciation - Buildings and Equipment	(\$1,698,329)
Total Assets	3,192,765 (A)
Liabilities and Net Assets	
Liabilities	
Accounts Payable and Accrued Expenses	23,053
Loans	539,691
Total Liabilities	562,744 (B)
Unrestricted Net Assets	2,495,272 (C) *
Temporarily Restricted Net Assets	
Mission Fund	\$120,577
Youth Ministry Fund	\$14,172
Total Temporarily Restricted Net Assets	134,749 (D)
Total Net Assets (A - B)	2,630,021 (C) + (D) = (E)
Total Liabilities and Net Assets	3,192,765 (B) + (E) = (A)

* Details in Statement of Activity

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Types of Financial Reports

Statement of Activity (Profit and Loss)

- Income
- Expense
- Surplus/(Deficit)

	Full Year Actual
Revenue:	
Pledges	256,100
Non Pledge Regulars	86,167
Loose plate / Visitor Donations	17,421
Special Offerings	3,273
Facility Rent	10,000
Fund Raising	13,380
Misc. Other Income	2,015
Interest Income	<u>11,772</u>
Total Revenue:	<u><u>400,128</u></u> (A)
Expenses:	
Staff Salary & related	203,881
Office Supplies	17,214
Office Equipment	9,401
Other Administration	13,426
Missions/Outreach	35,732
Property Insurance & Maintenance	74,635
Apportionments	<u>18,602</u>
Total Expenses:	<u><u>372,891</u></u> (B)
Change in Net Assets	27,237 (A) - (B) = (C)
Opening Balance	2,468,035 (D)
Closing Balance	2,495,272 (C) + (D) *

* Closing balance = Unrestricted Assets on Statement of Financial Position

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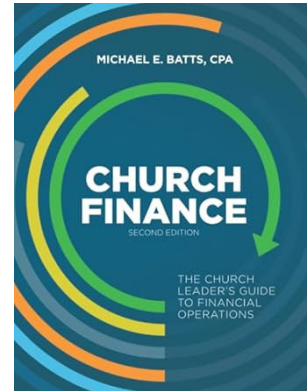
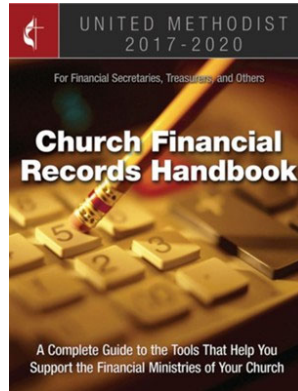
Other Types of Reporting

- Donor Statements
 - At least annually; ideally quarterly
- Monthly Budget Reports to Departments
- Monthly Financials to Finance Committee
- Reporting to the Church Council; at least annually
- Reporting to Annual Conference
 - Annual Charge Conference Finance Committee Report (late fall)
 - Annual Year End Statistical Reporting (late January/early February)

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Resources



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Questions?

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