



NOTES

PASTORS - Please remember that you are considered to be the Chief Executive Officer (CEO) of the local church and therefore, need to be well informed with regard to the financial state of your church. This includes being ready to give an answer in the event of an audit concerning whether or not your church is in compliance with Federal and State regulations concerning accounting for funds received into and disbursed from your treasury. You should also be familiar with the property insurance on your church and keep the policy on file for review, along with any deeds or titles to all church property(ies).

PASTORS AND SECRETARY-TREASURERS - An accurate, efficient record of all receipts and disbursements should be available for review upon demand, if necessary. The Pastor and Local Church Official Administrative Council members should receive a financial report monthly. The Pastor should know how much money is on hand in the checking account and whether or not the church is in financial need or has a surplus.

The church's monthly report to the Conference office should be received by the 15th of the following month. **In order for contributions to be included on a 2014 receipt, they must be received into the office by 10:00 a.m. on DECEMBER 31, 2014. All annual reports should be received into the office by JANUARY 15, 2015.** If for some reason your reporting is not current, please make every effort to "catch-up". It will be much less of a task for you to do one month's report at a time, rather than several. This makes it easier to balance your report with your bank statement monthly, too.

At least monthly, you should balance all of the church's books. Your records should show the same balance monthly that is on your checking account reconciliation form, usually found and completed by you on the back of the bank statement. This same balance should show on all monthly financial reports distributed to your Pastor and Local Church Executive Council members. If your books are out of balance and you cannot solve the problem, please feel free to call me for advisement.



I strongly encourage each of you and your Local Church Administrative Councils to consider purchasing a computer and the proper software (**we recommend POWER CHURCH PLUS, VERSION 11.5**). This will be of great assistance for accurate and efficient records. I also encourage you to join the Electronic Reporting System, which allows for the church reports to be submitted via the internet and be matched with your check upon receipt into the office. This isn't the same process as completing your report via our webpage.

Each contributor should be receipted for contributions to the church and if someone gave a check or checks for more than \$250.00, a "lump sum" receipt isn't acceptable to the IRS. The contributions must be itemized on the receipt given to the taxpayer.

Several years ago, the IRS ruled that all pastors are considered employees of the local church, except with regard to Social Security purposes and therefore, must be given a **W-2 form**, not a 1099-MISC at the close of the year. This is no longer a matter of choice --- it is the law.



IMPORTANT DATES

DECEMBER 31, 2014 – ATTENTION- SECRETARY-TREASURER

In keeping with the 2013-2017 IPHC Manual, - “The church Administrative Council or designated finance committee will set the pastor’s salary. IT SHALL BE REVIEWED ANNUALLY BY DECEMBER 31 FOR THE FOLLOWING YEAR. The church Administrative Council will FORWARD TO THE CONFERENCE THE RESULTS OF ITS ANNUAL REVIEW, IN ITS JANUARY REPORT OF THE FOLLOWING YEAR”.

Please remember to review your Pastor’s salary/benefit package prior to the end of 2014. You may need to have a special meeting just for this purpose.

If he or she is receiving a housing allowance, this amount cannot be retroactive but has to be decided upon ahead of time and then documented in the Administrative Council meeting Minutes, stating that the amount agreed upon will remain in effect until “further review”. You may change it throughout the year but only for the up-coming months not for previous months. Each time you change the amount, proper documentation should be made in the Administrative Council meeting Minutes.

The scripture tells us that the “workman is worthy of his (or her) hire” and as you bless your Pastor, God will bless your church. I encourage you, if at all possible, to grant some increase in the amount you are presently paying to him or her.

I am enclosing a form for your convenience in forwarding the results of the review to the office, with January’s report, as stated in the MANUAL.

THANK –YOU FOR ALL CONSIDERATION GIVEN TO YOUR PASTOR AND HIS/HER FAMILY CONCERNING THIS VITAL MATTER !!

JANUARY 15 , 2015

Church monthly and 2014 annual reports are due into the Conference office by this date.

ANNUAL REVIEW OF PASTOR'S SALARY
(Forward to Conference office with December 2014's monthly report)

Church Name : _____

Pastor's Name : _____

Date of Review : _____

Results:

Was an increase given to your Pastor? _____ - YES
_____ - NO

What is his/her present weekly salary? \$ _____
(include the increase, if given, in this figure, please)

Comments: _____

Signed: _____

Church Secretary

Church Treasurer