

Church Year-End Financial Task Checklist

By Rob Faulk, Partner

To say that the end of the calendar year is a busy time for church financial departments is an understatement. This checklist of calendar year-end financial tasks will help you stay on track and be organized in the new year.

- ___ Include an announcement in your bulletin or email correspondence with your congregants to let them know the cut-off date for all giving to be received in the current calendar year, including non-cash gifts such as stocks, etc.
- ___ Finalize your budget for next year if your fiscal year-end is December 31. Here are [10 steps](#) to help.
- ___ Perform variance review of the income statement (actual vs. budget). This process may affect decisions about next year's budget.
- ___ Verify that your church is in compliance with all debt covenants. If not, speak with your lender about instances of noncompliance before year end.
- ___ Designate your minister's housing allowance and obtain approval from the board prior to January 1.
- ___ Get annual conflict of interest forms signed and reviewed.
- ___ Prepare and send donor statements. While churches are only required to provide receipts for individual contributions of \$250 or more, it's a best practice to provide an annual statement to all donors.
- ___ Reconcile the donor system to the general ledger. Investigate any significant differences.
- ___ If your church is an Applicable Large Employer under the Affordable Care Act and also in its annual benefit enrollment period, ensure that any employee who chooses to opt out of the health benefit plan completes an Opt-Out Election Certificate and furnishes proof of enrollment in another qualified group health benefit plan from a source other than your church's plan before coverage is terminated.
- ___ Identify all [1099-NEC](#) and [1099-MISC forms](#) that must be prepared in January.
- ___ Reconcile property and equipment detail to the general ledger.
- ___ Record destroyed items in accordance with document retention and destruction policies.
- ___ Review insurance policies and update as appropriate.
- ___ Document a list of authorized check signers and update bank records.
- ___ Document a list of those authorized to approve expenditures.
- ___ Document a list of approved bank accounts and close any that are not needed.

Additional Tasks for Your Finance or Audit Committee

If your church will have an audit or review, your finance or audit committee should be in the process of selecting the independent auditors.

The committee should also be monitoring compliance with the church's code of conduct and conflict of interest policy. For a complete list of responsibilities and when they should be performed, see my article on [Board Monitoring of Church Finances: What to Do—and When](#).

Streamlining the Process Throughout the Year

This checklist should help take some of the stress out of the busy year-end and get the new year off to a strong start.

A thorough month-end process followed throughout the year can also help. Check out our [Month-End Close Solutions](#) for assistance in making your month-end closing process more efficient, accurate, and timely.

If you have any questions, please don't hesitate to contact us at info@capincrouse.com.

This article has been updated.

About the Author

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