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 receipted 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.

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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Rob has more than 35 years of financial leadership experience in serving both for-profit and nonprofit entities, as well as more than eight years of direct ministry experience as Executive Pastor and CFO of large churches. He previously served with a Big Six accounting firm, where he was the lead manager on the project that developed the COSO Internal Control framework. Rob holds an MA in Ministry Management from Azusa Pacific University Graduate School of Theology.

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