

End of Year Checklist for Church Treasurers

Documents referenced are linked below in the PDF document or search the referenced website with the key terms by visiting dioceseofnj.org, or irs.gov or episcopalchurch.org OR cpg.org

Tax Activities

During December:

- Vestry approves changes in compensation for coming year (note diocesan [clergy minimum](#)).
- Notify Church Pension Fund of changes to [clergy compensation](#) for coming year.
- Ask lay employees (and clergy in a voluntary withholding agreement) about [W-4](#) changes.
- Adjust payroll records for coming year (if in-house) OR notify payroll processor of changes for coming year.
- Review the Church Treasurer Job Description.
- Obtain imputed value of excess life insurance for any clergy/employee insured for more than \$50,000 from Church Insurance Group. If you prepare your payroll in-house, make the appropriate additions to wages prior to running your yearend totals for wage reporting/W-2 preparation. If you outsource your payroll, see below.

During January:

- Add up 4th quarter payroll totals (assumes in-house payroll).
- Add up 4th quarter totals for annual payroll totals (assumes in-house payroll).
- Prepare and file form [941](#) (quarterly basis) OR prepare and file form [944](#) (annual basis). Compile data for [W-2s](#) for all employees.
- Determine who requires [1099-MISC](#) – filed. Gather needed data and information.

Preparing [W-2](#) in-house?

- Prepare draft [W-2](#) and W-3. Double check for accuracy. Complete and file [W-2](#) and W-3.
- Complete and file [1099-MISC](#) and [1096](#).

[W-2](#) preparation out-sourced?

- Provide preparer with necessary information for [W-2s](#). Note especially for clergy [W-2s](#):
 - Total stipend, including bonuses.
 - Housing allowance amount (non-taxable).
 - Travel allowance amount, (if taxable because of a non-accountable plan).
 - Equity allowance amount (if taxable because not paid directly into a 403b plan).
 - Imputed value of excess life insurance (you'll receive this number from the Episcopal Church Center).
 - Additional contributions made into 403b from payroll deductions.
 - Any other taxable items or items that may affect taxable income.

By January 31

- Confirm all [W-2s](#) and [1099s](#) have been filed and individuals provided copies.
- Prepare and distribute contribution (pledge) statements to ALL donors, especially cash contributors.
- Confirm donation confirmation letters have been provided for ALL in-kind, non-cash donations.
- Remind clergy to check out the [Tax Guide for Episcopal Ministers](#) distributed at cpg.org.

House Cleaning Activities

Review important documents related to being a church treasurer:

- Review *Title 1, Canon 7: Of Business Methods in Church Affairs* of the [National Canons](#). [<https://extranet.generalconvention.org/staff/files/download/15057>]
- Review the [Manual of Business Methods in Church Affairs](#) published by the National Church. [http://www.episcopalchurch.org/sites/default/files/downloads/full_manual_spring_2012.pdf]

- Review [Federal Reporting Requirements for Episcopal Churches](#) published by the Church Pension Group.
- Review [Property Inventory](#) for needed updates (or make one if one doesn't exist). Good to do with the Wardens.
- Review [Insurance Coverage](#) to determine if adequate for needs. Good to do with the Wardens. [search cpg.org for 'Property and Casualty Insurance']
- Review if church is taking the benefit of its tax exempt status on all accounts.
- Review previous years' audit or financial review report.

Close out financial books for the year just ended:

- Make necessary year-end accounts payable payments dated 12/31.
- Reconcile end of year bank statement to the books.
- Make any necessary inter-fund transfers, adjustments and journal entries.
- Reconcile petty cash (if used).
- Close out all income / receipts / revenue and expense / disbursement accounts.
- Verify all cash and investment funds correspond to balances as reported on financial institution statements.
- If computerized accounting is used, make a year-end back up of data and store off site.

Prepare reports on end of year items to the church:

- Prepare end of year Operations Budget Report (Income / Expenses) and Non-Operations Report (Receipts / Disbursements).
- Prepare end of year Cash and Fund Balances Report, showing cash and investment assets, liabilities (such as outstanding loans or lines of credit), and all fund balances.
- Prepare financial statements for presentation to the Annual Meeting of the congregation.
- Prepare the financial section of the Parochial Report and submit electronically. If you don't have them from last year's report, a UEID and password are mailed late December. You need to download the workbook and keep it for future reference. [<https://www.episcopalchurch.org/research/forms-and-instructions>]
- Contact the Diocesan Office if you would like to schedule a financial review.

Disposition of Records

- For computerized accounting, print complete ledger for the year.
- For computerized contribution recording, print all individual contribution (pledge) statements.
- Move financial documents related to previous year, except those with continued relevance (like a loan note) and store. Keep available for reference and financial review.
- Review and destroy obsolete records according to the Records Retention Schedule found in the [Manual of Business Methods in Church Affairs](#).

Organize for the New Year

- Consider changes to make in record-keeping, procedures, etc... for the coming year. Now is the time to make the changes.
- Recruit additional counters for preparing deposits.
- If you are looking to end your time as church treasurer, consider inviting someone to serve as assistant treasurer for a year.
- If there will be a new church treasurer, contact to set up two or three meetings to bring them up to speed on their duties.