



Eternal Life Fellowship Ministries & Global Network Church Accounting Course 200

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Apostolic Trust



Vision

*Building people and Transforming lives!
(LifeShape Skills)*

Mission

*Deliverance by Evangelism, Discipleship by Education,
Development by Empowerment and Deployment by Enterprising.
(Agile Ministry)*

Ethos

*Whole life = Whole person
(Mind-Body-Soul)*

Assignment

*Worshipping God and Serving people!
(CPR) Consistent-Practical-Realistic*

Five Fold Ministry Gifts (Ephesians Chapter 4)

*Saints-Work-Edification
Unity-Knowledge-Fullness*



Course Objectives

- **Learn** – The basic accounting standards for churches.
- **Discover** – The importance for proper accounting and auditing policies and practices.
- **Explore** – Various accounting and church management software and its impact on good record keeping.
- **Plan** – The use of accounting and church management software. Make church accounts transparent and available for review by any congregant.
- **Execute** – GAAP Polices and procedures making it a part of church culture in regards to records keeping and fiscal management.

A Good Bookkeeping System

Chart of Accounts

- Easy to Understand Reports
- Completing the Annual Audit Report
- Cash Basis
- Accrual Basis - Only at Year - End



Chart of Accounts

- Account Numbers – Only 4 Digits
- Types of Accounts
 - Assets
 - Liabilities
 - Equity or Fund Principal
 - Income
 - Expense

Chart of Accounts

Assets

- Account numbers begin with # 1
- Cash or Current Assets
 - Checking Accounts
 - » Operating Fund
 - » Outreach Fund
 - » Flower Fund

Chart of Accounts

Assets

- Cash or Current Assets (continued)
 - Savings Accounts
 - » Capital Project Funds
 - » Memorial Fund
- Endowments
 - General Endowment Funds
 - Capital Project Funds

Chart of Accounts

- Assets
 - Fixed Assets
 - Buildings & Property
 - Furnishings & Equipment

**Most churches do not include fixed assets on their Balance Sheet*

Chart of Accounts

- **Liabilities**
 - Account numbers begin with # 2
 - Mortgage
 - Vehicle Loan

Most of the churches in the Fellowship do not any loans...

Chart of Accounts

- Fund Principal (Equity)
 - Account numbers begin with # 3
 - Unrestricted
 - Temporarily Restricted
 - Permanently Restricted

Chart of Accounts

Income

- Account numbers begin with # 4
- Operating Income
 - Pledges
 - Loose Plate
 - Flowers
 - Fundraising

Chart of Accounts

Income

- **Capital Projects**
 - Parking Lot
 - New Roof
- **Outreach**
 - Food Pantry
 - Missions (Off Shore)
 - Episcopal Relief & Development

Chart of Accounts

Expenses

- Account numbers begin with # 5
 - Personnel
 - Salaries
 - Housing
 - Health Insurance
 - Pensions
 - Continuing Education
 - Expense Reimbursement
 - Workers' Compensation

Chart of Accounts

Expenses

- **Property**
 - Utilities
 - Property & Liability Insurance
 - Building Maintenance
 - Building Supplies
 - Grounds Maintenance
 - Capital Expenditures

Chart of Accounts

Expenses

- **Operations**
 - Education Programs - Adults
 - Education Programs - Children
 - Worship Supplies
 - Music Supplies

Chart of Accounts

Expenses

- **Administration**
 - Office Equipment
 - Office Supplies
 - Postage
 - Professional Services
 - Advertising
 - Fundraising

Chart of Accounts

Expenses

- **Assessment**
 - Regional Leaders
- **Outreach**
 - Food Pantry
 - Off Shore Missions
 - Episcopal Relief & Development

Good Bookkeeping System

Recording Transactions

- **Double Entry System**
 - Debits and Credits
- **Software Programs**
- **Excel Spreadsheets or Manual Ledger Sheets**

Good Bookkeeping System

Tithes & Offering Collection

— Individual Records Must be Maintained

- Date Purpose
- Total Giving by Date

— Monthly Income Journal

- Date Purpose
- Total Giving by Date

Total the individual records for the amounts on the income journal.

The income journal should equal your actual bank deposit.

Don't forget to record each bank deposit in your checkbook register.

Good Bookkeeping System

Recording Transactions

Payment of Monthly Bills

- Check Register
 - Date Check Number Payee Expense Account Amount
 - Total Expense by Date / Month
 - *Be sure all checks are in sequence and “accounted for.”*
 - *Pay bills using vendor invoices – not statements.*
 - *Don’t forget to record each check in the checkbook register.*

Good Bookkeeping System

Recording Transactions

Payment of Monthly Bills

- Check Register
 - Date Check Number Payee
Expense Account Amount
 - Total Expense by Date / Month
 - *Be sure all checks are in sequence and “accounted for.”*
 - *Pay bills using vendor invoices – not statements.*
 - *Don’t forget to record each check in the checkbook register.*

Other Journal Entries

- Bank Interest
- Correcting Entries
- Endowment Activity

Financial Reports

- **Treasurer's Report**
 - Actual for Month & Year to Date
 - Budget for Year to Date & Annual
- **Balance Sheet**
 - Endowments at Market Value

Bank Reconciliations

- **Checking Accounts**
 - Reconcile monthly
 - Software System
 - Manual Bookkeeping
 - **Multiple Funds within the account**
 - Manual Reconciliation

Bank Reconciliations

- **Savings Accounts**
 - Reconcile as often as Statements are Received
 - Software System
 - Manual Bookkeeping
 - Multiple Funds within the account
 - Manual Reconciliation

Other Notes

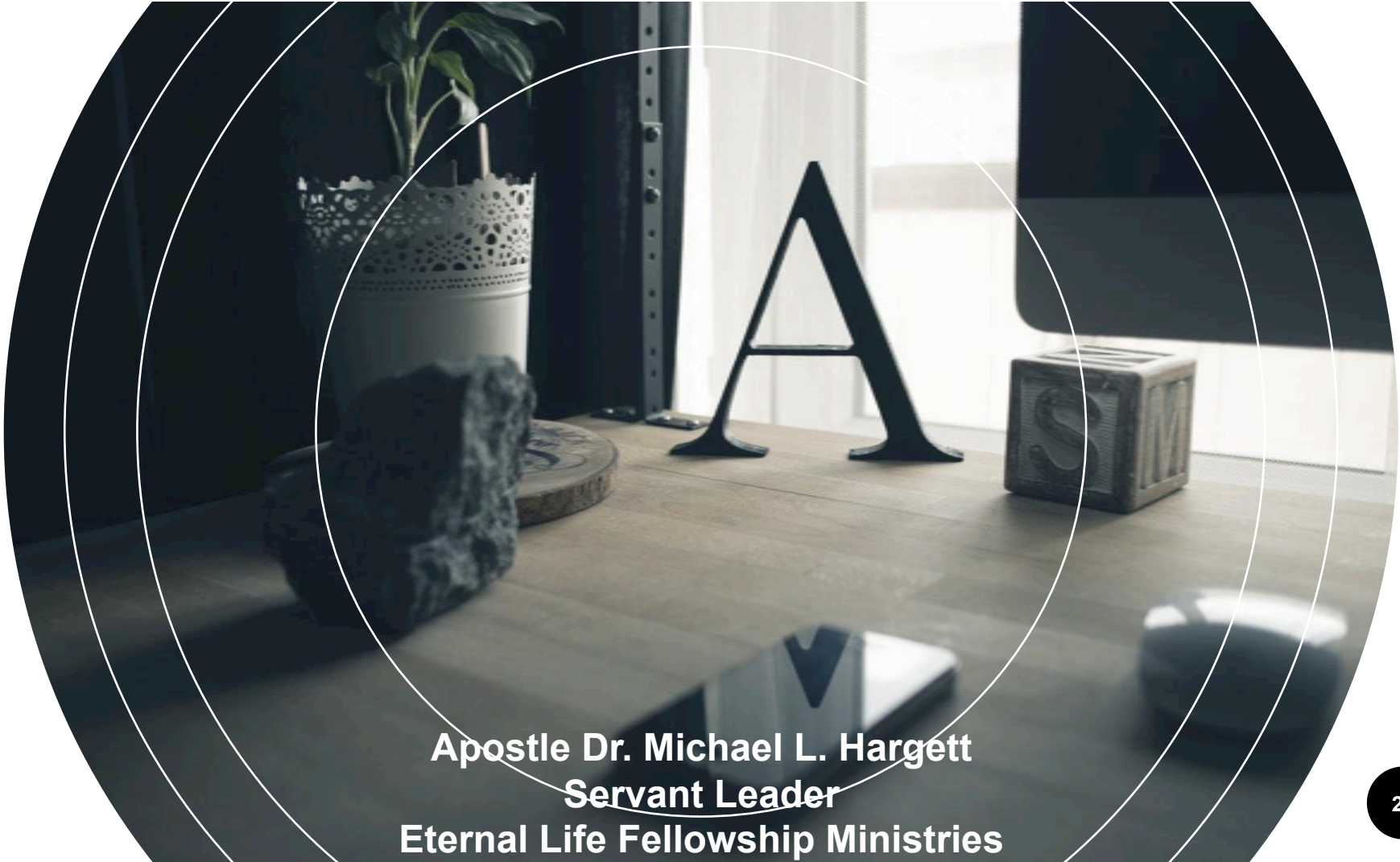
Bequests

- Copies to the Diocese
 - Verify compliance with terms of the bequest
- CoMingled Trust
 - Verify compliance with terms of the bequest

Other Notes

Payroll

- **Processing**
 - Verify compliance with federal and state tax laws
 - Act 32 Compliance
 - Local Services Taxes
- **Tax Returns**
 - Filings
 - Rate Changes
 - Other



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