



## **Counting the Offering & Other Income**

**Table of Contents**

Counting the Income and Other Income ..... 003

Who Can Count the Offering and Other Income ..... 005

Where and When to Count the Offering and Other Income ..... 006

Recording Identified Giving ..... 007

Recording Designated Giving ..... 008

Making and Reporting Deposits ..... 009

References and Resources ..... 010

Forms ..... 011



## COUNTING THE INCOME

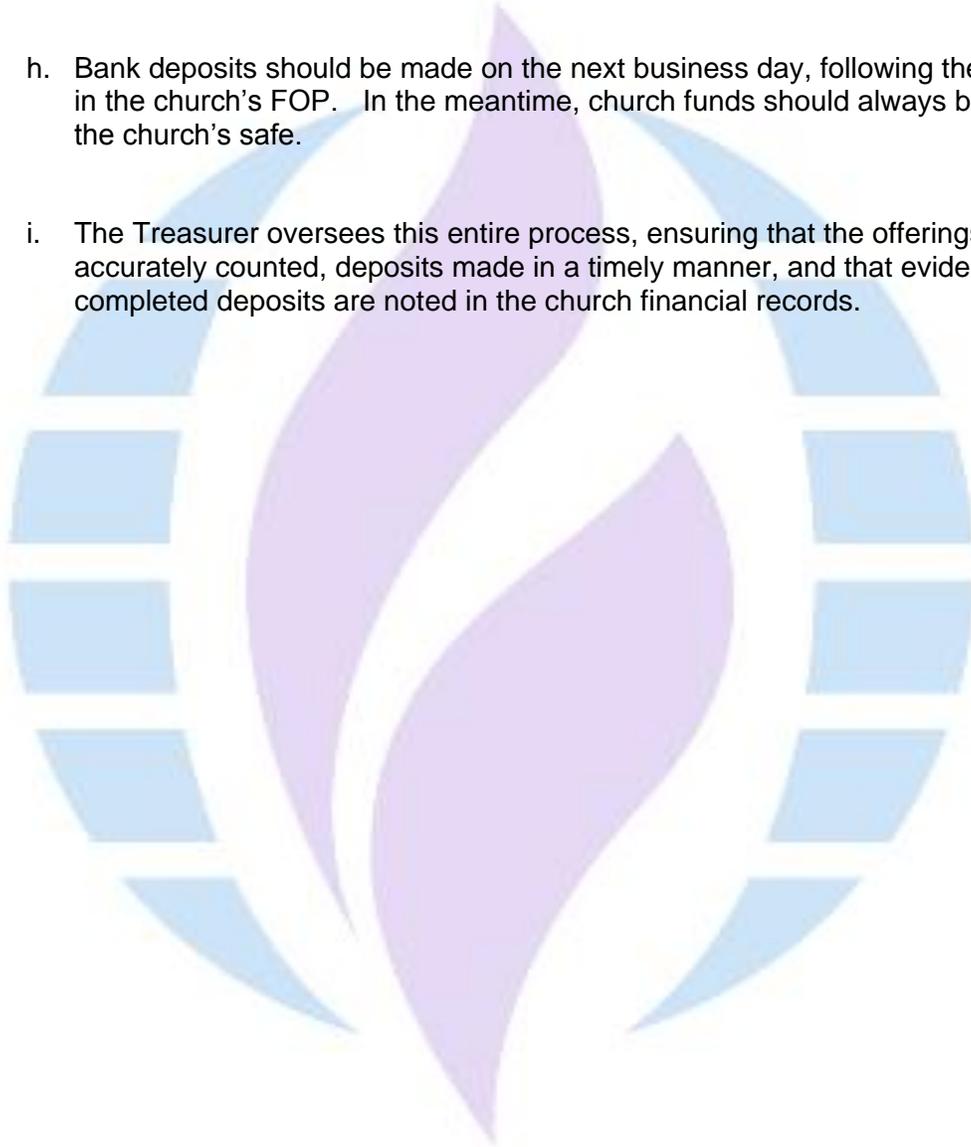
Your church's [Financial Operating Procedures](#) (FOP) should provide guidance relating to the method and process that is to be followed for counting and recording income and offerings. It is important that these be reviewed each year with the Pastor, the Board of Directors, and church staff as part of your church's overall [Risk Management Assessment](#) program.

Your church's FOP should contain some basic rules that are to be followed when counting the offerings. These rules should be followed, without exception. Typically these rules will include:

### Financial Operating Procedure (Sample)

- a. Ensure that the offering is received by the designated Board members and placed in a secure location immediately after the offering is received.
- b. Always have two Board members present when counting the offering. Some FOPs permit a church member in good standing to serve in this capacity as a replacement for a Board member. However, partners/spouses should NEVER be permitted to serve together as the two designated counters.
- c. In instances where a non-Board member assists with counting, the non-Board member should have responsibility for counting non-designated cash offerings and the Board member should record and count contributions made by check or designated cash giving. Remember that the identity and amount contributed by church members are strictly **confidential**.
- d. Counting should be conducted in a secure room without outside interruption. The Treasurer should ensure that all of the [required supplies](#), forms, deposit slips, calculators, and materials needed to complete the task are available. Count sheets should be completed in ink and countersigned by both counters.
- e. Care should be taken to record offerings and income to the appropriate fund designated by the giver. Most churches have established forms that assist in completing and recording of cash and check offerings. These forms often contain a "[check list](#)" to assist counters in remembering to complete each required task. A church's count sheet for recording offerings should have a place for both counters to sign and date.

- f. Ensure that income from offerings also accurately records the number of people in attendance at the service. Some churches ask the ushers to provide the counters with the accurate attendance count at the time of the offering.
- g. Bank deposits and the applicable [deposit slips](#) should be prepared in accordance with the rules and preferences outlined by the financial institution for each specific church.
- h. Bank deposits should be made on the next business day, following the procedure in the church's FOP. In the meantime, church funds should always be stored in the church's safe.
- i. The Treasurer oversees this entire process, ensuring that the offerings are accurately counted, deposits made in a timely manner, and that evidence of the completed deposits are noted in the church financial records.



## WHO CAN COUNT THE OFFERING AND OTHER INCOME

Collections, whether during the worship service or other events should always be in the custody of at least two un-related individuals. This means that the offering should be handed directly over to counters or placed in a secure, locked location until it can be retrieved by at least two people who will be responsible for counting. Checks received by mail should likewise be secured until they can be counted. Some FOPs permit a church member in good standing to serve as a counter in place of a Board member. However, partners/spouses should never be permitted to serve together as the two designated counters.

Typically, a [schedule for counters](#) is established at each Board meeting for the upcoming month or two. The Treasurer is responsible for ensuring that counters are present at all events where an offering is collected. An email reminder each week often helps in making sure that Board members are aware of their upcoming counting assignments.



## WHERE AND WHEN TO COUNT THE OFFERING AND OTHER INCOME

Counting should be conducted in a secure room without outside interruption. The Treasurer should ensure that all of the required supplies, [counting forms](#), deposit slips, calculators, and materials needed to complete the task are available.

It is helpful to develop a [check list](#) or reminder sheet of the important rules and procedures to be followed when counting and have this reminder posted in the room designated for counting offerings. In addition to income from offerings, your church may also receive offerings in the mail and through on-line contributions, such as PayPal. The Treasurer should ensure that procedures are in place for recording on-line contributions, general fund offerings, and other income (such as rental income) received during the week and that such income is properly secured until recorded, counted, and deposited. Some churches prepare a weekly deposit separate from the regular Sunday offerings to record this income.



### **Recording Identified Giving**

All identified giving should be recorded by the church in order to provide [contribution statements](#). The record should include the date, amount given and the contributor's name. [See sample](#).



### **Recording Designated Giving**

If a contributor donates funds for a [designated](#) purpose it should be recorded and posted into that fund (i.e. Building Fund, Young Adult Mission Fund, etc.). The record of this type donation should include the date, amount given, contributor's name and designated account name. Accurate accounting of separate funds is critical to your record-keeping. It is not necessary to have separate bank accounts; however, this might simplify the task. A Treasurer should not borrow or transfer money between funds without specific authorization from the Board



## **Making and Reporting Deposits**

Bank deposits and the applicable deposit slips should be prepared in accordance with the guidelines and preferences of the financial institution used by each specific church. Bank deposits should be made on the next business day, following the procedure outlined for making deposits in your church's FOP. In the meantime, church funds should always be stored in the church's safe. Cash receipts should NEVER be kept in an automobile or in someone's home. Provide a copy of the count sheet and deposit slip to the person responsible for posting contributions to [individual giving records](#) and to the [general ledger](#). Recording of receipts should be handled by a financial secretary, assistant treasurer or volunteer not involved in handling cash or making disbursements.



## REFERENCES AND RESOURCES

FreeChurchAccounting.Com [www.freechurchaccounting.com](http://www.freechurchaccounting.com)

[MCC Omaha FOP](#)

[MCC of Washington DC FOP](#)





[Risk Management Audit](#) ..... 013

[Counter Schedule](#) ..... 019

[Count Sheet](#) ..... 020

[Count Checklist](#) ..... 022

[Contribution Statements](#) ..... 023

[Count Room Procedures](#) ..... 025

[Count Room Supply List](#) ..... 026

[Deposit Slips](#) ..... 027



RISK MANAGEMENT AUDIT 2011/2012

FOR CHURCHES IN THE US AND CANADA

**Employment (Paid and Volunteer)**

	Yes	No	Don't Know	Comment
Does each Clergyperson (paid or volunteer) who is doing an active, authorized and accountable ministry in your church have a current employment contract/covenant?				
Do you have a sexual harassment policy?				
Have background checks been done on all persons (paid or volunteer) who are involved in children, youth or counseling ministries?				
Do you have personnel policies concerning the handling of employee records that address the privacy issues involved?				
Do you have personnel policies approved by the Board to promptly and thoroughly investigate allegations of misconduct by employees?				
Do you adequately orient new employees/ volunteers concerning employer policies and procedures?				
What ongoing training is provided by church employees/volunteers to help them perform their duties in light of changing national and local laws?				
Are all employees and volunteers supervised to reduce their risk of negligence and misconduct?				
Does the church issue the appropriate Internal Revenue Service income tax forms to all church staff and others who have been receiving financial compensation from the church during the previous year?				

### Financial Management

	Yes	No	Don't Know	Comment
Are all signature authorities reviewed and updated at least annually and are all checks and other bank instructions signed by two signatories?				
Are at least two persons present during the counting of church offerings and are these persons rotated periodically?				
Are offerings promptly deposited in a church bank account?				
Are monthly bank statements reconciled with recorded income and expenses?				
Are monthly written financial reports provided promptly to Board members?				
Does the congregation approve your annual budget prior to the beginning of the new financial year?				
Does the Board keep to the budget approved by the congregation and is there a procedure in place for reporting exceptions?				
Do you comply with all donor restrictions on designated contributions?				

**Insurance**

	Yes	No	Don't Know	Comment
Do you provide Worker's Compensation Insurance for all paid staff?				
Do you have general liability insurance with minimum coverage of \$1 million and director's insurance? Please submit a copy of the declaration page indicating the amounts.				
Do you annually review your insurance policies and other possible coverage and is this documented in your Board of Directors' minutes?				
Do you have proper documentation of church assets?				
Do you contact your insurance agent as soon as a loss occurs or an allegation of negligence or misconduct is made?				
Do you comply with all conditions specified in your insurance policies?				
Who annually inspects your properties and grounds to identify risk areas that require correction?				

**Church Records**

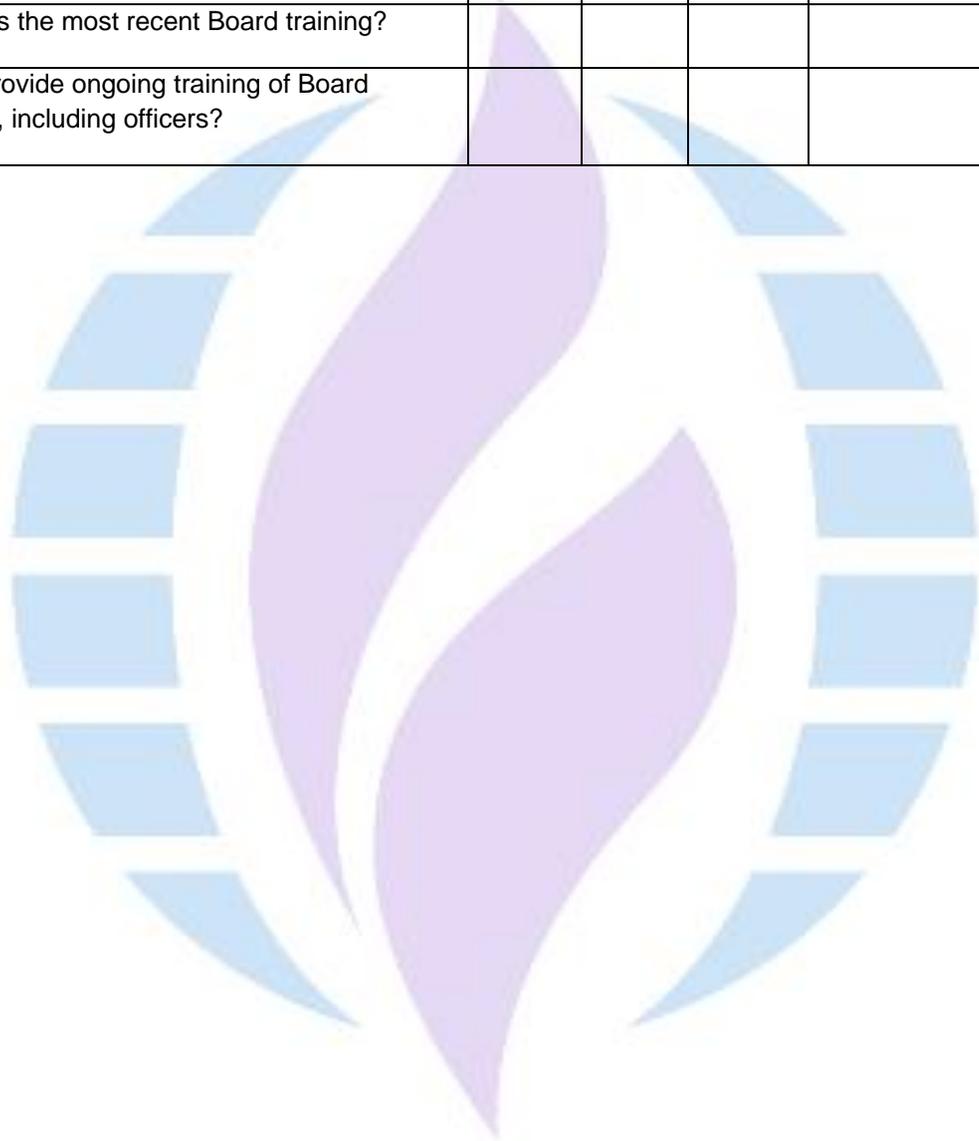
	Yes	No	Don't Know	Comment
Do you have a copy of your bylaws kept in a safe place outside of the church/pastor's office?				
Is your church incorporated?				
Have you filed all annual reports required by the State?				
Have all changes to your bylaws been approved by the Network Elder?				
Do you have a records retention policy that specifies how long church records are to be kept?				
Are legal documents such as Board of Directors Meetings Minutes and Congregational Meeting Minutes kept readily available?				
Where do you maintain your important legal records such as deeds, rent agreements, etc.?				
Are Minutes and financial reports posted so that church members can view them?				

### Copyright and Publications

	Yes	No	Don't Know	Comment
Do you have a license that allows you to reproduce music? (i.e., CCLI license)				
Do you include proper citations in your bulletin and other written materials when copyrighted materials are used?				
Do you have a license that allows you to legally copy and share commercial recordings of songs the choirs want to learn? (i.e. Rehearsal license from CCLI)				
Do you have a license that allows you to stream or podcast your live-recorded worship music on your church's website or other streaming service? ( i.e. CCLI Church Streaming and Podcast License).				
Do you have a license that allows you to uses movies for any ministry related activities? (i.e. CVLI Church Video License)				

**Board of Directors**

	Yes	No	Don't Know	Comment
Do you adequately train new Board members?				
When was the most recent Board training?				
Do you provide ongoing training of Board members, including officers?				





### COUNT SHEET (SAMPLE 1)

#### Count Sheet

**Date** \_\_\_\_\_ **Service** \_\_\_\_\_  
Tithes and Offerings Y/N Attendance \_\_\_\_\_  
Ministry Event Y/N \_\_\_\_\_

**Checks Received**

Number of Checks \_\_\_\_\_  
Total of Checks Received \_\_\_\_\_ \$ \_\_\_\_\_

**Cash Received**

Coins  
0.01 x \_\_\_\_\_ = \$ \_\_\_\_\_  
0.05 x \_\_\_\_\_ = \$ \_\_\_\_\_  
0.10 x \_\_\_\_\_ = \$ \_\_\_\_\_  
0.25 x \_\_\_\_\_ = \$ \_\_\_\_\_  
0.50 x \_\_\_\_\_ = \$ \_\_\_\_\_  
1.00 x \_\_\_\_\_ = \$ \_\_\_\_\_  
Total Coin Received \_\_\_\_\_ \$ \_\_\_\_\_

Bills  
1's x \_\_\_\_\_ = \$ \_\_\_\_\_  
2's x \_\_\_\_\_ = \$ \_\_\_\_\_  
5's x \_\_\_\_\_ = \$ \_\_\_\_\_  
10's x \_\_\_\_\_ = \$ \_\_\_\_\_  
20's x \_\_\_\_\_ = \$ \_\_\_\_\_  
50's x \_\_\_\_\_ = \$ \_\_\_\_\_  
100's x \_\_\_\_\_ = \$ \_\_\_\_\_  
Total Bills Received \_\_\_\_\_ \$ \_\_\_\_\_

**Total of Deposit** \_\_\_\_\_ \$ \_\_\_\_\_

Counted By: \_\_\_\_\_

Counted By: \_\_\_\_\_

Comments: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### Count Sheet (Sample 2)

# Count Sheet

Date: \_\_\_\_\_

- Tithes & Offerings
- Ministry Event \_\_\_\_\_

Checks Received:

Number of Checks \_\_\_\_\_ \$ \_\_\_\_\_

Cash Received

Bills

1's	x	_____	=	\$ _____
5's	x	_____	=	\$ _____
10's	x	_____	=	\$ _____
20's	x	_____	=	\$ _____
50's	x	_____	=	\$ _____
100's	x	_____	=	\$ _____

Total Cash Received \$ \_\_\_\_\_

Total Coin Received \$ \_\_\_\_\_

Total Deposit \$ \_\_\_\_\_

Income from other Ministries included in the Deposit	
<u>Ministry</u>	<u>Amount</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Counted By:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Comments:

---



---



---



---

## COUNTING THE OFFERING CHECKLIST (SAMPLE1)

1. **Before the service starts, set up the count room with all the supplies needed to count the offering.** You will need a count table and enough chairs for both counters, count forms, pens, calculators, stapler, coin envelope(s), bill wraps, deposit slips, deposit account ink stamp, deposit bag(s).
2. **Once the offering is taken, have 2 people proceed to the count room with the offering.** No one person should be in the room once the offering has been taken. This is known as dual control.
3. Once entering, put all purses, books and papers, etc. in a designated area away from the count table. Men, do not wear your jackets into the count area, Your table should already be set up with everything needed to do the count.
4. **Place the offering on the table.**
5. **Pray.**
6. **Empty the container onto the table and put the empty container aside off the table.**
7. **Separate the loose plate cash from the checks and enveloped offering.**
8. **Open each envelope.** Check the following for each:
9. **If you use offering envelopes:**
  - a. Check the envelope to see if it has a name on it. If it does not, you can fill out the envelope if it contains a check. If it contains cash there is no way for you to know who the contributor is so put the cash in with the loose plate cash.
  - b. Check the amount in the envelope against the amount written on the envelope. Make a correction on the envelope if necessary.
  - c. Write on the envelope either "Cash" or "Check". If the envelope contains both, make sure you write both "Cash and "Check", specifying an amount for each.
  - d. As you empty the envelopes, separate the checks from the cash, and further separate the cash by denominations. Put each denomination in the proper denomination basket or pile and the checks in a pile.
  - e. After all envelopes are emptied, run a tape on the cash envelopes and a separate tape on the check envelopes.
10. **Cash counters will each take a count sheet.** Each will fill out their tally sheet as they count the cash. Place coins in coin envelope and place bill wraps on each denomination of bills and sign your initials across the seal. In the end all tally sheets should be the same. If they are not find and fix the error. Place the cash in the appropriate deposit bag (for churches with multiple services.) Sign the count sheets and include in the deposit bag.
11. **Check counters will sort the checks from lowest amount to highest amount** (by sorting them in this manner, it will be easier to find an error later should the totals not match). One person will run a tape on the checks. Then another person will run a tape. The two tapes should be the same. If they are not find and fix the error. Stamp all checks with the "For Deposit Only" check stamp. Place checks in the appropriate deposit bag (for churches with multiple services.) Countersign the tape and place in the bag.
12. **Place all deposits in the safe and lock the safe.**

## Annual Contribution Statement (Sample)

The following is an example of an **Annual Contribution Statement**. It can be detailed or as simple as you desire as long as it contains these 5 essential elements:

1. Organization's name
2. Donor's name
3. Date(s) of contribution(s)
4. Amount(s) of contribution(s)
5. A statement explaining whether the charity provided any goods or services to the donor for the contribution. If no goods or services were provided, you would include similar wording such as: "*You did not receive any goods or services in connection with these contributions other than intangible religious benefits*".



## Your Letterhead

Dear [Use mail merge function in software to personalize],

We thank God for you! Your gifts to \_\_\_\_\_ Church throughout [year] are gratefully acknowledged.

Because of your contributions, our congregation has been able to support the work of Jesus Christ locally, regionally, and around the world. [Briefly mention some examples of what the church was able to do in missions and ministry during the previous year.]

Attached [or "Here" if it is a short list... just list below] is an itemized statement of your contributions for [year], according to our records. If you have any concerns about the accuracy of this information, please let us know.

For income tax purposes, it is important for us to state here that you did not receive any goods or services in return for any of these contributions other than intangible religious benefits. You made these gifts out of your own generosity and commitment to Jesus Christ.

*{Whether you insert or omit this next paragraph is totally up to you. Some might find it too pushy...while others may feel that a gentle reminder is great idea.}*

Our records show that you pledged \_\_\_\_\_ for the year and paid \_\_\_\_\_ of that pledge. [If the pay up is not complete, you may wish to include sentences like these: "Although the books are closed for [year], if you are able to do so you are invited to consider fulfilling last year's pledge along with this year's commitment. Of course gifts to the church will be deductible in the year they are given."]

Once again, thank you for your generous commitment to the work of Jesus Christ through this church.

Sincerely,  
 Your Name  
 Church Title  
 Dated

## COUNT ROOM PROCEDURES (SAMPLE)

(Please Post)

- a. Ensure that the offering is received by the designated Board members and placed in a secure location immediately after the offering is received.
- b. Always have two Board members present when counting the offering. Some FOPs permit a church member in good standing to serve in this capacity as a replacement for a Board member. However, partners/spouses should never be permitted to serve together as the two designated counters.
- c. In instances where a non-Board member assists with counting, the non-Board member should have responsibility for counting non-designated cash offerings and the Board member should record and count contributions made by check or designated cash giving. Remember that the identity and amount contributed by church members are strictly confidential.
- d. Counting should be conducted in a secure room without outside interruption. The Treasurer should ensure that all of the required supplies, forms, deposit slips, calculators, and materials needed to complete the task are available. Count sheets should be completed in ink and countersigned by both counters.
- e. Care should be taken to record offerings and income to the appropriate fund designated by the giver. Most churches have established forms that assist in completing and [recording cash and check offerings](#). These forms often contain a ["check list"](#) to assist counters in remembering to complete each required task. Your church's form for recording offerings should have a place for both counters to sign and date.
- f. Ensure that income from offerings also accurately records the number of people in attendance at the service. Some churches ask the ushers to provide the counters with the accurate attendance count at the time of the offering.
- g. Bank deposits and the applicable [deposit slips](#) should be prepared in accordance with your church's financial institution rules and preferences.
- h. Bank deposits should be made on the next business day, following the procedure in your church's FOP. In the meantime, church funds should always be stored in the church's safe.
- i. The Treasurer oversees this entire process, ensuring that the offerings are accurately counted, deposits made in a timely manner, and that evidence of the completed deposits are noted in the church financial records.

## COUNTING ROOM SUPPLY LIST

Count Sheet for each service or event

Adding machine with paper

Pens

Deposit Slips (in some cases)

Deposit Bag(s)

Coin envelops

Bill Wraps

Check Stamp (For Deposit Only with the Church's account number)

Rubber bands

Paper clips

Automatic bill counter (if possible)



