



Church Bookkeeping 101

Presented By: Cindy Dougan

A Good Bookkeeping System

Chart of Accounts

- Easy to Understand Reports
- Completing the Parochial 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



A hand holding a pen is pointing to a table of financial data. The table contains several columns of numbers, some positive and some negative, representing financial transactions or account balances.

47.20	13957.20
-141.00	12047.20
-2051.05	
-185.50	11
414.00	1
35.00	
-1456.77	
-665.20	
-140.00	
-2611.05	745
-158.50	729
214.00	105
-80.00	104
-133.25	10
-578.40	9
-665.90	9
380.50	

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 Diocese of NWPA do not have outstanding 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
 - U T O
 - Episcopal Relief & Development



Chart of Accounts

- Expenses

- Account numbers begin with # 5

- Personnel

- Salaries
 - Housing
 - SECA
 - Health Insurance
 - Pensions
 - Continuing Education
 - Expense Reimbursement
 - Workers' Compensation

Chart of Accounts

- Expense

- Property

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



A hand holding a pen points to a financial statement with various numerical values. The values are arranged in columns and rows, with some values being negative and others positive. The values include: 47.20, -141.00, -2051.05, 13957.20, 12047.20, -185.50, 11, 414.00, -85.00, -1456.77, -665.20, -140.00, -2611.05, 745, -158.50, 729, 214.00, 105, -80.00, 104, -133.25, 10, -578.40, 9, -665.90, 9, 380.50.

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-2051.05	
-185.50	11
414.00	1
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Chart of Accounts

- Expense

- Operations

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



Chart of Accounts

- Expense

- Administration

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



Chart of Accounts



- Expense

- Assessment

- Diocese

- Outreach

- Food Pantry

- U T O

- Episcopal Relief & Development

A Good Bookkeeping System

Recording Transactions

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



Recording Transactions

- Sunday Morning Collection

- Individual Member Records

- Date Purpose Amount
- Total Giving by Date

- Monthly Income Journal

- Date Purpose Amount
- 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.

Recording Transactions

- Sunday Morning Collection
 - Sample of Individual Member Record

<u>Date</u>	<u>Pledge</u>	<u>Other</u>	<u>Purpose</u>	<u>Total</u>	<u>YTD</u>
04/14	100				
		25	Flowers - Easter		
		25	Food Pantry		
				150	1450
04/21	100				
		25	UTO		
				125	1575

Recording Transactions

- Sunday Morning Collection
– Sample of Monthly Income Journal

<u>Date</u>	<u>Account</u>	<u>Debit</u>	<u>Credit</u>
04/21	Pledge Income		500
	Loose Plate		15
	Flower Income		35
	Food Pantry Income		100
	UTO		150
	Checking Account – General Fund	700	
	Checking Account – Food Pantry	100	

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 your checkbook register.

Recording Transactions

- Payment of Monthly Bills

Sample of a Check Register

<u>Date</u>	<u>Check #</u>	<u>Payee</u>	<u>Account</u>	<u>Debit</u>	<u>Credit</u>
• 04/20	5012	Penelec	Electric Expense General Fund	100	100
•	5013	Diocese	Assessment Exp. General Fund	1000	1000
•	5014	Allburns	Flower Expense General Fund	75	75
•	5015	City Mission	Outreach Expense Outreach Fund	150	150

Recording Transactions

- Payment of Monthly Bills
 - Sample of a Check Register

<u>Date</u>	<u>Check #</u>	<u>Payee</u>	<u>Account</u>	<u>Debit</u>	<u>Credit</u>
• 04/20	5016	Diocese	Clergy Stipend	1000	
•			Clergy Housing	500	
•			Clergy SECA	115	
•			Administrator Salary	450	
•			Organist	250	
			ER Payroll Taxes	54	
			Payroll Processing Fee	10	
			General Fund		2379

Recording Transactions

- Other Journal Entries
 - Bank Interest
 - Correcting Entries
 - Endowment Activity



A hand holding a pen is pointing to a financial table with various numerical values. The table is partially obscured by a calculator in the foreground. The values in the table include:

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-185.50	11
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280.50	

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



A hand holding a pen is pointing to a table of financial data. The table contains several columns of numbers, including positive and negative values, likely representing transactions or balances. The numbers are arranged in a grid-like structure, with some values appearing to be sums or differences of other values.

47.20	13957.20
-141.00	12047.20
-2051.05	
-185.50	11
414.00	1
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380.50	

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