



Finance & Administration Year-End Checklist

During December:

- Vestry approves Housing Resolution for all clergy
- Vestry approves changes in compensation for the coming year (note Manual for Finance and Administration)
- Notify Church Pension Fund of changes to clergy compensation for the coming year. (Contact Dianne Draper to provide these changes online to omit paper documents)
- Ask lay employees (and clergy in a voluntary withholding agreement) about W-4 changes.
- Adjust payroll records for the coming year (if in-house) OR notify the payroll processor of changes for the coming year.
- Review and update Church Warden and Treasurer Job Descriptions.
- 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:

- Schedule an outside consultant to conduct a Mutual Ministry Review for Vestry and Clergy
- 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.

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.
- Review Federal Reporting Requirements for Episcopal Churches 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 Property Insurance Coverage to determine if adequate for needs. Good to do with the Wardens. [search cpg.org for 'Property and Casualty Insurance']
- Review if the church is taking the benefit of its tax-exempt status on all accounts.
- Review previous years' audits or financial review reports.

Closeout financial books for the year just ended:

- Make necessary year-end accounts payable payments dated 12/31.
- Reconcile end-of-year bank statements 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 backup of data and store it 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 it electronically. If you don't have them from last year's report, a UEID and password will be mailed in late December. You need to download the workbook and keep it for future reference.
[<https://www.episcopalchurch.org/research/forms-and-instructions>]

Disposition of Records

- For computerized accounting, print the complete ledger for the year.
- For computerized contribution recording, print all individual contribution (pledge) statements.
- Move financial documents related to the 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 them to set up two or three meetings to bring them up to speed on their duties.