

End of Year Checklist for Church Treasurers

developed by the Episcopal Diocese of Fond du Lac

Documents linked in PDF document or visit diofdl.org/tw. Samples available by searching irs.gov.



Tax Activities

During December:

- Review [Federal Reporting Requirements for Episcopal Churches](#) published by the Church Pension Group.
- Review the Church Treasurer Job Description. Don't have one? Consider [sample](#) and propose to the Vestry.
- Vestry passes [Housing Allowance Resolution](#) for coming year.
- Vestry approves changes in compensation for coming year (note diocesan [clergy minimums](#)).
- Notify the [Diocesan Office](#) of changes to clergy compensation for coming year so they can make the changes in the Employee Roster.
- Receive Imputed Value of [Excess Life Insurance](#) report from the Diocesan Office.
- Have lay employees and clergy update their [W-4](#) for payroll purposes.
- Adjust payroll records for coming year (if in-house) OR notify payroll processor of changes for coming year.

During January:

- Total 4th quarter payroll totals (assumes in-house payroll).
- Total all 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-NIC](#) – 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-NIC](#) and [1096](#).

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

- Provide preparer necessary information for [W-2s](#). Note especially for clergy [W-2s](#):
 - Total stipend, including bonuses.
 - Housing allowance amount (exempt from income tax).
 - Travel allowance amount if on a [non-accountable plan](#) (taxable).
 - Equity allowance amount [if not paid](#) to a 403b plan (taxable).
 - [Imputed value](#) of excess life insurance (you'll receive this number from the diocesan office).
 - 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/giving statements to ALL donors, especially cash contributors. Make sure they include a 'thank-you' and required [IRS wording](#).
- Confirm donation confirmation letters have been provided for ALL in-kind, non-cash donations following [IRS directions](#).
- Remind clergy to check out the [Clergy Tax Return Preparation Guide](#) distributed from [cpg.org](#).

(continued...)

House Cleaning Activities

Review important documents related to being a church treasurer:

- Review *Title 4: Of Finances and Business Methods* of the [Diocesan Canons](#).
- Review *Title 1, Canon 7: Of Business Methods in Church Affairs* of the [National Canons](#).
- Review the [Manual of Business Methods in Church Affairs](#) published by the national church.
- Review *Guide to Human Resource Practices for Lay Employees in Episcopal Churches*, currently out of print but a copy in your church office (red cover) as the diocese provided a copy to every congregation.
- Review [Property Inventory](#) for needed updates (or make one if one doesn't exist). Good to do with the Junior Warden.
- Review [Insurance Coverage](#). Good to do with the Junior Warden.
- Review if using tax exempt status on all accounts, especially for [Wisconsin sales tax](#).
- 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, credit card balances 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 reports.dfms.org. Access information is sent in December. You need to [download the workbook](#) and keep it for future reference.
- Look for information from the Diocesan Office for scheduling 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 planning to end your service, invite someone to serve as assistant treasurer for a year.
- If there will be a new church treasurer, set up two-three meetings to bring them up to speed on duties, accessing accounts, where to find information, etc...