



SERVE WITH
INTEGRITY.
STRIVE FOR
EXCELLENCE.

MARCH 2, 2023

FIRST DISTRICT LAY
ORGANIZATION

INTRODUCTION

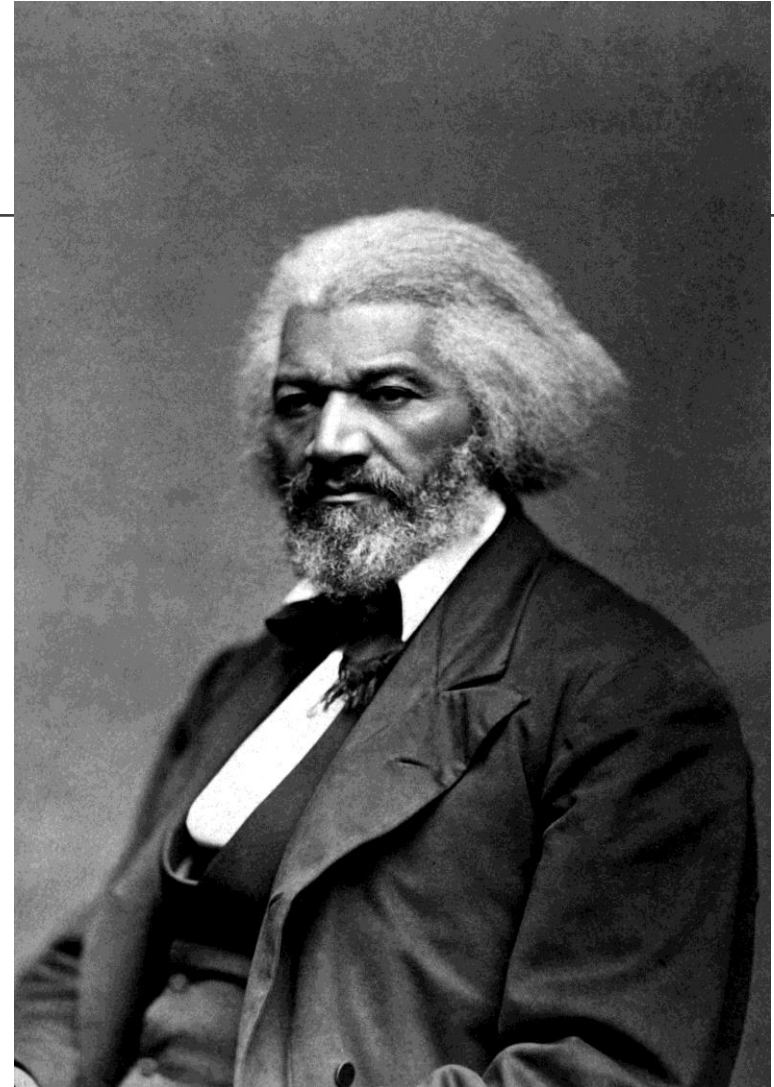
Pastor, Baber A.M.E. Church,
Rochester, NY

Chairman, Rise Up Rochester,
Incorporated



*“Do not come any closer,” God said.
“Take off your sandals, for the place
where you are standing is holy
ground.”*

Exodus 3:5



- Corinthian Hall – What is the 4th
- Talman Building – North Star



HOLY GROUND

Case Studies





MISCONCEPTIONS
ABOUT
SEPARATION OF
CHURCH AND
STATE

MISCONCEPTIONS

Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances (Amendment 1).

- Establishment Clause
- Free Exercise Clause

**Government can't impose or interfere. That's it.
We're not exempt from following the law.**

CHURCHES MUST FOLLOW FEDERAL, STATE, AND LOCAL LAWS RE. EMPLOYMENT

1. Churches must follow federal, state, and local laws, for example,
 - A. Equal Pay Act
 - B. Fair Labor Standard Act (Minimum Wage Laws/Maximum hours worked/time and ½ pay)
 - C. Federal Insurance Contribution Act (FICA)/Self-Employment Contributions Act (Social Security).
 - D. Occupational Safety and Health Act
 - E. Background Checks/Payroll/Insurance

2. Churches have exemptions from some discrimination laws – “Congress and state and local legislative bodies often provide religious exemptions in regulatory statutes, such as the exemption in the federal employment discrimination law that allows religious employers to discriminate on the basis of religion (Couser).”
 - A. Churches exempted from discrimination laws must have a clear standard.
 - B. Churches are also exempted from property and sales tax.

A magnifying glass with a black handle and a silver-colored ring is positioned over the text. The lens is centered on the words 'Internal Controls'. The background is white.

Internal Controls

Churches must have Internal Controls

Internal controls are the mechanisms, rules, and procedures implemented by a company to ensure the integrity of financial and accounting information, promote accountability, and prevent fraud (Will Kenton)

Require two individuals to sign checks. The signature documentation (signature card) held by the bank should show this restriction.

Require two unrelated cash counters for every service. Have each counter verify the other's form.

Bank reconciliations should be approved by someone not authorized to sign checks or make the deposit and should be done promptly. Look for checks out of sequence.

Every check written should have written documentation (check request/receipt/invoice) except for payroll checks.

Checks should be stamped "For Deposit Only" immediately.

Deposits should be made as soon as possible. Use of a night depository is recommended if the bank is closed.

CHURCHES MUST HAVE INTERNAL CONTROLS

Internal Controls

Policies

COVID Financial Procedures

Revised 1.14.21

*Note this process does not include online contributions and how requisitions are filed (Elona Charles-Wilson).

When contributions are received

1. The Executive Assistant to the Pastor (E.A.) shall retrieve all tithes and other contributions from the mailbox. Once received:
 - a) If a check, the E.A. will create a tithe envelope and place in the Finance Office.
 - b) If in a tithe envelope, the E.A. will place in the Finance Office.

When Contributions are placed in the Finance Office

1. At least two unrelated persons must handle church finances. The responsibilities of each person include:
 - a. **Teller** – The responsibilities of the teller include:
 - i. Counts cash and checks
 - ii. completes financial sheet.
 - iii. Double check the clerk's work.
 - b. **Clerk** – The responsibilities of the clerk include:
 - i. Reviews bills and requisitions
 - ii. writes checks (Note: the three (3) RG&E bills should be paid with one (1) check)
 - iii. Make deposit slips
 - iv. Double check the teller's work.
2. When completed the clerk and teller shall
 - a. Email the finance sheets to Pastor and the entire Commission on Stewardship and Finance. Note that the finance sheets must correspond to the Sunday (not the date counted).
 - b. Drop off the deposit at the M&T Bank, 1848 S. Clinton Avenue, Rochester, New York 14618. The clerk *and* teller are to make the deposit immediately.
 - c. Attach with a paperclip the checks to the requisitions and/or the invoice remittance portion and leave in the Finance Office for the Pastor's review and endorsement. The Vice-Chairman of the Board of Stewards will review and endorse in the absence of the Pastor.

When the Finance Committee has completed its work

1. The Pastor will hand checks that he has endorsed, with the requisition, to the E.A. The E.A. will:
 - a. If required, make copy of checks and attach to invoice to file.
 - b. Address concerns between invoices and checks written.
 - c. On trustee initiated requisitions, consult with the trustee project manager before check is released.
 - d. Return requisitions to receptionist to file.

Internal Controls

Policies

2. Once the E.A. has completed her tasks, she will hand checks to the receptionist to:
 - a. Make labels for invoices that do not have prepared envelopes and individuals who will pick up checks.
 - b. Contact individuals who have requested to pick up their checks and inform them checks are ready.
 - c. Mail checks.
3. The receptionist will retrieve tithe envelopes to input contributions into PowerChurch.

Manage Finances

Finance Deposited

Invoices Paid

Requisitions Completed

Create & Raise (Budget)

Contribution Imputed (Tax Statements)

Financial Reporting

Checks and Balances.

WE MUST
HANDLE OUR
BUSINESS!

THIS IS A TEAM EFFORT

EXODUS 18:13-23

¹³ The next day Moses took his seat to serve as judge for the people, and they stood around him from morning till evening. ¹⁴ When his father-in-law saw all that Moses was doing for the people, he said, “What is this you are doing for the people? Why do you alone sit as judge, while all these people stand around you from morning till evening?”

¹⁵ Moses answered him, “Because the people come to me to seek God’s will. ¹⁶ Whenever they have a dispute, it is brought to me, and I decide between the parties and inform them of God’s decrees and instructions.”

¹⁷ Moses’ father-in-law replied, “What you are doing is not good. ¹⁸ You and these people who come to you will only wear yourselves out. The work is too heavy for you; you cannot handle it alone. ¹⁹ Listen now to me and I will give you some advice, and may God be with you. You must be the people’s representative before God and bring their disputes to him. ²⁰ Teach them his decrees and instructions, and show them the way they are to live and how they are to behave. ²¹ But select capable men from all the people—men who fear God, trustworthy men who hate dishonest gain—and appoint them as officials over thousands, hundreds, fifties and tens. ²² Have them serve as judges for the people at all times, but have them bring every difficult case to you; the simple cases they can decide themselves. That will make your load lighter, because they will share it with you. ²³ If you do this and God so commands, you will be able to stand the strain, and all these people will go home satisfied.”

DUTIES OF OFFICERS

From New York State Attorney General Charities Bureau

Duty of Care

Duty of Loyalty

Duty of Obedience

DUTY OF CARE

The Duty of Care requires an officer to be familiar with the organization's finances and activities and to participate regularly in its governance.

1. Undertake reasonable efforts to assure the organization operates in compliance with the law.
2. Attend board and committee meetings and actively participate in discussions and decision-making, such as setting of policies.
3. Read the minutes of prior meetings and all reports including financial statements. Do not hesitate to suggest corrections, clarification and additions to the minutes or other formal documents.
4. Make sure minutes reflect any dissenting votes in action taken by the board or that any dissenting vote is expressed in writing by letter to the board.
5. Protect the organization from embezzlement
6. Assure there is a background check policy for prospective employees.

DUTY OF LOYALTY

Officers must act in the interests of the corporation. This duty of loyalty requires that any conflict of interest, real or possible, be disclosed in advance and when they arise.

1. Prohibit anyone with a conflict of interest from being present during or participating in the deliberation, voting on the issue that resulted in the conflict, or influencing the deliberation or vote on the issue that resulted in the conflict.
2. Officers must keep an “arm length” from transactions.

DUTY OF OBEDIENCE

Officers have a duty of obedience to ensure that the organization complies with applicable laws and regulations, its mission, and its internal governance documents and policies.

1. Dedicate the organization's resources to its mission.
2. Ensure that the organization carries out its purposes and does not engage in unauthorized activities.
3. Comply with all appropriate laws.



THE REASON THIS IS
IMPORTANT

Amen
