



JESUS RESTORATION MINISTRY

Finance Administration and Management Policy Guide

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JRM Finance Administration and Management Policy

Leadership in the Financial Function

Financial management is high on a ministry's list of important functions. Every organization must have effective financial leadership if it is to properly support its mission. The finance committee, as the ministry team responsible for ensuring financial support for organization programs, makes a significant contribution and must have functional and effective leadership.

The Finance Committee in Action

The finance committee (or stewardship committee, in some organizations) is one of the most important volunteer groups within an organization. It is not only funding the ministry of the organization, but actively participates in forming plans and programs.

Without financial input, plans may not be feasible.

The finance committee acts as the fiscal agent of the organization and ensures gifts and donations are managed impeccably. This gives credibility to the financial management system and gains the confidence of ministry partners.

Role of the finance committee

- Ensures ministry programs and activities are properly funded, by requiring and preparing an annual budget. In preparing the budget, the finance committee works in concert with all committees, work areas, and directors to ensure their plans, programs, and activities are supported financially.
- Reviews giving to the ministry to ensure receipts will support the budget.
- Supports the financial stewardship program and may direct the annual fund drive unless there is a separate stewardship committee.
- Ensures financial gifts are properly receipted and accounted for by the financial secretary.
- Monitors spending against the budget through review of the treasurer's reports.
- Keeps the organization informed about the financial condition of the ministry through regular reports to the governing body and a summary statement to the partners.
- Arranges for an annual independent financial review of financial records and procedures by either an internal audit committee or someone specifically designated to perform this review.
- Acts on recommendations related to financial policy and procedures to ensure a credible financial system with integrity that is always beyond question.
- While performing these primary responsibilities, the committee must look beyond immediate needs, although the natural tendency will be to fix current problems.

Some questions that need to be considered are:

- What about two years from now?
- What new programs may be next?
- What new equipment is needed?
- What future repairs are needed?
- Will there be educational changes?

To be all-encompassing in its outlook, the finance committee must be a part of basic planning and programming—*not to direct it but to support it*.

The committee's inclusion will ensure fiscal concerns are part of the planning and programming process. Full coordination between and among all church groups is necessary if the full program is to be successful.

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Importance of good business practice and stewardship

Everything belongs to God. That is the perfect place to start whenever we think of money and how we use it in the organization.

Money is right at the heart of who we are and what we hold as priorities.

The word stewardship, of course, comes from steward.

Stewardship.

A steward does not own the wealth or property; he or she instead simply manages it for the benefit of the legal owner. The wealth or property is placed in steward's care, with the expectation that the steward will not run off with it or convert it to personal use but will instead guard and cultivate the wealth, considering the best interests of the proper owner. A steward manages the interests of the owner.

Stewardship, then, is the activity of taking extremely good care of what belongs to another.

The chairperson of the finance committee should be a unique individual able to:

- Visualize the future, recognize the concerns of the present, and be a leader of leaders
- Clearly see the total mission of the ministry and realize funds will come if the mission is clear and active.
- Coordinate and cooperate with all, aiming always toward the good of the group.
- Instil integrity and credibility beyond question.
- Encourage and cause volunteers to always want to devote effort required to accomplish the task within their limited time.
- Always lead with integrity and by example, using a participatory but active servant leadership style.

JRM Money

The essence of organization financial business is. *it is God's business.*

What the ministry does with money is what is important. It must be used to support the organization in a positive way as it strives to serve God's people.

Leaders naturally will be involved in ministry finances as the organization plans for and seeks the funds it needs to accomplish its programs. Leaders need to be aware of partners stewardship potential and habits, and then lead by example in their own stewardship if a realistic ministry plan and program is to be developed and then financially supported. It is critical, importance is the need for a leader to ensure that the financial health of the organization is always completely and clearly communicated to the partners. Accurate and timely reports showing what has been received for what purpose, and how it was used, are a must.

Equally important is the process for handling and accounting for money as it is received by the organization. Partners like to know that their contributions are received and used for the purpose they intended. Almost nothing can undermine the mission of the JRM and its programs faster than questions about the credibility of its financial system. Leaders must be very sensitive to this and have enough knowledge about good financial control and accounting principles to recognize when the organization may be in trouble, and then know when and how to seek help and make changes.

The guiding premise will always be the financial management system must be mission oriented, full of integrity, informative, systematized, and tailored to JRM needs.

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Banking

- JRM needs to have one bank account where all funds associated with the ministry shall be kept and be accounted for on the monthly basis.
(This will help cut down bank charges and benefit in the accumulated interests)
- All ministry departments to use the same bank account for every transaction.
- Subaccount to be opened for every department which need to track its funds.
- Treasurer and financial secretary to record all transactions accordingly.
- No funds of JRM shall be kept with an individual or in a person's personal account either than the ministry account.
- Two people to be trusted with bank cards for easy access to funds, unless otherwise there is special arrangements.
- Two people to be trusted with internet banking and online transactions, unless otherwise there is special arrangements.

Petty Cash

- Money shall be banked before it is used
- Petty cash must be always kept at a safe place.
- Petty cash must never be above R1,000.00
- Petty cash will be made available as soon as possible as need arise.
- Petty cash transaction record must well be documented in detail.
- Petty cash shall be accounted for on the weekly basis or as need arise.
- A petty cash voucher guard can be issued.
- Create a voucher guard which is numbered and people who receive petty cash sign for it and these are kept for record and accountability purposes.

The treasurer's role:

- Tracks variances from the budget—both receipts and expenditures.
- Alerts department/committee chairpersons about their budgets and spending patterns and encourages their participation at budget preparation time, so the rands can fit the program of the ministry, not the reverse.
- Keeps funds given for a specific purpose separate—not necessarily always in separate cash accounts—but through proper accounting.
- At budget time, prepares analysis which show receipt and spending patterns over time.
- Advises the partners (through a monthly report, newsletter, or some other means) about the JRM financial posture—always in a positive way.
- The treasurer serves as financial advisor to all other groups in the JRM which have their own funds (such as woman's ministry), and may even, in small projects, maintain these accounts. There can be financial advantages if funds from various groups are combined, for example, interest income.
- However, care must always be taken that accounting records are carefully established and maintained to ensure a clear division of funds among groups.

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- Staff members with whom the treasurer must work closely include:
 - The JRM administrative assistant, who might usually handle mail, match receiving reports with billings, handle petty cash, encourage leadership team to be good stewards and be available to explain unusual events or circumstances.
 - The financial secretary, to ensure that all gifts and donations are credited according to a giver's desires, that proper accounting codes are used, and that appropriate trend analyses of giving patterns are prepared.

Qualities sought in a treasurer might include:

- An active, devoted Christian who is willing to give a good deal of time to detailed work.
- One who can instil confidence and absolute integrity in the position.
- One with basic accounting knowledge, but more important, one who is sensitive to overall financial management needs and willing to learn.
- One who has excellent human relations skills (complete, effective communication is important).
- Depending on the size of the organization, the job might be held by a long-term volunteer, or by a part-time paid individual.

One word of caution:

- The treasurer must not be allowed to control and must communicate.
- This job entails a great deal of responsibility, but only specific, limited authority.
- In other words, it is the treasurer's job to support the program of the ministry and decisions made by the JRM and its representatives.
- If the organization's stewardship is not sufficient to finance programs, then the treasurer reports this fact to the JRM leadership.
- The treasurer does not determine which bills to pay and where the money is to come from in times of shortage without full knowledge of JRM leadership team.
- Treasurers do not usually enjoy being the bearers of bad tidings, but sometimes that is their job.

ROLE OF THE FINANCIAL SECRETARY

- The financial secretary receives and records partner gifts.
- The work of the financial secretary is essential to the administration of the JRM's entire program.
- Money is a tool to help accomplish goals and objectives, and thus an important and necessary part of the ministry.

Primarily, the financial secretary's role:

- Ensures the receipt of gifts is smooth, well-organized, well-supervised, and has required internal controls.
- The financial secretary is responsible for proper record keeping and trains volunteer money counters.
- Maintains a record of income and communicates this in total to the treasurer, and in detail to individual contributors. The financial secretary may make a summary report to the JRM leadership team, depending on the division of duties with the treasurer.
- May participate in the stewardship campaign by providing information.
- In some small organizations the financial secretary may oversee the campaign.

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- Interaction with other ministry staff members may include regular communication with the stewardship committee for feedback on giving trends; with those in charge of special projects in which gifts are received; with the pastoral staff whenever giving trends need to be brought to their attention; and, of course, with the treasurer to ensure integrity of the accounting system.

Recording of Contributions

To ensure the integrity of the process and to protect those involved, the collection should be counted and prepared for deposit by teams of *two or more unrelated persons*.

Adherence to the following cardinal rules is extremely important since perceptions of impropriety often can hurt more than actual wrongdoing.

- Money should never be collected or handled by only one person.
- At least two unrelated people should always be involved, and three is better
- No husband-and-wife teams should be allowed to be counting as a couple.
- No one should take the money home to count it.
- Leaders should never be involved in money counting and recordings.
- Treasurers should not be involved until after the collection is counted and posted.
- The financial secretary records individual contributions to records of giving.
- Totals of amounts posted must equal the total amount collected and deposited.
- At least two people should always be present when counting offerings – no exceptions. (Three is preferable.).
- Financial secretary must verify weekly totals of entries made to records of giving with cash-counter records.
- The treasurer must maintain individual records for each of the different funds (e.g., tithes, partnership, missions, general, building, projects, or special funds).
- A spreadsheet with the necessary formulae will make life easy.
- Capture data to a spreadsheet that adds, subtracts, gives totals and gives all balances immediately.
- The totals of amounts received by the financial secretary must match the amounts recorded by the treasurer.
- Bank statement reconciliations must be done monthly on all accounts.
- Someone other than the person who prepared the report should perform the financial audit.
- The documentation for offerings, deposits and contribution and recordkeeping should be clear to those NOT involved in the process.
- Anyone looking at the documentation should be readily able to figure out what happened. No secret codes or shorthand should be used.
- Finance secretary to release monthly report by every 7th day of the month.
- Treasure to send electronic monthly bank statement to the relevant personnel as advised by the JRM leadership.
- Bank accounts and books to be recorded professionally audited annually.
- Time permitting reconciliation with the bank balance to be done at intervals on the quarterly basis.
- Transaction notifications to be received by all bank account signatures.

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JRM Source of income

JRM survive on gifts received from partners and ministry friends in the form of tithes, offerings, partnerships, projects sponsorships and special giving, JRM events, fundraising/donations.

Allocation and use of JRM funds

1. Tithing:

- Paying ministry workers' salaries/honorariums/stipends.
- Give 10th of tithes to evangelism outreach programs.
- Under no circumstances shall the tithes be used to do daily transactions of the ministry before the salaries of staff and tithe of tithes are paid.
- Ministry workers' salaries/honorariums/stipends, amounts shall be determined based on fairness and good work ethics.
- JRM will seek to pay market related salaries.
- Available funds will determine how salaries and Honorariums are projected.
- Ministry workers to be paid by 25th of every month.
- Where the 25th falls on a weekend they shall be paid on the Friday preceding.

2. Partnership fund

- It is designated funds for the ministry projects and administration.
- Shall be used to purchase ministry equipment and maintenance of ministry assets.
- Sponsor big projects e.g., Building, renovations, and rent payment.

3. Offerings:

- **General offering** to meet the budget of the organization e.g., water, electricity, telephone, stationary, errands, and catering.
- **Love offering** to support projects.
- **Special offering and pledges** are for a special need.

4. Projects fund

- Money collected for projects will be designated for that purpose.
- Surplus shall remain in the project fund and be used for future projects.

Bibliography

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and Finance Manual**
Resources for Leading the Local Church

Otto F. Crumroy, Jr.

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The Dynamics of Church Finance

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JRM bank details

Account Name: Jesus Restoration Ministry Npc

Bank Name: CAPITEC BUSINESS

Account number: 1051430038

Branch Code: 450105

SWIFT Address: CABLZAJJ

Account Type: Current

Please send POP to: jrmrestoration2@gmail.com / 0691943756 / 0837815587