

**Ohio Conference of SDA**

# **Treasurers' Manual**



June 6, 2013

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**Ohio Conference of SDA**

# **Treasurers' Manual**

**Section 1**

**Treasurer's Handbook**



June 6, 2013

# TRAINING THE TREASURER

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## **THE CHURCH TREASURER**

### **I. IMPORTANCE OF THE RESPONSIBILITY**

#### **A. HIGHEST PRIORITY**

The role of church treasurer is a very important responsibility. As in every aspect of life, the treasurer is first of all an individual Christian who is responsible to God for every act and thought. When a person is elected to a church office, the responsibility to God remains his/her first priority and should be kept in the forefront when any difficult situation arises. The work should be given his/her best effort because it is God's work. The time and efforts spent are an offering to God and nothing less than the best is appropriate.

#### **B. STRUCTURE OF THE CHURCH**

In a corporation the officers are president, vice president, secretary and treasurer. Other employees are responsible to the officers and the officers are legally responsible for the activities of the company. In the church the pastor generally functions as the president, the head elder as the vice president, the clerk is the secretary and the fourth officer is the treasurer. Together these four officers are responsible for much of the activity of the church.

There are many differences, of course, between a church and a corporation. One of the most obvious, in addition to the mission, is the fact that the majority of the workers in the church are unpaid volunteers. This makes the role of leadership in a church environment more difficult than in the corporate world where the employers exercise control over the employees. Therefore, to get a more accurate picture of how a church functions we must blend the corporate scenario with an entirely different image, that of a small social club whose members all have the same goals, and, driven by zeal, organize themselves to get a job done.

When the balance tips too far in either of these directions there is trouble. Too far to the social club and we find a lack of organization, dependability, continuity and control. Too far toward the corporate concept and we lose sight of dependence on the contribution of the individual and the mission.

As an officer, the treasurer carries responsibility to help keep the structure (corporate) of the church strong so the mission (social/spiritual) can accomplish its goal.

The controlling body of the church is the church board. The pastor, as well as the elected officers of the church, are bound by the actions of the board. The pastor, of course, works closely with the board to carry out their mutual goals and the treasurer works closely with the pastor to facilitate the actions of the board. Despite the close relationship with the pastor the treasurer is responsible directly



to the church board as indicated in the following quotation from the Minister's Manual:

The treasurer's first responsibility is to the church board, not the church pastor. The board may vote certain funds to be used at the pastor's discretion, but pastors must not pressure treasurers to give them money without church board approval. This is both unfair and unethical. Good pastors will not ask, and if they do, good treasurers will not give.

### **C. OTHER RESPONSIBILITIES**

As an officer of the church the treasurer represents the church to the community and is responsible to protect the reputation of the church at all times.

To the members, also, the treasurer owes a responsibility. There may be times when the treasurer must insist on details that do not fit with plans of an organization or person. The treasurer must be careful to work with a Christ-like attitude while standing firm to principle. With a spirit of cooperation differences can generally be resolved.

## **II. QUALIFICATIONS**

### **A. LOYAL**

The treasurer must be loyal to the church above any one individual. He/she is not often tested as to where the highest loyalty lies, but it must be clearly decided in advance so that in the event the test comes the decision has already been made and there is no hesitancy.

### **B. CONFIDENCE KEEPER**

The treasurer must be able to keep confidences. When dealing with contributions which touch people's personal financial situations, only those authorized to have access to the information must be allowed to see or hear anything of a personal nature. Knowledge gained from working with the financial records should not be used for any personal use. Information regarding church finances should be reported only as designated.

### **C. ABLE TO COMMIT TIME**

The work of handling the finances of the church requires a commitment of time and effort. The treasurer must be willing to take the time necessary to do it right. If there are times when the treasurer is not able to do what is required at the time it needs to be done, arrangements need to be made that another authorized person can fill in. Responsibilities should not be turned over to one who has not been authorized to assist the treasurer.

#### **D. DETAIL ORIENTED**

Much of the work required of the treasurer is tedious and detailed. He/she must be able to accurately operate a calculator, prepare and present reports, and handle all the paperwork necessary to keep appropriate records, etc. A knowledge of accounting is strongly recommended for all treasurers. It is recognized, however, that for the small churches that is not always possible. For the beginner, an aptitude for numbers and detail, an eagerness to learn and the willingness to ask questions when something new is encountered are definite requirements.

#### **E. ACCEPTING OF VERIFICATION**

Because of its nature, it is necessary for the treasurer's work to be reviewed by others. The North American Division Working Policy requires that the financial records of all churches and schools be reviewed annually by the auditor of the conference. In larger churches the records are often also examined by internal auditors. It is essential that the treasurer not be offended by others verifying the work he/she has done. In addition to these procedures a good internal control structure should be established, including having at least two persons verify money as it is received and counted. The "Togetherness Principle" is to be applied wherever it is pertinent.

#### **F. COMMITTED TO MEETING DEADLINES**

Financial information must be timely in order to be useful. The treasurer must be

committed to getting the work done on time. This is also necessary for good internal control.

**G. FIRM AND TACTFUL**

When it becomes necessary the treasurer must be able to say "no" to requests that do not conform to the guidelines given by the board. This must always be done with tact, understanding and a willingness to work within the system.

### **III. AREAS OF RESPONSIBILITY**

The treasurer is responsible for three main functions: safeguarding the financial assets, seeing that funds go for their intended use and reporting on financial matters. In the process of performing these functions many specific duties are required and processes are defined.

#### **A. SAFEGUARDING FINANCIAL ASSETS**

In the corporate structure referred to earlier, the treasurer (or chief financial officer) would be responsible to safeguard all the assets of the company. In the Seventh-day Adventist denominational structure, the local church treasurer is generally responsible only for the financial assets, the care of the plant and other physical assets being assigned to the deacons or others. The treasurer may wish to verify that building maintenance and security, safety and loss control are assigned to someone else.

Cash:

Security for the church moneys involves keeping cash from being stolen (external theft) or embezzled (internal theft).

If there is not an adequate system of internal controls in place, the treasurer should insist on instigating one for his/her own protection. It averts suspicion from the honest person and deters the weak by removing temptation. The basics

of a system for handling cash, known as the "Togetherness Principle," are as follows:

Two (or more) people handle cash at all times. Two (or more) ushers take up the offering, and two ushers take it to the counting room. Two people count the loose offering and sign an offering slip. Two people open the envelopes and verify the contents, noting any discrepancy. Two people make up the deposit and give copies to two people (in addition to the bank copy).

In addition to the using the "Togetherness Principle," money should be kept in a safe place and deposited in the bank as soon as possible. Although the practice of the treasurer's taking the money home is prevalent, it is NOT RECOMMENDED.

The church should provide a safe with LIMITED access, or at the very least, a secure cupboard. Unfortunately, churches often fail to re-key or change the combination when officers change. A person cannot be held responsible for the security of money if more than one person has access to it. It is advisable that a safe or "lock box" require two keys so that it can only be opened when both authorized persons are present.

It is important to also have a safe place to count the money. It should not be general knowledge when and where the money is counted. If one person opens envelopes and another person counts cash this does not completely satisfy the "Togetherness Principle."

Internal controls for cash guard against understatement (loss) of cash receipts and overstatement of (unauthorized or inappropriate) cash disbursements.

How cash is handled is just one part of a total internal control system. According to **THE CHURCH GUIDE TO INTERNAL CONTROLS**, published by **CHURCH LAW & TAX REPORT**,

Generally stated, internal control can be defined as the various procedures adopted by an organization to safeguard assets, check the reliability and accuracy of financial records, and ensure compliance with managerial policies.

Some of the elements it includes are:

Qualification and training of personnel

Separation of duties

Rotation of duties

Prudent handling of cash

A properly prepared budget

Proper authorizations

Reconciliations and independent verification of records

Adequate accounting system with checks and balances.

Many elements of internal control are more difficult (and/or less practical) in some of the smaller churches, but **EVERY** church needs to have certain basic controls. We will be discussing many aspects of internal control throughout this material.

## Investments:

A few churches hold sums of money not used in monthly activity, either as general reserves or for specified projects. The treasurer is accountable for all money that comes into the treasurer's hands. Certain types of investments are very attractive because of their high yield. It must be remembered that in general the higher the yield the higher the risk. It is the treasurer's responsibility to see that the principle is protected. The types of investments that are approved for short-term investment of church moneys are:

Bank Savings Accounts

Money Market Accounts

Short-term instruments - Certificates of Deposit

Negotiable notes/paper - Government or Corporate, Grade A or above

Union Revolving Funds (where available)

Conference Agency Funds

Bond mutual funds (Conservatively constructed) (Average life 60 months or less)

Loans to individual church members are specifically prohibited.

## Financial Records:

The treasurer is also responsible for safeguarding financial records. There are four aspects to this function: the records must be kept confidential - safe from unauthorized persons, available for authorized use, protected and archived for historical and statistical purposes.



## 1. Confidential

Information the treasurer receives in the course of his/her involvement with church finance should be used ONLY for its intended use. Any such information should not be shared among family or friends. This information is to be shared only with those persons who are authorized to know such information, and then only as needed.

Assistant treasurers who have been voted by the board should have access to what records are needed in order for them to do the work assigned to them. Persons who count money and may see envelopes should be authorized by the board. Even authorized persons should not discuss an individual's financial matters among themselves.

To avoid inadvertent disclosure of confidential material, especially when computers are used, even discarded printouts containing confidential information should be guarded and carefully disposed of.

## 2. Available for authorized use

It is appropriate to allow the pastor access to financial records to see individual giving patterns. It is also appropriate for the head elder, on authority from the board, to examine the records. The conference treasurer and auditor have a right (and an obligation) to review the records.

### 3. Protected

Computerized records should be backed up regularly to prevent loss. Manual records should be kept protected from damage and stored in a safe place.

### 4. Archived

It is important to retain records for statistical purposes. Sometimes they are needed for research such as to look at a five-year trend in giving, determine the cost of the carpeting, etc. When such information is needed, the treasurer should extract the needed information keeping the records confidential.

Recommendation for retention of documents is as follows:

Receipts	6 years
Canceled checks	6 years
Invoices	6 years
Tithe envelopes	3 years
Church ledger	Permanent
Legal documents	Permanent (or as long as the matter it pertains to exists)
Insurance policies	If independently insured keep a copy of the policy indefinitely

Care should be taken when disposing of confidential documents such as tithe envelopes or receipts. They should be shredded or burned.

## **Insurance:**

The responsibility for seeing that the church is adequately insured may not fall directly on the treasurer but often it is not assigned to anyone; therefore, it is good for the treasurer, in the capacity of guardian of the assets, to see that someone is overseeing this important function. Failure to cover this area may result in the church's being forced to use its limited financial resources for expenses that could have been avoided.

In general, property, liability and worker's comp insurance are covered by Adventist Risk Management Services through the local conference. Employees and volunteers are also bonded. If your church has any unusual type of activity, however, the conference loss control director should be contacted. The following are a few of the items you should note:

**RENTING OUT YOUR FACILITIES:** If your church rents its facilities to any group there should be a "hold harmless" clause in the rental agreement.

**RENTING FACILITIES FOR YOUR USE:** If your church rents facilities for its use the rental agreement should be reviewed by a loss control person to assure there is no clause which would make you liable for damage due to unrelated, unforeseen causes (earthquake, etc.) during the time of your use.

**SUBCONTRACTORS:** When subcontractors are engaged for construction, repairs, or maintenance on your premises, be sure they have adequate liability insurance to cover any damage that could result (fire, etc.) to your plant.

**TRANSPORTATION:** When using any type of transportation for a church activity the owner must carry high limits of liability. Consult your loss control person.

**SPECIAL ACTIVITIES:** Some types of youth activities need special attention

and/or counsel from a knowledgeable loss control person.

**STAFFING:** When staffing, whether with employees or volunteers, inquiries should be made into prior similar situations to avoid involving individuals with history of dishonesty or relational improprieties. The church should not knowingly engage persons who put the church at risk.

#### Taxes:

Because churches are exempt from IRS filings for income taxes and other non-profit foundations filings, they are often thought of as exempt from all taxes.

There are some taxes and forms, however, that even churches must deal with.

**PAYROLL TAX** - If your conference handles auxiliary payroll for churches (church secretary, treasurer, etc.), be sure the conference has all the necessary information and a completed W-4 and I-9 for each employee before employment begins. If your conference does not handle this the appropriate Federal and State returns must be filed and W-2s issued.

**INDEPENDENT CONTRACTORS** - Many persons paid as independent contractors should be handled as part-time employees. If they work under the direction of a church employee, use church-provided equipment and/or are not in the business of performing a similar service for others, they should probably be reclassified as employees. Persons paid for providing music (such as choir director or organist) who are not professional musicians making their living providing or teaching music, should be handled as part-time employees. Any true independent contractor, such as a grounds maintenance or janitorial company, if not incorporated, should complete a W-9 before being engaged and should be provided with Form #1099 for the amount paid to him/her if paid \$600 or more during a calendar year.

**UNRELATED BUSINESS INCOME** - If a church or school 1) conducts a trade or business 2) on a regular basis 3) that is not related to the non-profit purpose of the organization (religious or educational), that organization may be required to file an IRS form 990T and pay income tax at the corporate tax rate. (State filings may also be required.) Consult a tax professional if there is an activity that may fit this category.

**SALES TAX** - In some states churches are exempt from paying sales tax on their purchases; however, in other states there is no such exemption. If a church or school sells any product in connection with generating income state laws should be complied with as to whether sales tax must be

charged on the sales.

**PROPERTY TAX** - Property used for church or school use is generally exempt from property tax. In some cases the exemption may not cover special assessments. There may be differing rules in various states regarding unrelated use affecting its taxability.

**Laws:**

Churches should be careful to obey all pertinent laws. Some of the areas where adherence to local laws and regulations is required include:

- Obtaining appropriate licenses for activities such as a day care center, etc.
- Obtaining appropriate licenses for vehicles and the operators
- Use of premises (zoning, etc.)
- Limitations on occupancy of buildings, parking restrictions, use of satellite dish, etc.
- Permits for repairs or construction

**B. INTENDED USE**

The treasurer is responsible to see that the money contributed to the church is all used as intended by the donor.

In order for the funds to go for their intended use an appropriate accounting system must be used to categorize, accumulate and disburse funds by designation. In very small churches a manual system is often used. In medium to larger churches some type of computerized system is appropriate.

**Conference Funds:**

All Conference funds are to be remitted to the Conference on time. They should be kept safely in the bank until transmitted. Tithe and other Conference funds are never to be used for any local purpose, even on a "temporary" basis.

#### Authorization:

All expenditures must be authorized. The board may appoint certain persons or committees to be responsible for certain funds (Sabbath School council for Sabbath School expense, Pathfinder club for Pathfinder money, etc.). When the board votes to approve an operating budget for the year, that is authorization for routine expenses. Major and/or unusual expenditures should have specific board approval.

If a contribution is specified for a use the church does not intend to do (such as toward a new organ and there are no plans for a new organ), the money should not be receipted. The treasurer should apprise the pastor and allow him to contact the donor to see if he/she wishes to put it toward a different but related use (such as toward new hymnals) or wishes it returned. If money has already been receipted for a purpose which has not materialized, efforts should be made to contact the donor (if deceased, a living relative) for permission to put it toward another use.

In a situation where it is impossible to find someone authorized to change the use, by action of the church board it should be used for as similar a purpose as possible and a copy of the pertinent board action should be used as documentation for the expenditure.

#### Budgeting:

A budget is putting numbers to the plans of an organization. The format is like the income statement, a list of income and expenditures. However, instead of reporting historical figures it projects anticipated figures. The purpose is to control expenses, keeping them within the expected income. The budget is for a specified period of time, one year, and broken into monthly segments.

Unless the Conference has specific requirements for the churches in its territory, churches and schools may use either a calendar year or any selected fiscal year for reporting purposes. The year for financial reporting purposes should coincide with the year for church officers to enable the annual budget to reflect the activities of the officers. Often churches that are tied to schools choose a July 1 through June 30 fiscal year to better work with the school personnel.

The budgeting process is very important for non-profit organizations. Budgets come in different types to be used for various purposes:

**FUND RAISING BUDGET:** The Fund Raising Budget is based on what the church would like to do during the next fiscal period. The incomes are optimistic and expenditures are overstated compared to past performance. This is used for purposes of encouraging people to give in order to fund the desired activities.

**OPERATING BUDGET:** The budget used for operating is intended to be very close to what will actually be received and expended. It will be used each month to monitor the financial condition of the church and as authorization for expenditures.

The budget that is to be used in a practical way should be projected as accurately as possible. It should take into consideration last year's "fixed" expenses (those

that are the same every month), known changes in future costs of ongoing activities and anticipated changes in activities.

Because money does not always come in as planned the budget should be "prioritized." This means first determining the "primary" allocations, those costs that are relatively the same every month and must be paid in order to function. Examples of primary expenses are: utilities, telephone, salaries, school subsidies and Revolving Fund loan payments. Other allocations (called "secondary" allocations) are assigned a percent of the remaining income up to the budgeted amount. Any income over the budgeted amount would first go to make up deficits in secondary allocations for previous months, then as the board designates. It may be desirable to have more than one level of secondary allocations, especially in larger churches. These designations should be planned in advance when the budget is made up.

If there is a change during the year that appears to be permanent causing the income to be consistently substantially lower or higher than the budget, the budget should be re-studied and a new one prepared for the remainder of the fiscal year. For reporting purposes the year-to-date totals would be actual, not changed retroactively.

When the operating budget has been approved by the board it becomes authorization for paying the routine bills such as utilities, subsidies, etc. The board should determine whether the budget is to be used as a guideline or as a



limit. If it is a limit no bills are paid when the limit is reached. If it is a guideline the limit is not so exact.

### **C. REPORTING**

The treasurer is responsible to report to the contributors (usually the members), to the board, to the Conference, and to the membership (or constituency).

#### **Receipts to Contributors:**

In order for members to take advantage of the United States Internal Revenue tax deduction for contributions, receipts must meet certain guidelines.

The guidelines became quite specific beginning with the 1994 calendar year.

#### **Cash Contributions -**

When NO benefit is received by the donor, cash contributions of \$250 and over must be substantiated by a written receipt from the donee (church or school) which includes:

- Name of donor
- Itemized contributions (dates and amounts) and
- A statement that no goods or services were given in exchange for this contribution with the exception of intangible religious benefits.

When a BENEFIT IS RECEIVED by the donor cash contributions must be substantiated as follows:

- OVER \$75 BUT LESS THAN \$250 - a written statement from the church which includes:

- Nature of goods or services provided to the donor,
- A good faith estimate of the value of goods or services provided to the donor, and
- A statement informing the donor that the amount of the contribution that is tax-deductible is limited to the excess of the amount of cash contributed by the donor over the value of any goods or services provided by the church or school in return.

Note: Token goods or services (less than 2% of the contribution, token not to exceed \$64) are not reportable.

--- \$250 AND OVER - a written receipt from the church which includes all of the items in the above statement, plus

- Name of donor
- Itemized contributions (dates and amounts)

⇒ Non-cash contributions -

Non-cash contributions are substantiated by a written letter of receipt.

--- Valued by donor at under \$500

- Letter containing all the same information as for a cash receipt except the item(s) is/are described and no value is stated.

--- Valued by donor at \$500-\$5,000

- Letter including the same information as for smaller non-cash contributions, plus
- Letter should include information that IRS Form #8283 must be included with donor's tax return with the appropriate sections completed. (It is not necessary for the donee to be involved with this tax form.)

--- Valued by donor in excess of \$5,000

- Letter as above

- Donee representative must sign IRS Form #8283 for inclusion with donor's tax return.

**IMPORTANT NOTE:** If the donee disposes of the property within two years after the date of receipt, the church must file IRS Form #8282 and give the donor a copy.

Although the rules given above are IRS requirements for the contribution to be eligible for a tax deduction, good accounting requires that receipts be written for all cash receipts no matter how small and whether tax deductible or not.

Additional requirements for general receipting include:

- Receipts should be dated
- Receipts should contain identification of donee, including an authorized signature
- Donated services are NOT deductible and should NOT be treated as cash or non-cash contributions. If a letter of recognition is given it should contain wording to inform the donor of the non-deductible nature of the gift.
- Offer of any unusual item or money for a non-existing project should require a vote of the board to accept
- Contributions (such as to worthy student fund) must be for general use, not for the benefit of whomever the donor designates
- When money is received that is not a tax-deductible contribution, such as from sales or for tuition, it should be receipted as indicated for contributions where the donor receives a benefit.
- The IRS requirement for "Itemized contributions (dates and amounts)" means that receipts with only monthly totals are not acceptable. They must list each contribution by week. Weeks can be listed on a monthly receipt and the weeks totaled for a monthly total.

### Reports to the Church (or School) Board:

A monthly report should be presented to the board. This is necessary because the board is responsible for managing the organization and must have up-to-date financial information

upon which to make intelligent decisions. The monthly report for churches is generally made up of four basic reports: 1) Statement of Conference Funds, 2) Statement of Combined Budget/Church Expense, 3) Statement of Local Funds, and 4) Unpaid bills and unusual expenditures. For schools, the reports would show 1) income and expenses for the month, year-to-date, and compared to budget, 2) aged accounts receivables (unpaid tuition) and 3) unpaid bills.

Computerized systems will print reports automatically. If they provide the information called for on these forms, no additional work is necessary even though the form may vary from the samples given.

**Statement of Conference Funds** - This statement is a list of the income that is not for the local church. It includes tithe, sabbath school, and other mission or conference offerings. (See Appendix for sample form.) This is a five-column statement with the name of the offering (tithe, sabbath school) at the left, a "Received This Month" amount column, a "This Month Last Year" amount column, a "Total to Date This Year" amount column and a "Total to Date Last Year" amount column. The figures for the current month column are taken from the totals of the cash receipts journal and should equal the remittance to the conference for the month. The current year-to-date figures are computed by

adding, line by line, to the prior month's year-to-date column. The last month for the year will then give the total year figures. The figures for the prior year are taken directly from the reports for the previous year.

**Statement of Church Expense** - This report can be used where the combined budget plan is used as well as where it is not. It is a budget comparison, both monthly and annual. (See Appendix for sample form.) This is also a five column statement listing total Income and the expense categories at the left, then an "Actual This Month" amount column, a "Budget This Month" amount column, an "Actual Year to Date" amount column and a "Budget Year to Date" amount column. When the budget is voted for the year, one-twelfth is distributed in column two. The year-to-date columns are completed by adding the current month's figure to the prior year-to-date figures until the year is completed. The Net Increase/Decrease is completed at the bottom. A customized form can be made for each church if desired, following this format.

**Statement of Local Funds** - This report is a listing of the various funds of the church that are often referred to as "trust funds." They are activities such as Sabbath School Expense, Pathfinders, Community Services, etc. On this five-column statement the amount columns show: Balance Last Month, Received, Disbursed and Balance on Hand Close of Month. The "Church Expense" line should show the same income and expense as the Statement of Church Expense report, and the figure at the bottom right must equal the total of the bank accounts and investments.

Unpaid bills and unusual expenditures - If unpaid bills are not accrued a list should be supplied for the board. Any unusual expenditures should also be available for their information. On computerized systems this information may be included in the general information provided.

#### Reports to the Conference:

The Conference, as the parent organization of the church, has a right to receive reports of the church's financial activity. The Monthly remittance check is accompanied by the same report of conference funds as is presented to the church board.

The auditor needs to have available to him/her all the financial records upon request. In some conferences the auditor may request that certain monthly reports be sent to them on a regular basis. This would enable him/her to keep an eye on the local church to know when a church might need immediate assistance.

#### Reports to Membership/Constituency:

The members are the constituency of the church and the school. When the situation merits it, reports may be needed to present the financial status of the church. The treasurer is obligated to provide any such reports. This type of report would be summaries of financial information without revealing any confidences. It may be in the form of an annual report to the constituency or a

multiple year report. This would generally be in a simplified one-page format. Reports of a specific nature, such as on a building project, may be required.

#### **D. CREDIBILITY**

Reports of any type are worthless unless there is integrity in the record keeping.

A few of the details that are important to make the reports credible are:

1. Money must be safeguarded, as previously mentioned. This includes the "togetherness principle" as well as having a safe place in which to store the money. Money should be counted and deposited as soon as possible.
2. The ones handling the money must be carefully selected and authorized by the organization, and trained in how to properly care for the money. This module is designed to help on the training part.
3. Provision should be made for the treasurer to take vacations on a reasonable basis. Qualified persons should fill in for him/her.
4. No one person should have complete control of the finances. It is best if the three basic parts of the treasury area are handled by separate individuals, a) ones who receive, count and deposit cash, b) those who authorize and disburse cash/checks, and c) the one who reconciles the bank statements, writes receipts and makes entries into the records. According to "The Church Guide to Internal Controls,"

The principle of separating duties to establish internal control is violated in the majority of churches. It could be the single most important cause of misappropriated assets and unreliable financial records.

5. Accuracy checks should be performed as part of the job.
  - a. The entries of each receipt must equal the total.
  - b. The total of the receipts for the week must equal the deposit.
  - c. The bank account(s) must be reconciled monthly when received. Some banks use cutoff dates other than the end of the month. End of month cutoffs should be requested in order to reconcile to monthly totals.
  - d. Entries for bank charges, interest credited and for NSF checks must be properly handled.
  - e. Pages in manual systems must total both vertically and horizontally.
  - f. The monthly remittance to the conference must equal the total of conference funds received.
  - g. The local funds must equal the bank account (after adjusting for the remittance).
  - h. All disbursements should be made by check. When cash is required the treasurer should make out a check to himself/herself and cash the check. A receipt (not a regular church receipt) stating what the money is for should be dated and signed by the party receiving the cash as documentation for the check.
  - i. Disbursements should generally be made only when an invoice or a paid receipt is in hand. It is preferred that a person who is authorized to spend funds uses personal funds and presents a paid receipt for reimbursement. If money is required in advance, a check is written in the anticipated amount to the individual who signs a receipt stating he/she received the check as an advance for the stated purpose. When the transaction is complete, he/she should bring the paid receipt and any difference is settled with an additional check or refunding the cash. Any such cash is receipted separately on a non-deductible receipt and deposited.
  - j. All disbursements must have proper authorization. A budget which



has been voted by the board is authorization for routine expenditures.

- k. All disbursements must be documented, filed numerically and kept in such manner as to be easily retrieved. (If filed alphabetically, a numeric cross reference must be maintained.) When a repeating expense is not billed a memo may be substituted for documentation for the file. The document should be stamped "paid" and the check number noted.
  - l. Checks should never be signed in advance.
  - m. A budget should be carefully followed and compared with actual. This not only helps management but can reveal when an item is posted in the wrong account. Any substantial departure should be analyzed.
  - n. Reports should compare the current year to previous years and any substantial change should be accounted for.
  - o. Reports should be reviewed by the board on a monthly basis.
  - p. Records should be kept in an organized manner for ease in retrieval.
  - q. The treasurer must cooperate with the auditor to have records available and to answer any questions.
  - r. A Review of the church records should be performed by the conference auditor annually.
6. The job of church treasurer should be changed from one person to another every few years.

**Ohio Conference of SDA**

# **Treasurers' Manual**

## **Section 2**

### **Audit**



June 6, 2013

## Treasurer's Questionnaire

1. Who counts the following monies? And what is the procedure to turn the funds over to the treasurer?
  - Tuition
  - Fund Raising Monies
2. Who authorizes payment for invoices?
3. Do you retain invoices (or other paid receipts) for all checks that are issued?  
Yes \_\_\_\_\_ No \_\_\_\_\_ If No, please explain.
4. Who has authorization to sign checks?
5. Does the school have a savings account, certificates of deposit, etc.  
Yes \_\_\_\_\_ No \_\_\_\_\_ If Yes, give details.
6. List any long (or short-term) liabilities of the school (e.g. Loans such as Revolving Fund, etc.)
  - a.
  - b.
7. Our school pays individuals for services (such as janitor) through the Conference payroll. Yes \_\_\_\_\_ No \_\_\_\_\_
8. Is the school or any member of the school operating a business/fund raiser using the school name and/or operating a business/fund raiser on school property? Yes \_\_\_\_\_ No \_\_\_\_\_ If Yes, please give complete details below (name of account, how account is being used, who has authorization to sign checks, etc.)
9. Have you listed all bank accounts, CD's money market accounts, etc. operated by the school including fruit accounts, vegetarian food store, etc.? Yes \_\_\_\_\_ No \_\_\_\_\_ If No, please give complete details below (name of account, how account is being used, who has authorization to sign checks, etc.)

10. Is the budget an absolute or a guideline?

11. Do you have a student-aid program (worthy student)? Yes \_\_\_\_\_ No \_\_\_\_\_ If yes please attach a copy of your policy.

12. Please share with us how you think your role as treasurer could be improved.

13. How do you think the Conference Treasury department could be of greater service to you?

## Treasurer's Questionnaire

1. Who counts the church money?

Are there two people counting money when the tithe envelopes are opened?

2. Who authorizes payment for invoices?

3. Do you reconcile your bank balances, checkbook balances, and your accounting balances monthly?

**Yes No**

4. Have you made any adjustments to your balances in question #3 to reconcile them?

**Yes No** If yes please, explain:

5. Do you retain invoices (or other paid receipts) for all checks that are issued?

**Yes No** If no, please explain.

6. Who has authorization to sign checks?

7. Does the church rent or allow an outside entity to use the church's facilities?

8. Does the church have a savings account, certificates of deposit, etc.

**Yes No** If yes, list bank names and account numbers for all.

9. List any long (or short-term) liabilities of the church (e.g. Loans, Leases, Credit Cards etc.)

a.

b.

10. Our church pays individuals for services (such as janitor, organist, etc.). **Yes No**

If yes do you use the courtesy payroll service provided by the conference? **Yes No**

11. If number 10 is no, were they contract labor?

What is their name and how much did you pay them for the year?

12. Do you have any litigation or claims against your church that you are aware of?

**Yes No** If yes, please explain:

13. Does your organization operate any of the following?

- Fruit Program
- Daycare
- Health Food Sales
- Other (Please Describe)

14. Is the church or any member of the church operating a business/fund raiser or other program (pathfinders, community service, etc.) that has its own bank account? **Yes No**

If yes, please give complete details below (name of account, how account is being used, who has authorization to sign checks, etc.)

15. Do you help students through a student-aid program (worthy student)? **Yes No**

If yes do you have a written student-aid plan? **Yes No**

If yes please attach a copy of your policy.

16. Do you give a monthly statement to the board of each of the following?

**Yes No** Financial Summary Statement (Listing income, expenses, and fund balances)

**Yes No** List of Checks written

**Yes No** Monthly Budget Report

**Yes No** Deposits made report

**Yes No** Transfers made report

17. How often do you give donors receipts?

18. Does someone other than the treasurer verify the bank reconciliation? **Yes No**

19. Have you had any "unusual" contributions for the previous year? **Yes No** If yes please explain:

20. Have you had any events that would adversely affect giving patterns? **Yes No** If yes please explain:

21. Have you had any donations of items other than currency? **Yes No**

If yes what kind of receipt did you give the donor?

22. Do you want to okay the review report before it is mailed to your board members? **Yes No**

23. How do you think the Conference Treasury department could be of greater service to you?

24. Please provide a list of names and addresses for the members of the church board, and list their church office.

## Audit and Bank Reconciliation – Issues

1. Timeliness of Audit/Review-NAD Policy
2. Conference Trust Funds and Local Funds understated for last year
3. Bank Reconciliation not done regularly – Treasurer too busy
4. How to correct last years records and possible error on individuals tax returns
5. Deposits made irregularly and money held for weeks at a time

**NAD Policy on Local Church/School audits** - shall be done biennially (every 2 years). In the **notebook under the Audit Tab** is the questionnaire that needs to be filled out and the letter listing the information that needs to be ready when the church is getting an audit/review.

**Bank Reconciliation** – It is recommended that a bank reconciliation be done monthly and that someone other than the treasurer verify the bank statement and bank reconciliation monthly.

**Too Busy** – The Treasurers job can be broken into 3 parts very nicely – Depositing, Check Writing, and Record Keeping. It is **good internal control** and would not be such a burden for one person.

**Last Year's Record's correction** – A letter would need to be written to the donors involved with a receipt reflecting the missed deposit and stating this may impact their tax return.

The church records would need to be corrected and the church board notified of the correction. It would require Jewel support from the Conference to correct this mistake for a prior year.

**Deposits made in a timely basis** – We recommend that the deposits be made by the Monday following Sabbath. Treasurers are responsible for safeguarding the money and putting it into the bank as quickly as possible is the best way to do this.

## Audit and Bank Reconciliation

Arthur Inqwerie, the Conference Auditor, noted that an audit/review hadn't been done at the Sumner SDA church for 3 years. When Arthur contacted Wally Winkel, Church Treasurer to schedule an audit/review of the church records, Wally set the date to meet him at the church in 3 ½ weeks.

On the day of the audit/review, after doing an independent bank reconciliation, Arthur finds that the bank statements show the church has around \$5,000 more in the bank than in the church records.

Upon much searching and a lot more time spent, Arthur discovers that Wally missed posting a whole week's deposit from a previous year, 7 months earlier. Receipts for the year have already been given and did not include this \$5000.00. It appeared none of the donors noticed the absence of this donation on their receipts, so they may not have claimed it on their tax returns as a deduction.

Wally looks everywhere he can think of but cannot find the tithe envelopes or deposit slip for this deposit. Wally wonders how he can correct this mistake 7 months late when he has no information other than the bank deposit listed on the bank statement.

Arthur asks Wally if he does monthly bank reconciliation. Wally responds that he is really busy and just doesn't have time to do it.

While looking at the bank statements, Arthur also noticed that some months, three to four deposits were made on the same day. When asked about this, Wally said the church bank was too far away from his house or work and he just couldn't get there except every 3 to 4 weeks when he got off work early. Wally assured Arthur that the money was being kept in a safe place and not to worry about that.



**North American Division of the General Conference  
Working Policy**

**SA 05 Auditors and Auditing**

**SA 05 27 Local Church** – Local Church records shall be reviewed at least biennially by competent individuals employed by the local conference. The work shall be conducted under guidelines set by the division.

**SA 05 27 Other Local Church Institutions** – Financial records of elementary and intermediate schools, Dorcas Federations, Community Service Centers, and other enterprises operated by one or more churches shall also be reviewed at least biennially.

**SA 05 27 1 Annual Report** – The conference employee who reviews local church and other local church organizations' financial records is required to report to the conference committee at the time of the annual Financial Audit Review Committee regarding this feature of his/her work, indicating whether each church and local organization has been reviewed within a two-year cycle. This report is to be in writing and shall include the date and place of each review. A copy of the report shall be filed with the office of Adventist Risk Management, Inc.

**SA 05 27 4 Donor Records** – In harmony with BA 70 and good business practices of storing duplicate copies of vital records at another site, in order to guard against loss by such disasters as fire, flood, or theft, each local church shall provide the local conference treasurer with a copy of the monthly remittance worksheet. This will ensure the preservation of the records. The confidentiality of such records shall not be compromised.

Date

Dear Treasurer

As we discussed by phone today, I plan to examine the Church records **Wednesday, April 21 around 1:00pm**. So that you will know what is needed for the check, I am sending you a "check list." According to our files, the Church records were last examined in August of 2011. Here is what will be needed:

1. Tithe Envelopes – Beginning August 2011 through the last week of August 2013. (It will be a tremendous help if these are in order by year, month and week.)
2. Pink copies of receipts if on manual system (If on computer system backup to deposits) – same dates as above – in order by year and month
3. Ledger Book if on manual system (If on computer system access to computer program) - covering the same period as above
4. Check Stubs (or checkbook record) – for same period as stated above.
5. Bank Statements for checking account and any other accounts (such as savings) – same period as above including bank reconciliations.
6. Cancelled Checks – for same period
7. Paid Invoices/Receipts or back-up information for checks written. (These should be in order by check number in month and year written.)
8. If a Treasurer's Report is presented to the Church Board each month; please include copies of these reports (especially the most current report.)
9. Church Board Minutes documenting any major capital expenditures during the period to be audited.
10. Any other bank account statements and books that are for the church but not in your possession, such as pathfinders, community service, etc.
11. A year to date receipt of contributions for any conference employees (pastors & teachers).

Also, will you please complete the enclosed questionnaire prior to the check and if you have any questions regarding the list, call me at the Conference Office (740) 397-4665.

Thanks for your help. I look forward to meeting you!

Auditor

Enclosure: Treasurer's Questionnaire

**Ohio Conference of SDA**

# **Treasurers' Manual**

**Section 3**

**Budget**



June 6, 2013

## Budget Issues

1. How to distribute the budget
  - A. Based on Budget
  - B. Based on Actual Income
  - C. Based on Actual Expense
  - D. Timeliness of income and expenses

**Distributing the Budget** – The Board has the final decision on how the treasurer distributes the budget.

**Based on Budget** – distribute the budget totally. If the income is greater than budget, the combined budget would have a positive balance. If the income is lesser than budget, the combined budget would have a negative balance and the funds receiving the budget would have an inflated balance.

**Based on Actual Income** – Distributes the exact amount of income received in the combined budget. The combined budget balance would always be zero after the distribution.

**Based on Actual Expense** – Distributes only the amount of combined budget that is needed to cover the actual expenses funded by the budget. The combined budget balance could have a positive or negative balance depending on whether income was greater than expenses.

**Timeliness of income and expenses** - some income and some expenses only happen once or twice a year. (Property Insurance, Auto Insurance, Windfall Donations, December Donations, etc.) Whichever way the board decides to distribute the budget, it would be well to keep timing in mind.

This excerpt can be found from the Jewel Help Icon

## MAINTENANCE / EDIT BUDGET ALLOCATIONS

### Overview

Here you set the parameters for allocating the monthly Combined Budget funds. Allocations will be made automatically each month from these settings. These figures also make up the Budget for your reports.

### From Account

Choose the account that the allocations (transfers) are to be made from and press Enter.

#### *Tips*

· *Typically donors contribute to the Combined Budget and this fund is then allocated to the various budgeted accounts.*

### Budget Year

Choose the Fiscal (Calendar) Year you wish to set up. You can change the allocations for the current year, or for the next one in preparation of the new budget for the upcoming year.

### To Account(s)

1. Choose an account to receive allocations and press Enter.
2. Type a dollar amount and press Enter.
3. OR, type a number followed by the percent symbol (%) and press Enter.

#### *Tips*

- *A fixed dollar amount of funds may be allocated (such as \$100 to Pathfinders each month)*
- *OR, a percentage of the Combined Budget received each month may be allocated.*
- *Monthly allocations can include both percentages and fixed dollar amounts.*
- *BE AWARE that if this allocation table has a combination of fixed dollar amounts and percentages, during the actual allocation process the dollar amounts are subtracted FIRST from the total to be allocated, then the remaining amount will be divided by the percentages specified.*

### Insert

Inserts a new account ahead of the one that is highlighted.

**Delete**

Deletes the highlighted account.

**Total Annual Budget**

To be able to have budget reports, you must enter this figure.

**Monthly Allocation Totals:****Dollar Amounts**

The number printed here represents the total of all the dollar amounts specified to be allocated each month.

**Percentages**

The percentage listed here represents the adding of each of the percentages listed in the table to the left. When finished, the percentage listed here must equal 100% or 0%.

---

**OK**

When finished editing Budget Allocations click OK.

**Cancel**

Clicking the Cancel button will cancel any changes during this edit session.

## Budget

The Driscoll Church Budget for all the local programs funded through combined budget for the year 2007 was \$60,000.00 - \$5,000.00 a month. The church was consistently receiving around \$3500 - \$4200 per month in combined budget funds. The Board told Mary Tegrity, Treasurer to distribute the full \$5000.00 each month regardless of how much combined budget funds she received.

Mary noticed that each month she distributed the full that the combined budget balance was in the hole and was getting worse each month. At the Board meeting, when the Sabbath School Leaders and the Evangelism Leaders saw the balance in their funds, they requested permission to spend it all. Mary tried to explain that they really didn't have that much money in their funds. She said she was distributing the budgeted \$5000 each month even though the church was receiving on average \$3850 per month which is an average shortage of \$1150 per month.

The leaders were confused because right there on the financial report, they saw what they had in their balance and they wanted to spend it.

Mary tried to explain it to them again but she could see they didn't understand.

<u>Fund</u>	<u>Beg Bal</u>	<u>Income</u>	<u>Expense</u>	<u>Transfers</u>	<u>End Bal</u>
Com Bud	-4400.00	3900.00		-5000.00	-5500.00
Sabb Sch	349.00	23.23	-349.99	500.00	522.24
Evang	2300.00	12.00	-599.87	500.00	2212.13
Youth	45.45	13.00	-26.93	100.00	131.52
Soc Com	421.36	39.00		200.00	660.36
Ohio Adv	0.00		-200.00	200.00	0.00
Pathfinder	333.00	68.00	-273.23	200.00	327.77
Com Srv	60.55	25.00	-60.00	100.00	125.55
Reserve	4600.00			200.00	4800.00
Build Fnd	8600.00	450.00			9050.00
Ch School	-1060.00	73.00	-2230.78	2000.00	-1217.78
Build Exp	44.00	75.00	-865.02	1000.00	253.98
<b>Total</b>	<b>11293.36</b>	<b>4678.23</b>	<b>-4605.82</b>	<b>0.00</b>	<b>11365.77</b>
Checking	6293.36	4678.23	-4605.82	0.00	6365.77
Savings	5000.00				5000.00
<b>Total</b>	<b>11293.36</b>	<b>4678.23</b>	<b>-4605.82</b>	<b>0.00</b>	<b>11365.77</b>

**Ohio Conference of SDA**

# **Treasurers' Manual**

**Section 4**  
**Contributions**



June 6, 2013



## Contributions

See the following IRS websites for general information regarding contributions.

<http://www.irs.gov/taxtopics/tc506.html>

Also – Tips for year-end giving

<http://www.irs.gov/uac/Newsroom/IRS-Offers-Tips-for-Year-End-Giving-2012>

## Contributions

Mary Tegrity has been the treasurer of the Driscoll SDA Church for five years. On January 4, she is posting the contributions for December 31, 2012, the last Sabbath of the year.

- She received from Fannie May a contribution in the mail on January 2, 2013 postmarked December 31, 2012, check dated December 31, 2012.
- On Sunday, January 1, 2013 another member, Joe Slown, delivered a check dated December 31, 2012 to Mary's house and wanted it to be included in 2012 receipts.
- She received another contribution in the mail on January 3, 2013 postmarked January 1, 2013 and the check was dated December 31, 2012.

On Jan. 3 Mary decides to make another deposit for Dec. 2012 which includes the 3 checks listed above. She posts them for December and does a year end bank reconciliation. After she is sure everything has been posted and that her bank balance and computer balance reconcile, she closes the books for the year 2012.

The next day, she receives an NSF (non-sufficient funds) notice from the bank for a check from Walter Broke for \$850.00. This check was included in the Dec 31 deposit - \$600.00 for Tithe and \$250.00 for Combined Budget.

She decides to talk to Walter and request that he replace the NSF check for \$850.00 plus \$15.00 bank fee. He replaces the check on January 14, 2013 by putting \$865.00 (\$500.00 for tithe, \$350.00 for Combined Budget and \$15.00 for bank fee) in the offering plate.

Mary decides to post this check in the January 14, 2013 deposit and gives credit for the contribution to Walter. When Mary does the bank reconciliation for January, she notices she is off by exactly \$850.00 (the bank balance is less by the \$850.00).

Mary knows something has to be done with the \$850.00 NSF check from Walter, but she already closed the 2012 year and posted January 2013 business.

## Contributions – Issues

1. Which of the three contributions should be counted for 2012 per IRS?
2. Can you make a January deposit for December business?
3. When is a good time to close the books for the year?
4. How to handle the NSF Check? If he replaces it in 2013, should it count for 2012 or 2013?
5. Walter Broke's replacement check puts a different distribution for Tithe and Combined Budget.
6. When should receipts be distributed to donors?

**Contribution Deadline** – Contributions are deductible in the year made. Thus, donations charged to a credit card before the end of the year count for 2012. This is true even if the credit card bill isn't paid until 2013. Also checks count for 2012 as long as they are dated and postmarked in 2012 or they have been given to the treasurer (in her hand) by December 31.

**Deposit in January** – You can make a deposit in January and count it as December as long as you qualify for the contribution deadline for 2012 (see above). Remember contributions are deductible in the year they are made. We recommend that you make that deposit as soon as possible in January.

**Closing the Books** – It is a good idea to wait 2 weeks before closing the year. This gives you time to receive any NSF notices from the bank, do a bank reconciliation, make year-end transfers and any other adjustments needed for year end.

You can close December and get your remittance check off to the conference in time, just hold off on closing the year for a few weeks.

**NSF Check** – Walter Broke received a receipt in 2012 for \$850 but his check bounced, so his donation should have been reversed for the year 2012. Since Mary already closed the year, she would need to contact the Ohio Conference Treasury to assist her in correcting this.

**Replacement Check** – since this check was not received in 2012, it would be posted as a donation in January for a deduction in 2013, not 2012. The rule is “Contributions are deductible in the year they are made”.

**When to distribute receipts** - We recommend you distribute receipts monthly. Again it would be good to wait 2 weeks after your last monthly deposit before you give receipts. This allows you time to correct any errors if you should receive a bank notice of a NSF check or deposit error.

**Ohio Conference of SDA**

# **Treasurers' Manual**

**Section 5**

**Charitable Contributions**



June 6, 2013

## Charitable Contributions

See the following IRS websites for the publication regarding charitable contributions.

<http://www.irs.gov/publications/p526/index.html>

Also – Qualified list of organizations eligible for tax deductible donations.

<http://apps.irs.gov/app/eos/forwardToPub78Download.do>

**Ohio Conference of SDA**

# **Treasurers' Manual**

## **Section 6**

### **Non-Cash Contributions**



June 6, 2013

## Non Cash Donation

John Smith gave a very nice organ to the church which he said was valued at \$6,000.00. The Board decided to accept his generous gift and wanted Mary Tegrity to give him a receipt for \$6,000.00.

She had only given receipts for cash or check donations. How was she going to deal with this non-cash donation? She didn't receive any money so she couldn't enter it into her accounting program.

What should she do?

## Non Cash Donation – Issues

1. Non Cash Donation Receipt?
2. Were there any goods or services given for the non cash donation?
3. Does the church have to file any forms with the IRS?
4. Does the donor have to file any IRS Forms?

**Non Cash Donation under \$500.00** - give a letter of thanks on your organization's letterhead which includes the organization's name and address, date, location of gift and a description of donation. (Please note – you **do not** state a value)

**Non Cash Donations valued over \$500.00** – If church/school sell, consume, exchange, or dispose of the donated property within 3 years after the date you receive the property, you need to fill out IRS Form 8282. You must also fill out Part IV Donee Acknowledgment on IRS Form 8283.

**Donated Motor Vehicles, Boats or Airplane donations valued under \$500** - your church/school needs to send a letter to the Donor within 30 day or Copy C of Form 1098-C (you must check box 7 on form). You **do not** need to file Copy A with the IRS.

**Donated Motor Vehicles, Boats or Airplanes valued by donor over \$500.00** – fill out Form 1098-C - Copy A for the IRS by Feb 28, 2008, Copy B and Copy C to the Donor within 30 days of: 1) Date of Sale (check Box 4a) or: 2) Date of the contribution, if you checked box 5a or 5b.

**Goods or Services Given for Non Cash Donation** - Tangible or Intangible goods and services given to the donor must be mentioned in the non-cash donation letter and a value stated for goods for services donor received.

**Noncash Charitable Contribution Form 8283** – Donor must fill this out if they claim over \$500.00 in non cash donations.



## Noncash Contributions

See the following IRS websites for the publication regarding charitable contributions.

<http://www.irs.gov/publications/p526/index.html>

scroll down and click on section titled "Noncash Contributions"

## Noncash Charitable Contributions

See the following IRS websites for form 8283 regarding noncash charitable contributions:

Form 8283 – Noncash Charitable Contributions:

<http://www.irs.gov/pub/irs-pdf/f8283.pdf>

Instructions Form 8283:

<http://www.irs.gov/pub/irs-pdf/i8283.pdf>

Form and instructions Form 8282 – Donee Information Return:

<http://www.irs.gov/pub/irs-pdf/f8282.pdf>

Form and instructions Form 1098-C – Contributions of Motor Vehicles, Boats, and Airplanes.

<http://www.irs.gov/pub/irs-pdf/f1098c.pdf>

**Ohio Conference of SDA**

# **Treasurers' Manual**

**Section 7**

**Courtesy Payroll**



June 6, 2013

# Ohio Conference of Seventh-day Adventists

## Payroll Procedures

### **Introduction:**

Many churches, schools, community service centers, and day care centers find it necessary to hire and pay people to perform necessary functions on a regular basis, such as cleaning/janitorial, secretarial/administrative, treasury, child care-giving, teacher's aide, etc. In the eyes of the law and for liability purposes, all people getting paid for work at local church entities are seen as employees of the parent organization—the Ohio Conference.

Because of this, it is imperative that the Ohio Conference provides input and approval throughout the hiring process. The Conference must also perform all payroll processing services for local employees, even though their pay is ultimately funded by the local entity. This ensures all applicable taxes are withheld and remitted to federal, state, and local tax entities, and that all organizations are adhering to U.S. Dept. of Labor laws.

The exceptions to the above requirements are contractors who have a business license and their own liability insurance. These are companies who perform occasional services to churches, such as heating/air conditioning servicing, piano tuning, or who provide janitorial service or lawn care for the church/school as one of many other clients they regularly perform the same work for.

The following steps outline the process local entities should follow when hiring employees:

### **Step 1**

- Determine position desired and summary of duties.
- Propose remuneration and calculate budget estimate for total cost to local entity.
- Submit proposal to Ohio Conference for approval of pay classification and verification of benefit eligibility.
- Local entity commits to fund the costs for remuneration and benefits, and receives approval by its governing board.

### **Step 2**

#### **Local Facility will:**

- Have applicants complete application form.
- Interview candidates for position.
- Conduct reference checks.
- Submit background check authorization to Conference for processing.

### **Step 3**

#### **Ohio Conference will:**

- Conduct background check of selected applicant.
- Approve or not approve hiring of candidate.

### **Step 4**

#### **Local Facility will:**

- Be responsible for correctly completing all employment forms and submitting to the Conference.
- Establish process for employee to report his/her time (handwrite time sheet, time clock, or online/iPhone punch in/out).
- Approve and submit time sheet to Conference by the 20<sup>th</sup> of each month (see time-keeping procedures for details).

## **Step 5**

### **Ohio Conference will:**

- Process payments to the employee on approximately the 28<sup>th</sup> of each month.
- Submit payments of all federal, state, and local taxes within required time deadlines.
- Submit payments of contributions for retirement and life insurance as applicable.
- Invoice local entity the first week of the following month for all payroll costs:
  - Wages (Salary or Hourly Rate x Hours)
  - Employer FICA (Social Security 6.2% & Medicare 1.45%)
  - Worker's Compensation (cost varies depending upon classification)
  - Retirement (at least 5%, and a max of 8% if matching employee contribution)
  - Long Term Disability (current rate is .381%)
  - Basic Life Insurance (current fixed rate is \$14.15/mo)
  - Healthcare (current rate of \$900/mo)
  - Background Check (\$7.00 or more depending on type required)
- Process W2 forms at the end of each year for employee tax filing.

## **Employment Forms to Complete:**

### **By Employer & Employee**

- New Employee Information
- I-9 Employment Authorization
  - The I-9 must be completed within three (3) days of the date indicated as the employment start date. This form must be completed with the employee in person, and signed by employer as the local church/school representative of the Ohio Conference.
  - Copies of verifying documents, such as driver's license, social security card or passport must be attached to the form when sent to the Ohio Conference.

### **By Employee**

- Background Check
  - All employees are required to submit to a background check prior to start date. The local employer will be billed a small fee for the processing costs. Teacher's Assistants, Teacher's Subs, or any other person working around children must complete a National FBI background check, including fingerprinting, prior to their employment start date. Each school has the necessary information for how to process the national background check
- Federal W-4
- Ohio State IT-4
- Ohio New Hire Reporting
- Direct Deposit
- Retirement Salary Reduction Agreement (if eligible)
- Health Care Enrollment (if eligible)
- Life Insurance Enrollment (if eligible)

## **Hourly Time-keeping Options:**

- Handwritten hourly report form
- uAttend online time-keeping system – contact payroll department for instructions and to get set up.

# Employee Cost Examples

## Part Time (10 Hrs/Wk)

Part-time Custodians	Mathew	Mark	Luke	John
Hourly Rate	\$7.25	\$10.00	\$12.00	\$15.00
x # of Hours	10	10	10	10
<b>= Wages per week</b>	<b>\$72.50</b>	<b>\$100.00</b>	<b>\$120.00</b>	<b>\$150.00</b>
Social Security (6.2%)	4.50	6.20	7.44	9.30
Medicare (1.45%)	1.05	1.45	1.74	2.18
Worker's Comp (.022005)	1.60	2.20	2.64	3.30
<b>Total Cost per Week</b>	<b>\$79.64</b>	<b>\$109.85</b>	<b>\$131.82</b>	<b>\$164.78</b>
Total Cost for 52 weeks	\$4,141.36	\$5,712.23	\$6,854.67	\$8,568.34
<b>Total Cost each Month</b>	<b>\$345.11</b>	<b>\$476.02</b>	<b>\$571.22</b>	<b>\$714.03</b>

## Full Time (38 Hrs/Wk)

Full-time Custodians	Mathew	Mark	Luke	John
Hourly Rate	\$7.25	\$10.00	\$12.00	\$15.00
x # of Hours	38	38	38	38
<b>= Wages per week</b>	<b>\$275.50</b>	<b>\$380.00</b>	<b>\$456.00</b>	<b>\$570.00</b>
Social Security (6.2%)	17.08	23.56	28.27	35.34
Medicare (1.45%)	3.99	5.51	6.61	8.27
Worker's Comp (.022005)	6.06	8.36	10.03	12.54
Retirement (8%)	22.04	30.40	36.48	45.60
Long Term Disability (.381%)	1.05	1.45	1.74	2.17
Monthly costs:				
Basic Life Ins	14.15	14.15	14.15	14.15
Health Care Plan	900.00	900.00	900.00	900.00
Total Cost for 52 weeks	\$27,907.64	\$34,332.34	\$39,004.85	\$46,013.62
<b>Total Cost each Month</b>	<b>\$2,325.64</b>	<b>\$2,861.03</b>	<b>\$3,250.40</b>	<b>\$3,834.47</b>



## APPLICATION FOR EMPLOYMENT Ohio Conference of Seventh-day Adventists



**Thank you for your interest in employment at the Ohio Conference**

The Ohio Conference, is committed to Equal Employment Opportunity in its hiring practices, and does not discriminate on the basis of race, color, sex, age, national origin or marital status. Because of the religious nature of our mission, we do, however, give preference to hiring members of the Seventh-day Adventist faith. The Ohio Conference exercises this practice as a legal and constitutional provision granted to religious institutions (RCW 49.60).

To assist us in processing your application, please check one of the following:

I am a member of the Seventh-day Adventist Church in good and regular standing.

Name of church that holds your membership \_\_\_\_\_

City where church is located \_\_\_\_\_ Pastor's name \_\_\_\_\_

I am not a member of the Seventh-day Adventist Church. I understand that Ohio Conference reserves the right to hire a church member who may be lesser qualified. I also understand that if I am hired, I will respect the beliefs of the church in duties related to my position.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**PERSONAL INFORMATION** (please print)

Name \_\_\_\_\_  
(Last) (First) (Middle Initial)

Have you used any other names for education, employment or other purposes?  Yes  No If yes, please state all names, dates used and reasons: \_\_\_\_\_

Present address \_\_\_\_\_  
(Street) (City) (State) (Zip)

Telephone No. Home: (\_\_\_\_\_) \_\_\_\_\_ Other: (\_\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_

Do you read, speak or write any language other than English?  Yes  No Which ones? \_\_\_\_\_

Name of school/church/organization where you wish to work \_\_\_\_\_

Position(s) you would like to be considered for \_\_\_\_\_

If hired, on what date will you be available to start work? \_\_\_\_\_

Are you able to perform the duties of the position for which you are applying with or without accommodation?  Yes  No

Do you have the legal right to work in the United States?  Yes  No

Can you provide the requisite documentation to verify this right?  Yes  No

Appropriate work authorization (I-9 Proof of eligibility to work) will be required upon offer and acceptance of employment

**PERSONAL REFERENCES - Excluding former employers or relatives**

Name and Occupation	Address	Phone Number
1.		
2.		
3.		

**EDUCATIONAL BACKGROUND**

Type of school	Name and Address	How many years attended	Graduated	Major/Degree
High School			__ Yes __ No	
College			__ Yes __ No	
Post Graduate			__ Yes __ No	
Business/ Trade/ Other			__ Yes __ No	

Do you have professional, vocational or other licenses or certificates that relate to the position for which you are applying?  Yes  No  
 If yes, please provide information on license/certificate, issuing authority/organization, date issued, license number and expiration date: \_\_\_\_\_

Has your license or certificate ever been denied, revoked, suspended or curtailed?  Yes  No If yes, please explain action taken and reason: \_\_\_\_\_

Equipment/Computer software skills: \_\_\_\_\_

**EMPLOYMENT RECORD** (List employment, volunteer work and unemployment for the past 10 yrs. List in order with present employer first.)

Employer	Job Title	Employment Status <input type="checkbox"/> F/T <input type="checkbox"/> P/T <input type="checkbox"/> On call <input type="checkbox"/> Vol
Address	Duties	
Phone	Supervisor	Skills/Licenses
Dates employed _____ to _____	Base salary or wage Start _____ End _____	Reason(s) for leaving

Employer	Job Title	Employment Status <input type="checkbox"/> F/T <input type="checkbox"/> P/T <input type="checkbox"/> On call <input type="checkbox"/> Vol
Address	Duties	
Phone	Supervisor	Skills/Licenses
Dates employed _____ to _____	Base salary or wage Start _____ End _____	Reason(s) for leaving

Employer	Job Title	Employment Status <input type="checkbox"/> F/T <input type="checkbox"/> P/T <input type="checkbox"/> On call <input type="checkbox"/> Vol
Address	Duties	
Phone	Supervisor	Skills/Licenses
Dates employed _____ to _____	Base salary or wage Start _____ End _____	Reason(s) for leaving

Employer	Job Title	Employment Status <input type="checkbox"/> F/T <input type="checkbox"/> P/T <input type="checkbox"/> On call <input type="checkbox"/> Vol
Address	Duties	
Phone	Supervisor	Skills/Licenses
Dates employed _____ to _____	Base salary or wage Start _____ End _____	Reason(s) for leaving

Have you ever been terminated from employment or asked to resign by any employer?  Yes  No If yes, provide complete information on employer, dates, action taken and reason: \_\_\_\_\_



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**CRIMINAL HISTORY**

Have you ever been convicted of, pled guilty to or received any form of probation or suspended sentence for any criminal offense (misdemeanors and felonies), excluding minor traffic violations? \_\_\_\_\_ Yes \_\_\_\_\_ No If yes, describe in full, including dates, criminal offenses, location (city and state) and disposition: \_\_\_\_\_

Are you currently on probation or suspended for any criminal offense? \_\_\_\_\_ Yes \_\_\_\_\_ No If yes, describe in full (use another sheet, if necessary), including criminal offense(s), current status, expected date of completion and the name(s) and telephone number(s) of the probation or parole officer or other person or persons to whom you report: \_\_\_\_\_

Have you EVER been (formally or informally) accused, charged, convicted, pled guilty, or pled no contest to any act of unlawful sexual conduct, child abuse and/or child sexual abuse? \_\_\_\_\_ Yes \_\_\_\_\_ No If yes, please explain in full (use another sheet, if necessary): \_\_\_\_\_

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**CERTIFICATION AND ACKNOWLEDGMENT**

I understand that I may be asked to take job-related written tests and skill tests (if applicable) for the job position for which I am applying. If I decline to be tested, I understand that I will not be further considered for employment.

I understand that if employed I must complete an I-9 form and provide satisfactory proof of my identity and legal authority to work in the United States.

I hereby certify that all of the information on this employment application and any resume or exhibit is true, correct and complete. I have not withheld any information requested on this application. I understand that false, misleading, incomplete or omitted information on this application or my resume will result in disqualification for employment or, if I am hired, dismissal from employment. I authorize the employing organization and its agents to confirm information supplied on this application and my resume and to investigate my suitability for employment. I agree to furnish additional information if requested. If employed, I agree to conform to the policies and standards of the employing organization.

Applicant's signature: \_\_\_\_\_ Date: \_\_\_\_\_

**EMPLOYMENT AT WILL**

I understand that this employment application is not an offer of employment with the Ohio Conference. The employment relationship between the Ohio Conference and employees is based upon mutual consent for an indefinite time period.

I expressly acknowledge further that neither any verbal communication nor any written communication made to me during the application and/or interview process or during my employment with the Ohio Conference, nor any provision in the employee handbook constitutes the terms of an implied employment agreement. In consideration of any employment offered, I specifically agree that my employment may be terminated, with or without cause or notice, at any time, at the option of either the Ohio Conference or myself. I understand that only Human Resources or the Personnel Committee may enter into any other agreement for my employment with the Ohio Conference or make any agreement with me contrary to the foregoing.

Applicant's signature: \_\_\_\_\_ Date: \_\_\_\_\_

**RELEASE OF INFORMATION AND LIABILITY**

I expressly agree that my prior employer(s), current employer(s), and personal references may be contacted for the purpose of investigating my background, and I understand that information regarding my prior and current employment(s) may be used by the Ohio Conference in considering this Application. I authorize the Ohio Conference to review and use information about me that is available on the Internet. I understand that this authorization does not include a consumer report under the federal Fair Credit Reporting Act. If the Ohio Conference conducts a consumer report about me under the federal Fair Credit Reporting Act, I understand that I will receive a separate notice and authorization. I further agree to cooperate fully in acquiring any requested information.

I release all parties and persons from any claims, liabilities and damages that may result from requesting or furnishing information about me to the employing organization, as well as from using such information in considering my employment application.

Applicant's signature: \_\_\_\_\_ Date: \_\_\_\_\_

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**APPLICATION PROCESS**

The applicants to be interviewed will be contacted by the Ohio Conference. Applications will be considered for 180 days following their submission. Applicants who desire to apply for another job position, or who desire to reapply for a job position, must submit a new application form to the Ohio Conference.

CONFIDENTIAL

Background Check Authorization

Name (please print): (First) (Middle) (Last)

Former Last Name(s), if applicable:

Current Address: (Since what date) Street:

City: State: Zip:

Previous Address: (Since what date) (Street) (City) (State) (Zip)

Sex: M F Telephone:

Email:

Date of Birth: Social Security Number:

Driver's License Number: (Number) (State)

The information contained in this application is correct to the best of my knowledge. I hereby authorize the Ohio Conference of Seventh-day Adventists and its designated agents and representatives to conduct a comprehensive review of my background causing a consumer report and/or an investigative consumer report to be generated for employment and/or volunteer purposes. I understand that the scope of the consumer report/ investigative consumer report may include, but is not limited to the following areas: verification of social security number, current and previous residences, character references, drug testing, civil and criminal history records from any criminal justice agency in any or all federal, state, county jurisdictions, driving records, birth records, and any other public records.

I further authorize any individual, company, firm, corporation, or public agency (including the Social Security Administration and law enforcement agencies) to divulge any and all information, verbal or written, pertaining to me, to the Ohio Conference of Seventh-day Adventists or its agents.

I further authorize the complete release of any records or data pertaining to me which the individual, company, firm, corporation, or public agency may have, to include information or data received from other sources.

The Ohio Conference of Seventh-day Adventists and its designated agents and representatives shall maintain all information received from this authorization in a confidential manner in order to protect the applicants personal information, including, but not limited to, addresses, social security numbers, and dates of birth.

Signature: Date:

Member of Church/School/Ministry:

Send completed form to: Ruth Ann Van Nostrand Ohio Conference of SDA, PO Box 1230, Mount Vernon, OH 43050

**Ohio Conference of Seventh-day Adventists**  
**New Employee Information for Locally-funded Employees**

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Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip: \_\_\_\_\_

Phone # \_\_\_\_\_ Cell # \_\_\_\_\_

Email \_\_\_\_\_

Name of Funding Church or School \_\_\_\_\_

**JOB INFORMATION**

Job Title \_\_\_\_\_ Work Location: \_\_\_\_\_

Pay Rate: (pick one)  Hourly Rate: \_\_\_\_\_/hour (Minimum wage is \$7.85/hr)

Salary Rate: \_\_\_\_\_/month (Minimum wage is \$1,972/mo)

Substitute Teacher, (daily rates determined by education level of sub teacher)  
4 yr College Degree?  Yes  No

Start Date \_\_\_\_\_ Background Check Completed \_\_\_\_\_ (date)  
(Please do not use a date that has already passed)

Benefit Eligibility: \_\_\_\_\_ expected hours/wk, or \_\_\_\_\_ % full-time

If employee is over age 20 and works more than 19 hours per week on a regular basis, he/she is eligible for employer contribution to retirement.

If 100% full-time or at least 38 hrs/wk, full-time benefits apply and are charged to the local entity:

- Healthcare Benefits
- Employer Contribution to Retirement
- Basic Life Insurance
- Long-term Disability
- Other optional insurances

**Person(s) authorized to approve hourly time sheets and be contacted for payroll matters.**

Primary Supervisor: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Secondary Supervisor: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_

*I hereby verify that the hiring of this employee has been approved by our governing board and all payroll costs incurred, including salary, benefits, and employer taxes, will be remitted to the Ohio Conference.*

Authorizing Signature \_\_\_\_\_ Date \_\_\_\_\_

Pastor/Principal/Church or School Treasurer

Mail/Fax/Email to: Ohio Conference Payroll Dept.  
PO Box 1230, Mount Vernon, OH 43050  
Fax: 740-397-1648 Email: [nancy@ohioadventist.org](mailto:nancy@ohioadventist.org)



# Instructions for Employment Eligibility Verification

Department of Homeland Security  
U.S. Citizenship and Immigration Services

USCIS  
Form I-9  
OMB No. 1615-0047  
Expires 03/31/2016

**Read all instructions carefully before completing this form.**

**Anti-Discrimination Notice.** It is illegal to discriminate against any work-authorized individual in hiring, discharge, recruitment or referral for a fee, or in the employment eligibility verification (Form I-9 and E-Verify) process based on that individual's citizenship status, immigration status or national origin. Employers **CANNOT** specify which document(s) they will accept from an employee. The refusal to hire an individual because the documentation presented has a future expiration date may also constitute illegal discrimination. For more information, call the Office of Special Counsel for Immigration-Related Unfair Employment Practices (OSC) at 1-800-255-7688 (employees), 1-800-255-8155 (employers), or 1-800-237-2515 (TDD), or visit [www.justice.gov/crt/about/osc](http://www.justice.gov/crt/about/osc).

## What Is the Purpose of This Form?

Employers must complete Form I-9 to document verification of the identity and employment authorization of each new employee (both citizen and noncitizen) hired after November 6, 1986, to work in the United States. In the Commonwealth of the Northern Mariana Islands (CNMI), employers must complete Form I-9 to document verification of the identity and employment authorization of each new employee (both citizen and noncitizen) hired after November 27, 2011. Employers should have used Form I-9 CNMI between November 28, 2009 and November 27, 2011.

## General Instructions

Employers are responsible for completing and retaining Form I-9. For the purpose of completing this form, the term "employer" means all employers, including those recruiters and referrers for a fee who are agricultural associations, agricultural employers, or farm labor contractors.

Form I-9 is made up of three sections. Employers may be fined if the form is not complete. Employers are responsible for retaining completed forms. Do not mail completed forms to U.S. Citizenship and Immigration Services (USCIS) or Immigration and Customs Enforcement (ICE).

## Section 1. Employee Information and Attestation

Newly hired employees must complete and sign Section 1 of Form I-9 **no later than the first day of employment**. Section 1 should never be completed before the employee has accepted a job offer.

Provide the following information to complete Section 1:

**Name:** Provide your full legal last name, first name, and middle initial. Your last name is your family name or surname. If you have two last names or a hyphenated last name, include both names in the last name field. Your first name is your given name. Your middle initial is the first letter of your second given name, or the first letter of your middle name, if any.

**Other names used:** Provide all other names used, if any (including maiden name). If you have had no other legal names, write "N/A."

**Address:** Provide the address where you currently live, including Street Number and Name, Apartment Number (if applicable), City, State, and Zip Code. Do not provide a post office box address (P.O. Box). Only border commuters from Canada or Mexico may use an international address in this field.

**Date of Birth:** Provide your date of birth in the mm/dd/yyyy format. For example, January 23, 1950, should be written as 01/23/1950.

**U.S. Social Security Number:** Provide your 9-digit Social Security number. Providing your Social Security number is voluntary. However, if your employer participates in E-Verify, you must provide your Social Security number.

**E-mail Address and Telephone Number (Optional):** You may provide your e-mail address and telephone number. Department of Homeland Security (DHS) may contact you if DHS learns of a potential mismatch between the information provided and the information in DHS or Social Security Administration (SSA) records. You may write "N/A" if you choose not to provide this information.

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All employees must attest in Section 1, under penalty of perjury, to their citizenship or immigration status by checking one of the following four boxes provided on the form:

1. **A citizen of the United States**
2. **A noncitizen national of the United States:** Noncitizen nationals of the United States are persons born in American Samoa, certain former citizens of the former Trust Territory of the Pacific Islands, and certain children of noncitizen nationals born abroad.
3. **A lawful permanent resident:** A lawful permanent resident is any person who is not a U.S. citizen and who resides in the United States under legally recognized and lawfully recorded permanent residence as an immigrant. The term "lawful permanent resident" includes conditional residents. If you check this box, write either your Alien Registration Number (A-Number) or USCIS Number in the field next to your selection. At this time, the USCIS Number is the same as the A-Number without the "A" prefix.
4. **An alien authorized to work:** If you are not a citizen or national of the United States or a lawful permanent resident, but are authorized to work in the United States, check this box.

If you check this box:

- a. Record the date that your employment authorization expires, if any. Aliens whose employment authorization does not expire, such as refugees, asylees, and certain citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or Palau, may write "N/A" on this line.
- b. Next, enter your Alien Registration Number (A-Number)/USCIS Number. At this time, the USCIS Number is the same as your A-Number without the "A" prefix. If you have not received an A-Number/USCIS Number, record your Admission Number. You can find your Admission Number on Form I-94, "Arrival-Departure Record," or as directed by USCIS or U.S. Customs and Border Protection (CBP).
  - (1) If you obtained your admission number from CBP in connection with your arrival in the United States, then also record information about the foreign passport you used to enter the United States (number and country of issuance).
  - (2) If you obtained your admission number from USCIS *within the United States*, or you entered the United States without a foreign passport, you must write "N/A" in the Foreign Passport Number and Country of Issuance fields.

Sign your name in the "Signature of Employee" block and record the date you completed and signed Section 1. By signing and dating this form, you attest that the citizenship or immigration status you selected is correct and that you are aware that you may be imprisoned and/or fined for making false statements or using false documentation when completing this form. To fully complete this form, you must present to your employer documentation that establishes your identity and employment authorization. Choose which documents to present from the Lists of Acceptable Documents, found on the last page of this form. You must present this documentation no later than the third day after beginning employment, although you may present the required documentation before this date.

#### **Preparer and/or Translator Certification**

The Preparer and/or Translator Certification must be completed if the employee requires assistance to complete Section 1 (e.g., the employee needs the instructions or responses translated, someone other than the employee fills out the information blocks, or someone with disabilities needs additional assistance). The employee must still sign Section 1.

#### **Minors and Certain Employees with Disabilities (Special Placement)**

Parents or legal guardians assisting minors (individuals under 18) and certain employees with disabilities should review the guidelines in the *Handbook for Employers: Instructions for Completing Form I-9 (M-274)* on [www.uscis.gov/I-9Central](http://www.uscis.gov/I-9Central) before completing Section 1. These individuals have special procedures for establishing identity if they cannot present an identity document for Form I-9. The special procedures include (1) the parent or legal guardian filling out Section 1 and writing "minor under age 18" or "special placement," whichever applies, in the employee signature block; and (2) the employer writing "minor under age 18" or "special placement" under List B in Section 2.

## Section 2. Employer or Authorized Representative Review and Verification

Before completing Section 2, employers must ensure that Section 1 is completed properly and on time. Employers may not ask an individual to complete Section 1 before he or she has accepted a job offer.

Employers or their authorized representative must complete Section 2 by examining evidence of identity and employment authorization within 3 business days of the employee's first day of employment. For example, if an employee begins employment on Monday, the employer must complete Section 2 by Thursday of that week. However, if an employer hires an individual for less than 3 business days, Section 2 must be completed no later than the first day of employment. An employer may complete Form I-9 before the first day of employment if the employer has offered the individual a job and the individual has accepted.

Employers cannot specify which document(s) employees may present from the Lists of Acceptable Documents, found on the last page of Form I-9, to establish identity and employment authorization. Employees must present one selection from List A **OR** a combination of one selection from List B and one selection from List C. List A contains documents that show both identity and employment authorization. Some List A documents are combination documents. The employee must present combination documents together to be considered a List A document. For example, a foreign passport and a Form I-94 containing an endorsement of the alien's nonimmigrant status must be presented together to be considered a List A document. List B contains documents that show identity only, and List C contains documents that show employment authorization only. If an employee presents a List A document, he or she should **not** present a List B and List C document, and vice versa. If an employer participates in E-Verify, the List B document must include a photograph.

In the field below the Section 2 introduction, employers must enter the last name, first name and middle initial, if any, that the employee entered in Section 1. This will help to identify the pages of the form should they get separated.

Employers or their authorized representative must:

1. Physically examine each original document the employee presents to determine if it reasonably appears to be genuine and to relate to the person presenting it. The person who examines the documents must be the same person who signs Section 2. The examiner of the documents and the employee must both be physically present during the examination of the employee's documents.
2. Record the document title shown on the Lists of Acceptable Documents, issuing authority, document number and expiration date (if any) from the original document(s) the employee presents. You may write "N/A" in any unused fields.  
  
If the employee is a student or exchange visitor who presented a foreign passport with a Form I-94, the employer should also enter in Section 2:
  - a. The student's Form I-20 or DS-2019 number (Student and Exchange Visitor Information System-SEVIS Number); **and** the program end date from Form I-20 or DS-2019.
3. Under Certification, enter the employee's first day of employment. Temporary staffing agencies may enter the first day the employee was placed in a job pool. Recruiters and recruiters for a fee do not enter the employee's first day of employment.
4. Provide the name and title of the person completing Section 2 in the Signature of Employer or Authorized Representative field.
5. Sign and date the attestation on the date Section 2 is completed.
6. Record the employer's business name and address.
7. Return the employee's documentation.

Employers may, but are not required to, photocopy the document(s) presented. If photocopies are made, they should be made for **ALL** new hires or reverifications. Photocopies must be retained and presented with Form I-9 in case of an inspection by DHS or other federal government agency. Employers must always complete Section 2 even if they photocopy an employee's document(s). Making photocopies of an employee's document(s) cannot take the place of completing Form I-9. Employers are still responsible for completing and retaining Form I-9.

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## Unexpired Documents

Generally, only unexpired, original documentation is acceptable. The only exception is that an employee may present a certified copy of a birth certificate. Additionally, in some instances, a document that appears to be expired may be acceptable if the expiration date shown on the face of the document has been extended, such as for individuals with temporary protected status. Refer to the *Handbook for Employers: Instructions for Completing Form I-9 (M-274)* or I-9 Central ([www.uscis.gov/I-9Central](http://www.uscis.gov/I-9Central)) for examples.

## Receipts

If an employee is unable to present a required document (or documents), the employee can present an acceptable receipt in lieu of a document from the Lists of Acceptable Documents on the last page of this form. Receipts showing that a person has applied for an initial grant of employment authorization, or for renewal of employment authorization, are not acceptable. Employers cannot accept receipts if employment will last less than 3 days. Receipts are acceptable when completing Form I-9 for a new hire or when reverification is required.

Employees must present receipts within 3 business days of their first day of employment, or in the case of reverification, by the date that reverification is required, and must present valid replacement documents within the time frames described below.

There are three types of acceptable receipts:

1. A receipt showing that the employee has applied to replace a document that was lost, stolen or damaged. The employee must present the actual document within 90 days from the date of hire.
2. The arrival portion of Form I-94/I-94A with a temporary I-551 stamp and a photograph of the individual. The employee must present the actual Permanent Resident Card (Form I-551) by the expiration date of the temporary I-551 stamp, or, if there is no expiration date, within 1 year from the date of issue.
3. The departure portion of Form I-94/I-94A with a refugee admission stamp. The employee must present an unexpired Employment Authorization Document (Form I-766) or a combination of a List B document and an unrestricted Social Security card within 90 days.

When the employee provides an acceptable receipt, the employer should:

1. Record the document title in Section 2 under the sections titled List A, List B, or List C, as applicable.
2. Write the word "receipt" and its document number in the "Document Number" field. Record the last day that the receipt is valid in the "Expiration Date" field.

By the end of the receipt validity period, the employer should:

1. Cross out the word "receipt" and any accompanying document number and expiration date.
2. Record the number and other required document information from the actual document presented.
3. Initial and date the change.

See the *Handbook for Employers: Instructions for Completing Form I-9 (M-274)* at [www.uscis.gov/I-9Central](http://www.uscis.gov/I-9Central) for more information on receipts.

## Section 3. Reverification and Rehires

Employers or their authorized representatives should complete Section 3 when reverifying that an employee is authorized to work. When rehiring an employee within 3 years of the date Form I-9 was originally completed, employers have the option to complete a new Form I-9 or complete Section 3. When completing Section 3 in either a reverification or rehire situation, if the employee's name has changed, record the name change in Block A.

For employees who provide an employment authorization expiration date in Section 1, employers must reverify employment authorization on or before the date provided.

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Some employees may write "N/A" in the space provided for the expiration date in Section 1 if they are aliens whose employment authorization does not expire (e.g., asylees, refugees, certain citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or Palau). Reverification does not apply for such employees unless they chose to present evidence of employment authorization in Section 2 that contains an expiration date and requires reverification, such as Form I-766, Employment Authorization Document.

Reverification applies if evidence of employment authorization (List A or List C document) presented in Section 2 expires. However, employers should not reverify:

1. U.S. citizens and noncitizen nationals; or
2. Lawful permanent residents who presented a Permanent Resident Card (Form I-551) for Section 2.

Reverification does not apply to List B documents.

If both Section 1 and Section 2 indicate expiration dates triggering the reverification requirement, the employer should reverify by the earlier date.

For reverification, an employee must present unexpired documentation from either List A or List C showing he or she is still authorized to work. Employers CANNOT require the employee to present a particular document from List A or List C. The employee may choose which document to present.

To complete Section 3, employers should follow these instructions:

1. Complete Block A if an employee's name has changed at the time you complete Section 3.
2. Complete Block B with the date of rehire if you rehire an employee within 3 years of the date this form was originally completed, and the employee is still authorized to be employed on the same basis as previously indicated on this form. Also complete the "Signature of Employer or Authorized Representative" block.
3. Complete Block C if:
  - a. The employment authorization or employment authorization document of a current employee is about to expire and requires reverification; or
  - b. You rehire an employee within 3 years of the date this form was originally completed and his or her employment authorization or employment authorization document has expired. (Complete Block B for this employee as well.)

To complete Block C:

- a. Examine either a List A or List C document the employee presents that shows that the employee is currently authorized to work in the United States; and
  - b. Record the document title, document number, and expiration date (if any).
4. After completing block A, B or C, complete the "Signature of Employer or Authorized Representative" block, including the date.

For reverification purposes, employers may either complete Section 3 of a new Form I-9 or Section 3 of the previously completed Form I-9. Any new pages of Form I-9 completed during reverification must be attached to the employee's original Form I-9. If you choose to complete Section 3 of a new Form I-9, you may attach just the page containing Section 3, with the employee's name entered at the top of the page, to the employee's original Form I-9. If there is a more current version of Form I-9 at the time of reverification, you must complete Section 3 of that version of the form.

### **What Is the Filing Fee?**

There is no fee for completing Form I-9. This form is not filed with USCIS or any government agency. Form I-9 must be retained by the employer and made available for inspection by U.S. Government officials as specified in the "USCIS Privacy Act Statement" below.

### **USCIS Forms and Information**

For more detailed information about completing Form I-9, employers and employees should refer to the *Handbook for Employers: Instructions for Completing Form I-9 (M-274)*.



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You can also obtain information about Form I-9 from the USCIS Web site at [www.uscis.gov/I-9Central](http://www.uscis.gov/I-9Central), by e-mailing USCIS at [I-9Central@dhs.gov](mailto:I-9Central@dhs.gov), or by calling 1-888-464-4218. For TDD (hearing impaired), call 1-877-875-6028.

To obtain USCIS forms or the *Handbook for Employers*, you can download them from the USCIS Web site at [www.uscis.gov/forms](http://www.uscis.gov/forms). You may order USCIS forms by calling our toll-free number at 1-800-870-3676. You may also obtain forms and information by contacting the USCIS National Customer Service Center at 1-800-375-5283. For TDD (hearing impaired), call 1-800-767-1833.

Information about E-Verify, a free and voluntary program that allows participating employers to electronically verify the employment eligibility of their newly hired employees, can be obtained from the USCIS Web site at [www.dhs.gov/E-Verify](http://www.dhs.gov/E-Verify), by e-mailing USCIS at [E-Verify@dhs.gov](mailto:E-Verify@dhs.gov) or by calling 1-888-464-4218. For TDD (hearing impaired), call 1-877-875-6028.

Employees with questions about Form I-9 and/or E-Verify can reach the USCIS employee hotline by calling 1-888-897-7781. For TDD (hearing impaired), call 1-877-875-6028.

### Photocopying and Retaining Form I-9

A blank Form I-9 may be reproduced, provided all sides are copied. The instructions and Lists of Acceptable Documents must be available to all employees completing this form. Employers must retain each employee's completed Form I-9 for as long as the individual works for the employer. Employers are required to retain the pages of the form on which the employee and employer enter data. If copies of documentation presented by the employee are made, those copies must also be kept with the form. Once the individual's employment ends, the employer must retain this form for either 3 years after the date of hire or 1 year after the date employment ended, whichever is later.

Form I-9 may be signed and retained electronically, in compliance with Department of Homeland Security regulations at 8 CFR 274a.2.

### USCIS Privacy Act Statement

**AUTHORITIES:** The authority for collecting this information is the Immigration Reform and Control Act of 1986, Public Law 99-603 (8 USC 1324a).

**PURPOSE:** This information is collected by employers to comply with the requirements of the Immigration Reform and Control Act of 1986. This law requires that employers verify the identity and employment authorization of individuals they hire for employment to preclude the unlawful hiring, or recruiting or referring for a fee, of aliens who are not authorized to work in the United States.

**DISCLOSURE:** Submission of the information required in this form is voluntary. However, failure of the employer to ensure proper completion of this form for each employee may result in the imposition of civil or criminal penalties. In addition, employing individuals knowing that they are unauthorized to work in the United States may subject the employer to civil and/or criminal penalties.

**ROUTINE USES:** This information will be used by employers as a record of their basis for determining eligibility of an employee to work in the United States. The employer will keep this form and make it available for inspection by authorized officials of the Department of Homeland Security, Department of Labor, and Office of Special Counsel for Immigration-Related Unfair Employment Practices.

### Paperwork Reduction Act

An agency may not conduct or sponsor an information collection and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. The public reporting burden for this collection of information is estimated at 35 minutes per response, including the time for reviewing instructions and completing and retaining the form. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to: U.S. Citizenship and Immigration Services, Regulatory Coordination Division, Office of Policy and Strategy, 20 Massachusetts Avenue NW, Washington, DC 20529-2140; OMB No. 1615-0047. **Do not mail your completed Form I-9 to this address.**



# Employment Eligibility Verification

Department of Homeland Security  
U.S. Citizenship and Immigration Services

USCIS  
Form I-9  
OMB No. 1615-0047  
Expires 03/31/2016

▶ **START HERE.** Read instructions carefully before completing this form. The instructions must be available during completion of this form.  
**ANTI-DISCRIMINATION NOTICE:** It is illegal to discriminate against work-authorized individuals. Employers **CANNOT** specify which document(s) they will accept from an employee. The refusal to hire an individual because the documentation presented has a future expiration date may also constitute illegal discrimination.

**Section 1. Employee Information and Attestation** (*Employees must complete and sign Section 1 of Form I-9 no later than the first day of employment, but not before accepting a job offer.*)

Last Name ( <i>Family Name</i> )		First Name ( <i>Given Name</i> )		Middle Initial	Other Names Used ( <i>if any</i> )	
Address ( <i>Street Number and Name</i> )			Apt. Number	City or Town		State Zip Code
Date of Birth ( <i>mm/dd/yyyy</i> )	U.S. Social Security Number [ ][ ]-[ ][ ]-[ ][ ][ ][ ]	E-mail Address			Telephone Number	

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following):

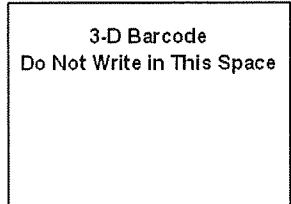
- A citizen of the United States
- A noncitizen national of the United States (*See instructions*)
- A lawful permanent resident (Alien Registration Number/USCIS Number): \_\_\_\_\_
- An alien authorized to work until (expiration date, if applicable, mm/dd/yyyy) \_\_\_\_\_. Some aliens may write "N/A" in this field. (*See instructions*)

For aliens authorized to work, provide your Alien Registration Number/USCIS Number OR Form I-94 Admission Number:

1. Alien Registration Number/USCIS Number: \_\_\_\_\_

OR

2. Form I-94 Admission Number: \_\_\_\_\_



If you obtained your admission number from CBP in connection with your arrival in the United States, include the following:

Foreign Passport Number: \_\_\_\_\_

Country of Issuance: \_\_\_\_\_

Some aliens may write "N/A" on the Foreign Passport Number and Country of Issuance fields. (*See instructions*)

Signature of Employee:	Date ( <i>mm/dd/yyyy</i> ):
------------------------	-----------------------------

**Preparer and/or Translator Certification** (*To be completed and signed if Section 1 is prepared by a person other than the employee.*)

I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.

Signature of Preparer or Translator:		Date ( <i>mm/dd/yyyy</i> ):	
Last Name ( <i>Family Name</i> )		First Name ( <i>Given Name</i> )	
Address ( <i>Street Number and Name</i> )		City or Town	State Zip Code



*Employer Completes Next Page*



**Section 2. Employer or Authorized Representative Review and Verification**

*(Employers or their authorized representative must complete and sign Section 2 within 3 business days of the employee's first day of employment. You must physically examine one document from List A OR examine a combination of one document from List B and one document from List C as listed on the "Lists of Acceptable Documents" on the next page of this form. For each document you review, record the following information: document title, issuing authority, document number, and expiration date, if any.)*

Employee Last Name, First Name and Middle Initial from Section 1:

List A Identify and Employment Authorization	OR	List B Identity	AND	List C Employment Authorization
Document Title:		Document Title:		Document Title:
Issuing Authority:		Issuing Authority:		Issuing Authority:
Document Number:		Document Number:		Document Number:
Expiration Date (if any)(mm/dd/yyyy):		Expiration Date (if any)(mm/dd/yyyy):		Expiration Date (if any)(mm/dd/yyyy):
Document Title:		<div style="border: 1px solid black; padding: 10px; width: fit-content; margin: auto;"> <p style="text-align: center;">3-D Barcode Do Not Write in This Space</p> </div>		
Issuing Authority:				
Document Number:				
Expiration Date (if any)(mm/dd/yyyy):				
Document Title:				
Issuing Authority:				
Document Number:				
Expiration Date (if any)(mm/dd/yyyy):				

**Certification**

I attest, under penalty of perjury, that (1) I have examined the document(s) presented by the above-named employee, (2) the above-listed document(s) appear to be genuine and to relate to the employee named, and (3) to the best of my knowledge the employee is authorized to work in the United States.

The employee's first day of employment (mm/dd/yyyy): \_\_\_\_\_ (See instructions for exemptions.)

Signature of Employer or Authorized Representative		Date (mm/dd/yyyy)	Title of Employer or Authorized Representative	
Last Name (Family Name)		First Name (Given Name)	Employer's Business or Organization Name	
Employer's Business or Organization Address (Street Number and Name)		City or Town	State	Zip Code

**Section 3. Reverification and Rehires (To be completed and signed by employer or authorized representative.)**

A. New Name (if applicable) Last Name (Family Name) First Name (Given Name) Middle Initial		B. Date of Rehire (if applicable) (mm/dd/yyyy):
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C. If employee's previous grant of employment authorization has expired, provide the information for the document from List A or List C the employee presented that establishes current employment authorization in the space provided below.

Document Title:	Document Number:	Expiration Date (if any)(mm/dd/yyyy):
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I attest, under penalty of perjury, that to the best of my knowledge, this employee is authorized to work in the United States, and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual.

Signature of Employer or Authorized Representative:	Date (mm/dd/yyyy):	Print Name of Employer or Authorized Representative:
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**LISTS OF ACCEPTABLE DOCUMENTS**  
**All documents must be UNEXPIRED**

Employees may present one selection from List A  
or a combination of one selection from List B and one selection from List C.

LIST A Documents that Establish Both Identity and Employment Authorization	OR	LIST B Documents that Establish Identity	AND	LIST C Documents that Establish Employment Authorization
1. U.S. Passport or U.S. Passport Card		1. Driver's license or ID card issued by a State or outlying possession of the United States provided it contains a photograph or information such as name, date of birth, gender, height, eye color, and address		1. A Social Security Account Number card, unless the card includes one of the following restrictions: (1) NOT VALID FOR EMPLOYMENT (2) VALID FOR WORK ONLY WITH INS AUTHORIZATION (3) VALID FOR WORK ONLY WITH DHS AUTHORIZATION
2. Permanent Resident Card or Alien Registration Receipt Card (Form I-551)		2. ID card issued by federal, state or local government agencies or entities, provided it contains a photograph or information such as name, date of birth, gender, height, eye color, and address		2. Certification of Birth Abroad issued by the Department of State (Form FS-545)
3. Foreign passport that contains a temporary I-551 stamp or temporary I-551 printed notation on a machine-readable immigrant visa		3. School ID card with a photograph		3. Certification of Report of Birth issued by the Department of State (Form DS-1350)
4. Employment Authorization Document that contains a photograph (Form I-766)		4. Voter's registration card		4. Original or certified copy of birth certificate issued by a State, county, municipal authority, or territory of the United States bearing an official seal
5. For a nonimmigrant alien authorized to work for a specific employer because of his or her status: a. Foreign passport; and b. Form I-94 or Form I-94A that has the following: (1) The same name as the passport; and (2) An endorsement of the alien's nonimmigrant status as long as that period of endorsement has not yet expired and the proposed employment is not in conflict with any restrictions or limitations identified on the form.		5. U.S. Military card or draft record		5. Native American tribal document
		6. Military dependent's ID card		6. U.S. Citizen ID Card (Form I-197)
		7. U.S. Coast Guard Merchant Mariner Card		7. Identification Card for Use of Resident Citizen in the United States (Form I-179)
		8. Native American tribal document		8. Employment authorization document issued by the Department of Homeland Security
		9. Driver's license issued by a Canadian government authority		
6. Passport from the Federated States of Micronesia (FSM) or the Republic of the Marshall Islands (RMI) with Form I-94 or Form I-94A indicating nonimmigrant admission under the Compact of Free Association Between the United States and the FSM or RMI		<b>For persons under age 18 who are unable to present a document listed above:</b>		
		10. School record or report card		
		11. Clinic, doctor, or hospital record		
	12. Day-care or nursery school record			

Illustrations of many of these documents appear in Part 8 of the Handbook for Employers (M-274).

Refer to Section 2 of the instructions, titled "Employer or Authorized Representative Review and Verification," for more information about acceptable receipts.

# Form W-4 (2013)

**Purpose.** Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

**Exemption from withholding.** If you are exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2013 expires February 17, 2014. See Pub. 505, Tax Withholding and Estimated Tax.

**Note.** If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds \$1,000 and includes more than \$350 of unearned income (for example, interest and dividends).

**Basic instructions.** If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

**Head of household.** Generally, you can claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

**Tax credits.** You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 505 for information on converting your other credits into withholding allowances.

**Nonwage income.** If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity

income, see Pub. 505 to find out if you should adjust your withholding on Form W-4 or W-4P.

**Two earners or multiple jobs.** If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 505 for details.

**Nonresident alien.** If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

**Check your withholding.** After your Form W-4 takes effect, use Pub. 505 to see how the amount you are having withheld compares to your projected total tax for 2013. See Pub. 505, especially if your earnings exceed \$130,000 (Single) or \$180,000 (Married).

**Future developments.** Information about any future developments affecting Form W-4 (such as legislation enacted after we release it) will be posted at [www.irs.gov/w4](http://www.irs.gov/w4).

## Personal Allowances Worksheet (Keep for your records.)

<b>A</b>	Enter "1" for <b>yourself</b> if no one else can claim you as a dependent . . . . .	<b>A</b>	<u>      </u>
<b>B</b>	Enter "1" if: <span style="font-size: 2em; vertical-align: middle;">{</span> <ul style="list-style-type: none"> <li>• You are single and have only one job; or</li> <li>• You are married, have only one job, and your spouse does not work; or</li> <li>• Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less.</li> </ul>	<b>B</b>	<u>      </u>
<b>C</b>	Enter "1" for your <b>spouse</b> . But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.) . . . . .	<b>C</b>	<u>      </u>
<b>D</b>	Enter number of <b>dependents</b> (other than your spouse or yourself) you will claim on your tax return . . . . .	<b>D</b>	<u>      </u>
<b>E</b>	Enter "1" if you will file as <b>head of household</b> on your tax return (see conditions under <b>Head of household</b> above) . . . . .	<b>E</b>	<u>      </u>
<b>F</b>	Enter "1" if you have at least \$1,900 of <b>child or dependent care expenses</b> for which you plan to claim a credit . . . . .	<b>F</b>	<u>      </u>
<b>G</b>	<b>Child Tax Credit</b> (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information. <ul style="list-style-type: none"> <li>• If your total income will be less than \$65,000 (\$95,000 if married), enter "2" for each eligible child; then <b>less "1"</b> if you have three to six eligible children or <b>less "2"</b> if you have seven or more eligible children.</li> <li>• If your total income will be between \$65,000 and \$84,000 (\$95,000 and \$119,000 if married), enter "1" for each eligible child . . . . .</li> </ul>	<b>G</b>	<u>      </u>
<b>H</b>	Add lines A through G and enter total here. ( <b>Note.</b> This may be different from the number of exemptions you claim on your tax return.) ▶	<b>H</b>	<u>      </u>

For accuracy, complete all worksheets that apply. {

- If you plan to **itemize or claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
- If you are **single and have more than one job** or are **married and you and your spouse both work** and the combined earnings from all jobs exceed \$40,000 (\$10,000 if married), see the **Two-Earners/Multiple Jobs Worksheet** on page 2 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line H on line 5 of Form W-4 below.

----- Separate here and give Form W-4 to your employer. Keep the top part for your records. -----

Form <b>W-4</b> Department of the Treasury Internal Revenue Service	<h2 style="margin: 0;">Employee's Withholding Allowance Certificate</h2> <p style="margin: 0;">▶ <b>Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.</b></p>	OMB No. 1545-0074  <div style="font-size: 2em; font-weight: bold; margin: 0;">2013</div>										
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">1 Your first name and middle initial</td> <td style="width: 50%; border-bottom: 1px solid black;">Last name</td> </tr> <tr> <td colspan="2" style="border-bottom: 1px solid black;">Home address (number and street or rural route)</td> </tr> <tr> <td colspan="2" style="border-bottom: 1px solid black;">City or town, state, and ZIP code</td> </tr> </table>		1 Your first name and middle initial	Last name	Home address (number and street or rural route)		City or town, state, and ZIP code		<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">2 Your social security number</td> <td style="width: 50%; border-bottom: 1px solid black;">3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. <b>Note.</b> If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.</td> </tr> <tr> <td colspan="2" style="border-bottom: 1px solid black;">4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ▶ <input type="checkbox"/></td> </tr> </table>	2 Your social security number	3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. <b>Note.</b> If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.	4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ▶ <input type="checkbox"/>	
1 Your first name and middle initial	Last name											
Home address (number and street or rural route)												
City or town, state, and ZIP code												
2 Your social security number	3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. <b>Note.</b> If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.											
4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ▶ <input type="checkbox"/>												
5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2)		5 <u>      </u>										
6 Additional amount, if any, you want withheld from each paycheck . . . . .		6 \$ <u>      </u>										
7 I claim exemption from withholding for 2013, and I certify that I meet <b>both</b> of the following conditions for exemption. <ul style="list-style-type: none"> <li>• Last year I had a right to a refund of <b>all</b> federal income tax withheld because I had <b>no</b> tax liability, <b>and</b></li> <li>• This year I expect a refund of <b>all</b> federal income tax withheld because I expect to have <b>no</b> tax liability.</li> </ul> If you meet both conditions, write "Exempt" here . . . . . ▶		7 <u>      </u>										
Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.												
Employee's signature (This form is not valid unless you sign it.) ▶		Date ▶										
8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)		9 Office code (optional)										
10 Employer identification number (EIN)												

### Deductions and Adjustments Worksheet

**Note.** Use this worksheet *only* if you plan to itemize deductions or claim certain credits or adjustments to income.

- 1 Enter an estimate of your 2013 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 10% (7.5% if either you or your spouse was born before January 2, 1949) of your income, and miscellaneous deductions. For 2013, you may have to reduce your itemized deductions if your income is over \$300,000 and you are married filing jointly or are a qualifying widow(er); \$275,000 if you are head of household; \$250,000 if you are single and not head of household or a qualifying widow(er); or \$150,000 if you are married filing separately. See Pub. 505 for details. 1 \$ \_\_\_\_\_
- 2 Enter:  $\left\{ \begin{array}{l} \$12,200 \text{ if married filing jointly or qualifying widow(er)} \\ \$8,950 \text{ if head of household} \\ \$6,100 \text{ if single or married filing separately} \end{array} \right\}$  2 \$ \_\_\_\_\_
- 3 Subtract line 2 from line 1. If zero or less, enter "-0-" 3 \$ \_\_\_\_\_
- 4 Enter an estimate of your 2013 adjustments to income and any additional standard deduction (see Pub. 505) 4 \$ \_\_\_\_\_
- 5 Add lines 3 and 4 and enter the total. (Include any amount for credits from the *Converting Credits to Withholding Allowances for 2013 Form W-4* worksheet in Pub. 505.) 5 \$ \_\_\_\_\_
- 6 Enter an estimate of your 2013 nonwage income (such as dividends or interest) 6 \$ \_\_\_\_\_
- 7 Subtract line 6 from line 5. If zero or less, enter "-0-" 7 \$ \_\_\_\_\_
- 8 Divide the amount on line 7 by \$3,900 and enter the result here. Drop any fraction 8 \_\_\_\_\_
- 9 Enter the number from the **Personal Allowances Worksheet**, line H, page 1 9 \_\_\_\_\_
- 10 Add lines 8 and 9 and enter the total here. If you plan to use the **Two-Earners/Multiple Jobs Worksheet**, also enter this total on line 1 below. Otherwise, **stop here** and enter this total on Form W-4, line 5, page 1 10 \_\_\_\_\_

### Two-Earners/Multiple Jobs Worksheet (See *Two earners or multiple jobs* on page 1.)

**Note.** Use this worksheet *only* if the instructions under line H on page 1 direct you here.

- 1 Enter the number from line H, page 1 (or from line 10 above if you used the **Deductions and Adjustments Worksheet**) 1 \_\_\_\_\_
- 2 Find the number in **Table 1** below that applies to the **LOWEST** paying job and enter it here. **However**, if you are married filing jointly and wages from the highest paying job are \$65,000 or less, do not enter more than "3" 2 \_\_\_\_\_
- 3 If line 1 is **more than or equal to** line 2, subtract line 2 from line 1. Enter the result here (if zero, enter "-0-") and on Form W-4, line 5, page 1. **Do not** use the rest of this worksheet 3 \_\_\_\_\_

**Note.** If line 1 is **less than** line 2, enter "-0-" on Form W-4, line 5, page 1. Complete lines 4 through 9 below to figure the additional withholding amount necessary to avoid a year-end tax bill.

- 4 Enter the number from line 2 of this worksheet 4 \_\_\_\_\_
- 5 Enter the number from line 1 of this worksheet 5 \_\_\_\_\_
- 6 Subtract line 5 from line 4 6 \_\_\_\_\_
- 7 Find the amount in **Table 2** below that applies to the **HIGHEST** paying job and enter it here 7 \$ \_\_\_\_\_
- 8 Multiply line 7 by line 6 and enter the result here. This is the additional annual withholding needed 8 \$ \_\_\_\_\_
- 9 Divide line 8 by the number of pay periods remaining in 2013. For example, divide by 25 if you are paid every two weeks and you complete this form on a date in January when there are 25 pay periods remaining in 2013. Enter the result here and on Form W-4, line 6, page 1. This is the additional amount to be withheld from each paycheck 9 \$ \_\_\_\_\_

**Table 1**

**Table 2**

Married Filing Jointly		All Others		Married Filing Jointly		All Others	
If wages from <b>LOWEST</b> paying job are—	Enter on line 2 above	If wages from <b>LOWEST</b> paying job are—	Enter on line 2 above	If wages from <b>HIGHEST</b> paying job are—	Enter on line 7 above	If wages from <b>HIGHEST</b> paying job are—	Enter on line 7 above
\$0 - \$5,000	0	\$0 - \$8,000	0	\$0 - \$72,000	\$590	\$0 - \$37,000	\$590
5,001 - 13,000	1	8,001 - 16,000	1	72,001 - 130,000	980	37,001 - 80,000	980
13,001 - 24,000	2	16,001 - 25,000	2	130,001 - 200,000	1,090	80,001 - 175,000	1,090
24,001 - 26,000	3	25,001 - 30,000	3	200,001 - 345,000	1,290	175,001 - 385,000	1,290
26,001 - 30,000	4	30,001 - 40,000	4	345,001 - 385,000	1,370	385,001 and over	1,540
30,001 - 42,000	5	40,001 - 50,000	5	385,001 and over	1,540		
42,001 - 48,000	6	50,001 - 70,000	6				
48,001 - 55,000	7	70,001 - 80,000	7				
55,001 - 65,000	8	80,001 - 95,000	8				
65,001 - 75,000	9	95,001 - 120,000	9				
75,001 - 85,000	10	120,001 and over	10				
85,001 - 97,000	11						
97,001 - 110,000	12						
110,001 - 120,000	13						
120,001 - 135,000	14						
135,001 and over	15						

**Privacy Act and Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. Internal Revenue Code sections 3402(f)(2) and 6109 and their regulations require you to provide this information; your employer uses it to determine your federal income tax withholding. Failure to provide a properly completed form will result in your being treated as a single person who claims no withholding allowances; providing fraudulent information may subject you to penalties. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation; to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws; and to the Department of Health and Human Services for use in the National Directory of New Hires. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

**Notice to Employee**

1. For state purposes, an individual may claim only natural dependency exemptions. This includes the taxpayer, spouse and each dependent. Dependents are the same as defined in the Internal Revenue Code and as claimed in the taxpayer's federal income tax return for the taxable year for which the taxpayer would have been permitted to claim had the taxpayer filed such a return.
2. You may file a new certificate at any time if the number of your exemptions **increases**.


You must file a new certificate within 10 days if the number of exemptions previously claimed by you **decreases** because:

- (a) Your spouse for whom you have been claiming exemption is divorced or legally separated, or claims her (or his) own exemption on a separate certificate.
- (b) The support of a dependent for whom you claimed exemption is taken over by someone else.
- (c) You find that a dependent for whom you claimed exemption must be dropped for federal purposes.

The death of a spouse or a dependent does not affect your withholding until the next year but requires the filing of a new certificate. If possible, file a new certificate by Dec. 1st of the year in which the death occurs.

For further information, consult the Ohio Department of Taxation, Personal and School District Income Tax Division, or your employer.

3. If you expect to owe more Ohio income tax than will be withheld, you may claim a smaller number of exemptions; or under an agreement with your employer, you may have an additional amount withheld each pay period.
4. A married couple with both spouses working and filing a joint return will, in many cases, be required to file an individual estimated income tax form IT 1040ES even though Ohio income tax is being withheld from their wages. This result may occur because the tax on their combined income will be greater than the sum of the taxes withheld from the husband's wages and the wife's wages. This requirement to file an individual estimated income tax form IT 1040ES may also apply to an individual who has two jobs, both of which are subject to withholding. In lieu of filing the individual estimated income tax form IT 1040ES, the individual may provide for additional withholding with his employer by using line 5.

 please detach here



Department of  
Taxation

**Employee's Withholding Exemption Certificate**

Print full name \_\_\_\_\_ Social Security number \_\_\_\_\_

Home address and ZIP code \_\_\_\_\_

Public school district of residence \_\_\_\_\_ School district no. \_\_\_\_\_  
(See *The Finder* at tax.ohio.gov.)

1. Personal exemption for yourself, enter "1" if claimed \_\_\_\_\_

2. If married, personal exemption for your spouse if not separately claimed (enter "1" if claimed) \_\_\_\_\_

3. Exemptions for dependents \_\_\_\_\_

4. Add the exemptions that you have claimed above and enter total \_\_\_\_\_

5. Additional withholding per pay period under agreement with employer \_\_\_\_\_ \$ \_\_\_\_\_

Under the penalties of perjury, I certify that the number of exemptions claimed on this certificate does not exceed the number to which I am entitled.

Signature \_\_\_\_\_ Date \_\_\_\_\_

# Ohio New Hire Reporting

Ohio Revised Code section 3121.89 to 3121.8910 requires all Ohio employers, both public and private, to report all contractors and newly hired, rehired, or returning to work employees to the state of Ohio within 20 days of the contract, hire, or rehire date. Information about new hire reporting and online reporting is available on our website: [www.oh-newhire.com](http://www.oh-newhire.com)

**Send completed forms to:**  
 Ohio New Hire Reporting Center  
 PO Box 15309  
 Columbus, OH 43215-0309  
 Fax: (614) 221-7088 or toll-free fax (888) 872-1611

To ensure the highest level of accuracy, please print neatly in capital letters and avoid contact with the edges of the boxes. The following will serve as an example:

A	B	C	1	2	3
---	---	---	---	---	---

EMPLOYER INFORMATION											
Federal Employer ID Number (FEIN) <i>(Please use the same FEIN as the listed employee's quarterly wages will be reported under):</i>											
Employer Name:											
O	H	I	O		C	O	N	F	E	R	E
Employer Address <i>(Please indicate the address where the Income Withholding Orders should be sent).</i>											
P	O		B	O	X		1	2	3	0	
7	9	0		F	A	I	R	G	R	O	U
Employer City: <span style="float: right;">Employer State: <span style="margin-left: 20px;">Zip Code (5 digit):</span></span>											
M	T		V	E	R	N	O	N		O	H
Employer Phone (optional): <span style="margin-left: 100px;">Extension:</span> <span style="float: right;">Employer Fax (optional):</span>											
7	4	0		3	9	7		4	6	6	5
Email:											

EMPLOYEE OR CONTRACTOR INFORMATION											
Social Security Number (SSN) <span style="float: right;"><input type="checkbox"/> (Check here if using FEIN for the Contractor)</span>											
First Name: <span style="float: right;">State of Hire: <span style="margin-left: 20px;">Middle Initial:</span></span>											
Last Name:											
Address:											
City: <span style="float: right;">State: <span style="margin-left: 20px;">Zip Code (5 digit):</span></span>											
Date of Hire: <span style="margin-left: 50px;">Date of Birth:</span> <span style="float: right;">Is this a Contractor?</span>											
Date payments will begin for Contractor: <span style="margin-left: 100px;">Length of time the Contractor will be performing services:</span>											

REPORTS WILL NOT BE PROCESSED IF REQUIRED INFORMATION IS MISSING



# Payroll Direct Deposit

Direct Deposit is required for all employees on the Ohio Conference payroll. Complete the form below and return it to the Treasury Department along with a voided check from the account you wish to have your payroll deposited.

## **AUTHORIZATION AGREEMENT FOR AUTOMATIC DEPOSITS**

**Company Name:** Ohio Conference of Seventh-day Adventists  

---

**Bank Name:**  

---

**Bank Transit/ABA Number:**  

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**Employee Acct Number:**  Checking  Savings  

---

I (we) hereby authorize the Ohio Conference of Seventh-day Adventist, hereinafter called COMPANY, to initiate credit entries and to initiate, if necessary, debit entries and adjustments for any credit entries in error to my (our) account indicated above and the depository financial institution named below, hereinafter called DEPOSITORY, to credit and/or debit the same to such account.

This authority is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

**Your Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

*Please attach voided check or account verification form from bank*

Ohio Conference of Seventh-day Adventists  
P.O. Box 1230, Mt Vernon, OH 43050  
Phone: 740-397-4665, Ext. 136  
Fax: 740-397-1648  
Email: nancy@ohioadventist.org

**Adventist Retirement Plan**  
**Salary Reduction Agreement**  
**Beneficiary Designation Form**  
 Plan ID# 69472001

**New Enrollment**       **Beneficiary Change**       **Deferral Change**

**Name:** \_\_\_\_\_ **SSN:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **ZIP:** \_\_\_\_\_

**Voluntary Contributions**

- I wish to make employee pre-tax contributions to my ARP account from my eligible salary every pay period: \_\_\_\_\_% (Preferred) or \$\_\_\_\_\_ and/or,
- I wish to make employee Roth 403(b) after-tax contributions to my ARP account from my eligible salary every pay period (Not all employers provide the Roth 403(b) option): \_\_\_\_\_% (Preferred) or \$\_\_\_\_\_ and/or
- I wish to make non-deductible after-tax contributions (non-Roth 403(b) to my ARP account from my eligible salary every pay period: \_\_\_\_\_% (Preferred) or \$\_\_\_\_\_

**Beneficiary Designation** (complete only if you are enrolling or changing your beneficiary)

If married, you may only designate your spouse as Primary Beneficiary on this form. To name more than one beneficiary or to name someone other than your spouse, you must complete an Alternative Beneficiary Designation Form.

	<b>Primary Beneficiary</b>	<b>Contingent Beneficiary</b>
Name:	_____	_____
SSN:	_____	_____
Relationship:	_____	_____
Address:	_____	_____
City:	_____	_____
State/Zip:	_____ / _____	_____ / _____
Date of Birth	_____	_____

**Employee Signature** (please select one paragraph below)

- I DO NOT WISH to participate in a salary reduction agreement with ARP at this time. I understand that by not participating I will be ineligible for the employer matching contribution. I further understand that I may elect to participate in the Plan in the future, and it is my responsibility to contact the Human Resources Department through my employer to do so.
- I agree that my employer may reduce my salary by the percentage or amount which I have elected to contribute to my ARP account. I understand that ARP may limit my contributions in order to comply with federal law and the Plan document. I understand that if my contribution rate is less than 3%, I may not receive the maximum employer match.

Employee Signature \_\_\_\_\_

Date \_\_\_\_\_

**Return This Form to Your Local Payroll Office**

Questions about this form may be directed to 1-800-448-2542, Monday through Friday, 8:00 a.m. to 6:00 p.m. Eastern



**Adventist Risk Management, Inc.**  
 EMPLOYEE HEALTH CARE  
 ENROLLMENT APPLICATION

Employee Instructions: Complete the entire application **except the employer section of this page**. Return your completed application within five days to your employer. Benefits will be withheld until application is received.

**EMPLOYEE INFORMATION:**

Group # :	Subgroup # :	Employer:	Employee's E-Mail Address:
Social Security Number:	First Name:	M. I.	Last Name:
Address 1		Department:	
Address 2		Work Phone:	
City	State	Zip	Home Phone:
Sex <input type="checkbox"/> Male <input type="checkbox"/> Female	Birthdate MO DA YR	Previous Employer:	Hire Date MO DA YR
			Effective Date:
			Marital Status <input type="checkbox"/> Married <input type="checkbox"/> Single

**SPOUSE INFORMATION:**

Spouse First Name:	M.I.	Spouse Last Name:
Spouse Birthdate: MO DA YR	Spouse Social Security Number:	Is Spouse Employed: <input type="checkbox"/> Yes <input type="checkbox"/> No
Other Insurance: <input type="checkbox"/> Yes <input type="checkbox"/> No		Spouse's Employer: Name _____ Phone # _____
Dependents Covered: <input type="checkbox"/> Yes <input type="checkbox"/> No		Name of Insurance:
Policy Number	Effective Date	

**DEPENDENT INFORMATION:**

Relationship	First Name	M.I.	Last Name	Birthdate	Full-Time Student	Child's SS #
<input type="checkbox"/> Son <input type="checkbox"/> Daughter						
<input type="checkbox"/> Son <input type="checkbox"/> Daughter						
<input type="checkbox"/> Son <input type="checkbox"/> Daughter						
<input type="checkbox"/> Son <input type="checkbox"/> Daughter						

**EMPLOYER INSTRUCTIONS TO BENEFIT PLAN ADMINISTRATOR:**

Name	Effective Date	Primary/Secondary				Received On:
		Medical	Dental	Vision	Rx	
Employee						DATE COMPLETED
Spouse						IBC
Dependent Children						TRANS#
1.						CARD <input type="checkbox"/> IBC
2.						CARD <input type="checkbox"/> ARM
3.						VERIFIED <input type="checkbox"/> IBC <input type="checkbox"/> AHA <input type="checkbox"/> MEDCO
4.						HIPAA

**FOR ARM OFFICE USE**

Employer Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Coverage Code \_\_\_\_\_

OFFICE USE ONLY

OFFICE USE ONLY

Health Care Assistance Plan For Employees of Seventh-day Adventist Organizations of the North American Division	ELIGIBILITY INFORMATION
--	-------------------------

HOSPITALIZATION/GENERAL MEDICAL

Policy Type	Plan Covers	Plan Description	Employee	Spouse	Dependent
N	Employee Only	Coverage for employee only.	X	-	-
S	Employee + Spouse	Coverage for employee and spouse.	X	X	-
C	Employee & Child(ren)	Coverage for employee and child(ren).	X	-	X
F	Family	Coverage for employee, spouse, and child(ren).	X	X	X

**EMPLOYEE AUTHORIZATION AND CERTIFICATION**

I authorize all providers of health care to furnish all records pertaining to medical history, services and rendered treatment given as pertains to evaluation of enrollment application and/or claims. This authorization will become effective immediately and will remain in effect as long as necessary to enable Adventist Risk Management Inc to process the application and/or claims.

I agree to notify my employer of any changes in family status or eligibility of family members. Failure to notify my employer of any status changes will authorize my employer to ask ARM Inc to deny payments of future claims and ask for collection of past paid claims for ineligible spouse or dependents.

I certify that all of the above information is complete and correct.

\_\_\_\_\_  
*Employee Signature*

\_\_\_\_\_  
*Date Signed*

## Life and Disability Income Insurance Enrollment Form

*INSTRUCTIONS: Top box to be completed by the Employer/Plan Sponsor. Remainder to be completed by the Employee.*

<b>Name of Employer/Plan Sponsor</b> North American Division of Seventh-day Adventists		<b>Group/Plan Number</b> 67807-4	<b>Account Number/Location</b>
<b>Class/Occupation</b>	<b>Date of Hire (mm/dd/yyyy)</b>	<b>Annual Salary</b>	<b>Employment Status:</b> <input type="checkbox"/> Active Full-Time <input type="checkbox"/> Active Part-Time
<b>This change is due to: (check all that apply)</b> <input type="checkbox"/> Initial Eligibility Following Hire <input type="checkbox"/> Late Entrant* <input type="checkbox"/> Change in Coverage Amount <input type="checkbox"/> Other: _____			<b>Effective Date of Coverage or Change:</b>

\*A late entrant is an individual who is first enrolling for supplemental or dependent life income coverage after the first available opportunity.

### Employee Information

<b>Employee Name (last, first, middle initial)</b>		<b>Date of Birth (mm/dd/yyyy)</b>	<b>Social Security #</b>	<b>Employee I.D. #</b>
<b>Employee Address (street address, city, state, zip code)</b>		<b>Work Phone Number</b>	<b>Home Phone Number</b>	<input type="checkbox"/> Female <input type="checkbox"/> Male

### Disability Income Coverage

<b>Monthly Income Benefits (LTD)</b> <i>(Note: LTD coverage is employer provided.)</i>	<input checked="" type="checkbox"/> Elect Coverage – (Only Full-Time Employees are eligible for coverage)
---	---

### Employee Life Insurance (Subject to a combined basic and supplemental plan maximum of \$850,000.)

<b>Basic Life</b> <i>(Note: Basic Life insurance is employer provided.)</i>	<input type="checkbox"/> Standard Plan – Employee (\$100,000), Spouse (\$50,000), and Child(ren) (\$10,000) <input type="checkbox"/> Waive – I waive the Standard Plan and elect Plan A or B (Employee please see your Human Resources Representative for Plan A or Plan B enrollment form)
<b>Supplemental Life</b>	When you are initially eligible for Supplemental Life Insurance you can elect the Guaranteed Issue (GI) Limit of \$250,000 without Evidence of Insurability.  Total Supplemental Life coverage up to \$750,000 in \$10,000 increments is available if you complete an Evidence of Insurability form subject to approval by ReliaStar Life. Minimum coverage amount is \$10,000.
<b>Supplemental Life Election</b>	<input type="checkbox"/> Elect: \$ _____ (\$10,000 increments) <input type="checkbox"/> Waive

### Beneficiary Information *Designate your beneficiary(ies) below.*

<b>Name of Beneficiary (last name, first, middle initial)</b>		<input checked="" type="checkbox"/> <b>Primary</b>	<b>Relationship to Employee</b>	<b>Benefit %</b>
<b>Address</b>		<b>Date of Birth</b>	<b>Social Security Number</b>	<b>Phone Number</b>
<b>Name of Beneficiary (last name, first, middle initial)</b>		<input type="checkbox"/> <b>Primary</b> <input type="checkbox"/> <b>Contingent</b>	<b>Relationship to Employee</b>	<b>Benefit %</b>
<b>Address</b>		<b>Date of Birth</b>	<b>Social Security Number</b>	<b>Phone Number</b>
<b>Name of Beneficiary (last name, first, middle initial)</b>		<input type="checkbox"/> <b>Primary</b> <input type="checkbox"/> <b>Contingent</b>	<b>Relationship to Employee</b>	<b>Benefit %</b>
<b>Address</b>		<b>Date of Birth</b>	<b>Social Security Number</b>	<b>Phone Number</b>

**Dependent Spouse Life Insurance**

<b>Spouse Life</b>	If you are covered for Supplemental Life you can elect Dependent Spouse coverage.  When you are initially eligible for Dependent Spouse coverage you can elect up to the Guaranteed Issue (GI) Limit of \$30,000 without Evidence of Insurability on your spouse.  Total Dependent Spouse Life coverage up to \$250,000 in \$10,000 increments is available if your spouse completes an Evidence of Insurability form subject to approval by ReliaStar Life. Spouse coverage is limited to 100% of the employee's Supplemental Life coverage amount. Minimum coverage amount is \$10,000.	
<b>Spouse Name and Date of Birth</b>	Spouse Name _____	Spouse Date of Birth _____
<b>Spouse Life Election</b>	<input type="checkbox"/> Elect: \$ _____ (\$10,000 increments) <input type="checkbox"/> Waive	

*Note: The employee is the beneficiary for any Dependent Spouse insurance coverage.*

**Dependent Child(ren) Life Insurance**

<b>Child(ren) Life</b>	If you are covered for Supplemental Life you can elect Dependent Child(ren) coverage.  When you are initially eligible for Dependent Child(ren) Life coverage you can elect from \$1,000 to \$25,000 in \$1,000 increments on your children from birth to less than 26 years without Evidence of Insurability. Child(ren) coverage is limited to 100% of the employee's Supplemental Life coverage amount. Minimum coverage amount is \$1,000.	
<b>Child(ren) Life Election</b>	<input type="checkbox"/> Elect: \$ _____ (\$1,000 increments) <input type="checkbox"/> Waive	

*Note: The employee is the beneficiary for any Dependent Child(ren) insurance coverage.*

**READ THIS INFORMATION CAREFULLY AND THEN SIGN AND DATE BELOW**

- I authorize my employer to deduct from my wages the premium, if any, for the elected coverage.
- To the best of my knowledge and belief, the information I have provided on this form is correct.
- I understand my coverage begins on the effective date assigned by ReliaStar Life, provided I am actively at work.
- I also understand that evidence of insurability may be required for coverage to become effective.

**Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.**

Employee's Signature	Date Signed (mm/dd/yyyy)
----------------------	--------------------------

THIS IS NOT AN APPLICATION FOR INSURANCE.  
It is an enrollment form for coverage under a group plan sponsored by your employer.

# HOURLY TIME SHEET

## Ohio Conference of Seventh-day Adventists

DUE DATE: THE 20TH OF EACH MONTH\*\*

<b>EMPLOYEE NAME</b>				Month:                    20th                    to                    19th , 20 _____					
				This Employee is Funded by:					
				Position Title:					
D A Y	START TIME	END TIME	L U N C H	START TIME	END TIME	REGULAR HOURS	SICK HOURS*	HOLIDAY HOURS*	TOTAL DAILY HOURS
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
<b>TOTALS</b>									

\*Sick & Holiday time paid only as authorized by supervisor.

<b>Employee Signature</b>	<b>Payroll Department Only</b>	<b>Code</b>	<b>Total</b>
	Regular Hours	10100	
	Overtime Hours	10101	
<b>Supervisor Signature</b>	Holiday Hours	10103	
	Vacation Hours	10104	
	Paid Leave/Sick Hours	10105	
<b>TOTAL HOURS</b>			
<b>Hourly Rate Per Hour</b>			
<b>TOTAL PAY</b>			
<b>Special Mileage</b>			
<b># Miles:</b>		x .39/mi	11200

**Remember, this is a time sensitive report!**  
 Email, fax or mail by the 20th of each month to:  
 Email: nancy@ohioadventist.org  
 Fax: 740-397-1648  
 Mail: Treasury Dept, PO Box 1230, Mt Vernon, OH 43050  
 Questions? Call 740-397-4665, Ext. 136

# 2013 Payroll Schedule

Ohio Conference of Seventh-day Adventists  
 P.O. Box 1230  
 Mount Vernon, OH 43050  
 Phone: 740-397-4665 Fax: 740-397-1648

January						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

February						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

March						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

May						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

June						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

- Date reports must be in our office in order to be processed.
- Payday—date your direct deposits go in the bank and/or day you should receive your paycheck in the mail if you are not on direct deposit.



# Workplace Injury. Take the Right Steps.

## INJURED EMPLOYEE 4-STEP PROCESS

- 1 Immediately notify your employer.
- 2 Complete the first two sections of the "BWC First Report of Injury" form as completely as possible.
- 3 This "Injury Reporting Packet" contains a CareWorks I.D. card. Show this card to every medical provider that treats your work-related injury.
- 4 Then, seek treatment from a CareWorks\* network provider.

## EMPLOYER 2-STEP PROCESS

- 1 Complete the "Employer Info." section of the BWC First Report of Injury form.
- 2 Fax completed form to CareWorks, toll-free, at 1-888-711-9284.  
Call CareWorks to report the injury, toll-free, at 1-888-627-7586.  
Or, report your injury over the Internet by visiting CareWorks' Internet Injury Reporting Center at [www.careworksmco.com](http://www.careworksmco.com).

Report of  
Injury

(FROI)

Process

*In emergency cases, injured workers should immediately notify their employer and seek treatment at the nearest medical facility.*  
*\*According to Health Partnership Program (HPP) guidelines, injured workers may seek treatment from any BWC-Certified medical provider.*

**CareWorks**

1.888.627.7586

[www.careworks.com](http://www.careworks.com)

**FOR WORKERS' COMPENSATION INJURY MANAGEMENT ONLY**

**Ohio Conference of S.D.A.**  
**BWC Policy # 00132266000**  
**(740) 397-4665**

**Attention Provider**

You are required by Rule 4123-6-028 to report work-related injuries within 24 hours.

**Attention Employee**

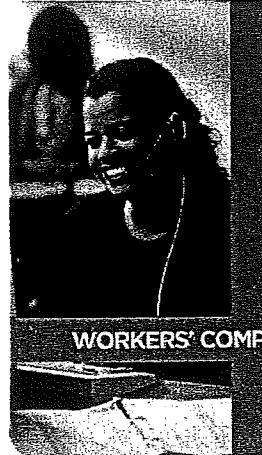
This card is for information purposes only. This card is not a guarantee of coverage.

Send Medical Bills to:  
CareWorks  
c/o Medical Mutual of Ohio  
P.O. Box 94748  
Cleveland, Ohio 44101-4748

Customer Service: 1-888-627-7586  
Injury Reporting Fax: 1-888-711-9284  
Prior Authorization Fax: 1-888-627-0074  
Email: CWmedical@careworks.com  
Internet : www.careworks.com



For prescription drug information, contact 1-800-OHIOBWC or visit www.ohiobwc.com.



Your employer has selected CareWorks to medically manage its workers' compensation medical benefits. If injured at work, please follow these important steps:

1. Immediately notify your employer and complete the BWC First Report of Injury (FROI) form and fax to CareWorks as quickly as possible, toll-free, at 1.888.711.9284.
2. If unable to notify your employer, please call CareWorks, toll-free, at 1.888.627.7586 to report your injury.
3. Show this card to each and every medical provider that treats your workplace injury.

**WORKERS' COMPENSATION MCO IDENTIFICATION CARD**

**CareWorks**

# CareWorks

## KEY INFORMATION



### Medical Management Information

- FAX medical information to:**
- 1-888-711-9284 (toll-free)
- MAIL medical information to:**
- CareWorks  
P.O. Box 182726  
Columbus, Ohio 43218-2726
- Prior Authorization**
- Fax C9 form to  
1-888-627-0074 (toll-free)



### Medical Bill Payment Information

- Mail medical bills to:**
- CareWorks  
c/o Medical Mutual of Ohio  
P.O. Box 94748  
Cleveland, Ohio 44101-4748
- Billing Questions**
- Call CareWorks Customer Service, toll-free, at  
1-888-627-7586



### Other Important Information

- Prescriptions**
- For questions regarding prescriptions, please contact BWC at 1-800-OHIOBWC or visit www.ohiobwc.com.
- Provider Search and Injury Reporting**
- Visit www.careworks.com for online injury reporting and provider searches.



First Report of an Injury, Occupational Disease or Death

Tear off this sheet and return the completed form to your employer's managed care organization (MCO) or to your local BWC customer service office.

By signing this form, I:
• Elect to only receive compensation and/or benefits that are provided for in this claim under Ohio workers' compensation laws;
• Waive and release my right to receive compensation and benefits under the workers' compensation laws of another state for the injury or occupational disease, or death resulting from an injury or occupational disease, for which I am filing this claim;
• Agree that I have not and will not file a claim in another state for the injury or occupational disease or death resulting from an injury or occupational disease for which I am filing this claim;
• Confirm that I have not received compensation and/or benefits under the workers' compensation laws of another state for this claim, and that I will notify BWC immediately upon receiving any compensation or benefits from any source for this claim.

WARNING: Any person who obtains compensation from BWC or self-insuring employers by knowingly misrepresenting or concealing facts, making false statements or accepting compensation to which he or she is not entitled, is subject to felony criminal prosecution for fraud. (R.C. 2913.48)

Form section 1: Injured worker and injury/disease/death info. Fields include: Last name, first name, middle initial; Social Security number; Marital status; Date of birth; Home mailing address; Sex; Number of dependents; City; State; 9-digit ZIP code; Country if different from USA; Wage rate; What days of the week do you usually work?; Regular work hours; Occupation or job title; Employer name: Ohio Conference of S.D.A.; Mailing address: 2 Fairgrounds Road Mt. Vernon, Ohio 43050; Was the place of accident or exposure on employer's premises?; Date of injury/disease; Time of injury; If fatal, give date of death; Time employee began work; Date last worked; Date returned to work; Date hired; State where hired; Date employer notified; State where supervised; Description of accident; Type of injury/disease and part(s) of body affected.

Form section 2: Treatment info. Fields include: Health-care provider name; Telephone number; Fax number; Initial treatment date; Street address; City; State; 9-digit ZIP code; Diagnosis(es); Will the incident cause the injured worker to miss eight or more days of work?; Is the injury causally related to the industrial incident?; E code; 11-digit BWC provider number; Date; Health-care provider signature.

Form section 3: Employer info. Fields include: Employer policy number: 00132266000; Telephone number: (740) 397-4665; Fax number; E-mail address; Federal ID number; Manual number; Was employee treated in an emergency room?; Was employee hospitalized overnight as an inpatient?; If treatment was given away from work site, provide the facility name, street address, city, state and ZIP code; Certification - The employer certifies that the facts in this application are correct and valid; Rejection - The employer rejects the validity of this claim for the reason(s) listed below; For self-insuring employers only: Clarification - The employer clarifies and allows the claim for the condition(s) below; Medical only; Lost time; Employer signature and title; Date; OSHA case number.

**Ohio Conference of SDA**

# **Treasurers' Manual**

**Section 8**

**Subcontract Labor or**

**Employee**



June 6, 2013

## **Independent Contractor vs. Employee Scenario – Issues**

1. D. P. Snow Removal – Contractor or Employee
2. Does he have liability insurance
3. Nye Sen Clean – Contractor or Employee
4. Minimum Wage
5. Employee Criminal Check?
6. Worker's Compensation
7. Filing an insurance claim
8. Lonny Moer – Contractor or Employee
9. Child Labor Laws
10. Insurance – Liability, Workers Compensation, filing claims
11. 1099's – who needs one? And when do they need to be sent?

**Independent Contractor** – If you have an independent contractor (see handout behind Independent Contractor tab); have them fill out a W-9 (behind Independent Contractor tab) so you have all the necessary information available to fill out a 1099 if you need to. See below for 1099 info.

**Liability Insurance** Anytime you hire an independent contractor, we recommend they carry a minimum of one million dollars liability insurance just in case they cause damage to your property. Also needed is a Certificate of Insurance from them listing the local church/school and Ohio Conference as additional insured.

**Employee** – **Ohio Conference provides** all their churches and schools with **courtesy payroll**. We pay your employee, pay the required taxes, file the required tax returns and bill the church or school for the payroll plus the employer portion of taxes and retirement.

The churches and schools have to get the payroll forms filled out correctly and sent in to set your employee up. We will pay your employee from the signed monthly workers report sent to the office with your employee's hours. You can find a calendar of due dates and pay dates at [www.ohioadventist.org](http://www.ohioadventist.org) – click on departments, treasury then payroll schedule. **Payroll forms in Notebook under Courtesy Payroll tab.**

**Ohio State Minimum wage** is now \$7.85 per hour.

**Criminal background check** - Anyone working directly with children, employee or volunteer must have a criminal background check. Go to [www.ohioadventist.org](http://www.ohioadventist.org) - Look under Departments, then Treasury, Volunteer Screening, and Background Check Form. Download this form and have employee fill it out. Mail it with all your courtesy employee forms to Ohio Conference Treasury and they will run a background check and bill your church or school for it.

Instead of the background check above, you can have your employee fingerprinted. To find a location to do fingerprints near you, go to our [www.ohioadventist.org](http://www.ohioadventist.org) website.

Look under Departments, then Treasury, then Payroll Services, and click on Fingerprinting. You will need to click on the link given there to find a location in your

County where you can get your employee fingerprinted. Note that your employee needs to indicate their Agency is the Ohio Conference, P O Box 1230, Mount Vernon, Ohio.

**Insurance-Worker's Compensation** – if an employee gets hurt while doing the work you hired them to do, they are covered under workers compensation and must fill out a FROI (First report of injury) form. The Conference has a packet from Workers Compensation with all the information you need to file an injury claim for your employee. (A packet is included in your book under Payroll Tab) If they need medical attention, the medical provider has these forms as well. Our Worker's Compensation PPO is Care Works.

Please work with the Conference if your employee cannot do their job and is taking time off. Claims of this nature can be very costly. We have a program to work with the injured employee and Worker's Compensation to either get them back on task as soon as possible or to temporarily do another job while they are unable to do their own job.

**Child Labor Laws** –when you are employing anyone under the age of 18, you need to be aware of what the Federal and State Child Labor Laws are regarding the employment of minors. (See Notebook under Tab Independent Contractor for handout)

**Liability Insurance** – for someone injured at our church (not an employee) the liability insurance coverage is up to \$10,000 and is the primary insurance. The insurance coverage for our schools, camps and for any sports activity is secondary which means the injured person's insurance is primary.

**Joe Pekala from Guide One is our insurance representative.** He may be reached at 215-721-5753. The Conference Office is available if you have any questions regarding insurance. Your church should have received a binder from Guide One outlining your insurance coverage.

I have attached a Summary of Ohio Conference insurance coverage for your information. (Look in your notebook under Insurance for handout)

**1099 Misc** – need to be submitted to any independent contractor who is not incorporated if you paid them \$600.00 or more for the year. The 1099 needs to be sent to the contractor by January 31 and a copy of all the 1099's plus a 1096 Summary Transmittal sheet needs to be sent to the IRS by February 28 (29). You cannot use a downloaded form from the internet. The Ohio Conference always orders more forms than we need so we have some for our churches and schools. Contact the Treasury Department and they will sent out to you as many as you need. You can also order them from the IRS.

**Determine whether each church worker is employed or self-employed.**

Many churches make the mistake of classifying workers as self-employed who are in reality employees of the church. This practice is very dangerous since there are substantial penalties for misclassifying employees as self-employed. Factors that tend to indicate employee status include the following:

- the worker is required to follow an employer's instructions regarding when, where, and how to work
- the worker receives "on-the-job" training from an experienced employee
- the worker is expected to perform the services personally, and not use a substitute
- the employer rather than the worker hires and pays any assistants
- the worker has a continuing working relationship with the employer
- the employer establishes set hours of work
- the worker is expected to work full time
- the work is done on the employer's premises
- the worker must submit regular oral or written reports to the employer
- the worker's business expenses are reimbursed by the employer
- the employer furnishes the worker's tools, supplies, and equipment
- the worker does not work for other employers
- the worker does not advertise his or her services to the general public

Not all of these factors must be present in order for a worker to be an employee. But if most of them apply, the worker is an employee. If in doubt, treat the worker as an employee.

## Independent Contractor vs. Employee

The Driscoll SDA Church hired D. P. Snow Removal to clear their parking lot in the winter. D.P. Snow charged them \$50.00 each time he had to clear the lot. He cleared the lot 17 times from January through April. D. P. Snow Removal was paid \$850.

The Driscoll Church also hired one of its members Nye Sen Clean to be a custodian. The church paid her \$10.00/hour for not more than 6 hours per week. When they hired her they asked Mary, the Treasurer, to get all the payroll forms from the conference and have her and Nye Sen Clean fill them out. One of the forms (I-9) required Mary to look at several forms of identification from Nye Sen Clean. This form was from homeland security to assure the church was not employing an illegal alien. Mary was not able to get the form done right away, but knew that they had to be into the conference before Nye Sen could be paid through courtesy payroll.

Nye Sen filled out Section 1 of the I-9 and dated it February 20. Mary filled out section 2 and stated that Nye Sen's start date was February 1. Mary signed and dated Section 2 for February 21 and sent all the payroll information to the conference so Nye Sen Clean could get paid for February.

In the summer months, they hired the neighbor boy Lonny Moer, age 16, to mow their yard for \$40.00 each week. It took an average of five hours to mow. The church had their own lawn tractor and provided the gas and oil for it. They instructed Lonny to mow the lawn once a week at the beginning of the week if possible. Lonny was paid \$680 for the year.

Nye Sen Clean contacted the Pastor to let him know that she slipped on a wet floor at the church and hurt her back and wondered if church insurance covered her injury. She needed to be off for at least 6 weeks and needed physical therapy twice a week for those 6 weeks. The doctor would re-evaluate her condition after the six weeks and if she was OK she would come back to work.

Mary Tegrity, Church Treasurer paid D. P. Snow Removal and Lonny Moer direct from the church account. She did not use the courtesy payroll provided by the conference for these two.

In December Mary received a notice from the conference reminding her to send a 1099-Misc to any independent contractor who she paid more than \$600.00 for the year and to send a 1096 Annual Summary and Transmittal plus copy (copies) of the 1099's to the IRS.

Mary did a 1099 (which she downloaded from the irs.gov website) for D. P. Snow removal and Lonny Moer and sent them a copy on February 25. She also sent the IRS a copy of the 1099s and 1096 on February 25.



## Request for Taxpayer Identification Number and Certification

See the following IRS websites for form W-9.

<http://www.irs.gov/pub/irs-pdf/fw9.pdf>

**Ohio Conference of SDA**

# **Treasurers' Manual**

**Section 9**

**Facility Rental**



June 6, 2013

## Rental of Facility

Pastor Onest at the Driscoll SDA Church was contacted by Pastor Speaks of the Assembly of God Church wanting to rent their Church all day Sunday and Thursday Evening. Pastor Speaks said they could afford to pay \$450.00 per month. Pastor Onest said he would put it on the agenda for the next Board Meeting and get back to Pastor Speaks.

At the Board Meeting Pastor Onest presented Pastor Speak's request for the rental of the church. Much discussion ensued. There were concerns about safety and security of their materials and building, increased utility expense, wear and tear on the building, etc. but they sure could use the extra income.

The vote was finally taken and it was 8 in favor and 4 against renting. Since majority ruled, Pastor Onest contacted Pastor Speaks and they rented the church.

After 2 months of renting, Pastor Speaks contacted Pastor Onest and told him that on Sunday one of their children was injured in the gymnasium on a nail sticking out of the wall. He wanted Pastor Onest to file a claim with SDA church insurance. He also mentioned that an older lady tripped on a loose rug the Sunday before. It appeared that she was OK but Pastor Speaks suggested Pastor Onest file a claim on that as well.

Pastor Onest told Pastor Speaks he was under the impression that they had their own insurance. Pastor Speaks said he assumed that insurance coverage was included with the rental of the facility.

There was no written contract when the Assembly of God rented the facility - just a gentlemen's agreement on the days to be rented, when the rent was due and concerns about locking up the facility and who should have keys.

## Rental of Facility – Issues

1. Lease Agreement
2. Need to contact the Ohio Conference Association when renting your facility
3. Insurance Coverage
4. Unrelated Business Income

**Lease Agreement** – the Ohio Conference Association has a Lease Agreement that they will provide for you (copy in notebook under Leases) when you enter into a rental agreement with anyone. They do not want you to change anything on the contract which might affect the legality of the document. When the document has been signed, one copy should be sent to the Ohio Conference Association along with a copy of the Board Minutes in which the vote was made to rent the building.

**Contact the Ohio Conference** - All the church and school buildings are held in the Ohio Conference Association, so anytime there is a change in the use of your building, they need to be notified. Currently, Harry Straub is the one to contact.

**Limited Liability Insurance** – The lease agreement requires the renter to carry ***one million dollars*** of liability insurance and must name both the Ohio Conference Association of the Seventh-day Adventist Church and your local church or school as ***“additional insured”*** parties.

**Unrelated Business Income** – The rent you receive would not be considered to be unrelated business income in this case.

**LEASE AGREEMENT**

THIS AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_  
20\_\_\_\_\_, by and between the **OHIO CONFERENCE OF SEVENTH-DAY  
ADVENTISTS**, an Ohio not-for-profit corporation, DBA (doing  
business as) \_\_\_\_\_ (name of specific  
church, school or other conference entity), (hereinafter called  
"Owner") and \_\_\_\_\_ (Organization),  
(hereinafter called "User").

WITNESSETH:

1. THE PREMISES: In consideration of the agreements  
contained herein, Owner agrees to permit User to use the  
following described premises as a licensee. The Premises are  
located at \_\_\_\_\_ and consists of building,  
parking lot and grounds. A complete legal description is on file  
with the Ohio Conference Association of the Seventh-day Adventist  
Church.

2. TIME OF USE: User in return for the User fee set forth  
below, will be permitted to use the Premises during the times and  
on the days as specified in the following schedule:

Owner and User agree that from time to time additional times of  
use or changes in the times of use may be necessary, and both  
parties agree to work together to reasonably accommodate one  
another on these occasions.

3. TERM: Owner and User agree that this Use Agreement  
shall be for an unspecified term and may be terminated by either

party for any reason upon 30 days written notice to the other party.

4. USER FEE: For the purpose of this agreement rental fees are established on a cost reimbursement basis. User agrees to pay Owner, by the 15th of each month, \$\_\_\_\_\_ for each "service" held during the preceding month together with a \$\_\_\_\_\_ payment per week for janitorial service. Service "Is defined as each time of use (as set forth in paragraph 2, above) during which User actually occupies the Premises.

5. PERMITTED USES: User agrees that the Premises may only be utilized for its religious services and reasonably related functions and for no other purposes unless specific consent is obtained by Owner. No alcoholic beverages, smoking materials, or non-prescriptions narcotics may be present on or about the Premises. No food may be present or consumed in the sanctuary. User may utilize the kitchen facilities but shall thoroughly clean those facilities after use and shall not utilize any of Owner's kitchen supplies, foodstuffs or utensils. User agrees to comply with all applicable laws, ordinances and regulations at all times during its use and occupancy of the Premises.

6. UTILITIES: User agrees to cooperate with Owner in minimizing charges for water, heat and lighting. User agrees not to utilize the telephone on the Premises for long distance phone calls.

7. MAINTENANCE: User agrees to use all reasonable efforts to keep the Premises clean and in good repair. User also agrees

to promptly reimburse Owner for any repairs made necessary by User's use of the Premises.

8. ALTERATIONS OR ADDITIONS: User agrees not to make any alterations, additions or improvements on the Premises.

9. PERSONAL PROPERTY: User agrees not to use or disturb Owner's personal property located on the Premises. User may keep a mutually agreed upon amount of its personal property on the Premises at User's risk, so long as the personal property is directly related to User's religious services. Any such personal property kept on the Premises shall remain the property of User and shall be promptly removed (at User's expense) upon the termination of this Agreement.

10. ASSIGNMENT: User shall not assign or transfer its right to use the Premises without first obtaining Owner's written consent.

11. INSURANCE: User (at its expense) agrees to acquire and keep in full force during its use of the Premises, comprehensive public liability and property damage insurance, in which both the **OHIO CONFERENCE of SEVENTH-DAY ADVENTISTS** and the Seventh-day Adventist church at \_\_\_\_\_ are named as additionally named insured parties together with the User, covering any and all claims for injuries to persons or property occurring in, upon or about the Premises during User's occupancy or use. This insurance is to be in the minimum amount of one million dollars (\$1,000,000.00) single limit coverage to indemnify the claim of one or more persons, and for indemnification for property damage. User shall furnish a complete copy of the insurance policy to

Owner. Such insurance policy shall contain a provision that it may not be canceled except with thirty (30) days written Notice to Owner.

12. INDEMNIFICATION: User agrees to indemnify, defend and hold Owner (and any of its agents, employees or officers) harmless against claims, liabilities, damages, expenses, costs and fees (including reasonable attorneys fees) of any kind arising out of injury or death to any person or persons or damage to any property occurring, in, upon or about the Premises during User's occupancy or use.

13. RELEASE: User hereby releases Owner from any claims, liabilities, damages, expenses, costs or fees which User may incur or become subject to, with respect to this Agreement or its use of the Premises.

14. RELATIONSHIP OF PARTIES: User agrees that it is not Owner's agent or representative and shall not bind or obligate Owner in any way or manner.

15. TERMINATION: If User is in default or breaches any of its obligations in this Agreement, Owner agrees to give 10 days written notice in order for user to cure the default or breach. If User does not cure the default or breach to the satisfaction of owner within the 10 days, this Agreement is automatically and immediately terminated. Additionally, as set forth in paragraph 3 above, either party may terminate this Agreement for any reason upon 30 days written notice to the other party. Upon termination of this Agreement, User agrees to end its use of the Premises,



remove all its personal property, pay all rent due to date of termination, and return all keys to the Premises.

16. NOTICES: All notices shall be given to the following person:

Owner: OHIO CONFERENCE OF  
SEVENTH-DAY ADVENTISTS  
P.O. Box 1230  
Mount Vernon, OH 43050  
740/397-4665

Owner's local DBA entity:

(Name) \_\_\_\_\_

(Address) \_\_\_\_\_

(Phone) \_\_\_\_\_

User: (Name) \_\_\_\_\_

(Address) \_\_\_\_\_

(Phone #) \_\_\_\_\_

User shall send all payments to:

(Name) \_\_\_\_\_

(Address) \_\_\_\_\_

17. AMENDMENTS: Owner and User agree that no changes, amendments or waivers of this Agreement are effective unless they are in writing and signed by both parties. Owner and user agree that this Agreement contains the entire agreement of the parties

and supersedes any other written or oral agreements or understanding.

IN WITNESS WHEREOF, Owner and User have signed this Agreement on the date written above.

OWNER: OHIO CONFERENCE OF SEVENTH-DAY ADVENTISTS

By: (PRESIDENT) \_\_\_\_\_

(SECRETARY) \_\_\_\_\_

USER:

By: \_\_\_\_\_

\_\_\_\_\_

## Church Rental Agreement

Dear Pastor/Church Leader:

Enclosed is the Lease Agreement you requested recently. Please look it over carefully and feel free to adapt it to your own particular needs. However, we ask that you do not make any changes which would affect the legality of the document or the requirements we've placed there to protect both the Conference and your local church.

Please pay special attention to Section 11 dealing with a limited liability insurance policy which the User must purchase before we will sign this agreement. Note especially that the policy must be in the amount of ONE MILLION DOLLARS and must name BOTH the Ohio Conference Association or the Seventh-day Adventist Church AND your local church as "Additional Insured" parties.

When the User and a representative from your church have signed the agreement, please mail it to us together with a copy of the Church Board Minutes in which you voted to lease your property and a copy of the Certificate of Insurance showing the amount of the insurance and the "Additional Insured" designations cited above. We will then sign the agreement here, and mail two copies to you - one copy for your files and one copy for the Users file.

If you have any questions concerning this matter, or if there is any way that we can assist you, please do not hesitate to call. We would be happy to help in any way that we can.

Sincerely yours,

Harry Straub  
Director Planned Giving

**Ohio Conference of SDA**

# **Treasurers' Manual**

**Section 10**

**Financial Statements**



June 6, 2013

## Financial Statements – Record Keeping

Mary Tegrity is getting ready for the monthly Board Meeting on Thursday, March 15. She decided that too much information only confuses the Board so she gives them one report – the Financial Summary for February. This report gives the February beginning and ending balances for conference funds, local funds, checking and savings for February as well as the monthly income, expense, and transfers for the month of Feb.

On the agenda for the meeting is an item that is of concern to Mary. The Church wants to designate the third Sabbath loose offering to go to the Bible Worker Jose Martinez. She is concerned whether this would be income to Jose and if she should issue him a 1099. She also is wondering if someone marks their tithe envelope – gift for Jose Martinez – whether the donation would be tax deductible to the donor.

The Board votes to give the third Sabbath offering to Jose. On the third Sabbath, the deacons take up the offering and one of the deacons, Marco, knows that Jose gets the loose offering so he takes the loose offering out of the offering plate and hands it all to Jose after church.

When Mary counts the offering she wonders why there is no loose offering. She finds out what Marco did and feels uncomfortable with his actions on Sabbath.

## **Financial Statements – Record Keeping Issues**

1. What reports should be presented to the Board each month?
2. What is considered 1099 income?
3. Is a donation that designates a person as the recipient - tax deductible?
4. Handling of church money.
5. Accounting for all income and expenses.

**Financial Statements for the Board** – Every church is different in its informational needs and wants - it is our recommendation that the Board receives an income, expense and transfer report, a balance sheet showing assets and liabilities and a report showing the checks written for the month. These reports should be current for the last completed month.

An income and expense report could also be given for the year-to-date.

**1099 Income or W-2 income** – if Jose Martinez is an employee or independent contractor, any benefit given to him would be counted as income and reported on a W-2 or a 1099-Misc.

If Jose truly is a volunteer and this is a gift to him and in no way a payment for his services, then it is not income to him. It is a gift and not taxable to him.

**Donation to a specific person** – can be given to the church, **but it cannot be deductible to the donor** on their tax return. If the church board votes to help someone because of need, and the donors mark their envelopes - benevolent fund (not specifying an individual), then the donation would be deductible.

**Handling of Money – Financial Records** – The treasurer is responsible for safeguarding financial records. There are four aspects to this function: The records must be kept **confidential** – safe from unauthorized persons, **available** for authorized use, **protected** and **archived** for historical and statistical purposes.

**Ohio Conference of SDA**

# **Treasurers' Manual**

**Section 11**  
**Investments**



June 6, 2013

## Investments

B. G. Money, a Board Member, presented to the Board a wonderful opportunity to get 25% return on a real estate venture his broker told him was a sure thing. He said that he believed that God would want them to get the best return on their money and that he trusted his broker. He stated that in one year they could earn \$5000 instead of only \$1000 on their building fund savings of \$20,000. Currently they had a Certificate of Deposit for 5% at their local bank.

B. G. Money was pretty persuasive and so the Board decided to invest their building fund of \$20,000 in the real estate venture. They were pretty excited and were looking forward to renovating their church in 2 years now instead of 7 years.

After the board meeting, Gladys Kindly and Marco Deloaney talked to B. G. Money and asked if they could invest some of their personal savings in this venture. B. G. assured them they could and discovered that if the total church and personal investment would equal \$50,000, the return would increase to 30%. Gladys willingly took \$20,000 of her savings and Marco took a loan of \$10,000 from his retirement fund and invested it with B. G. Money's broker.

Mary Tegrity closed out the Church CD and invested the building funds of \$20,000 with B. G. Money's broker.

For the first 2 months, Gladys, Marco and the church's investment statements showed an even better gain than was promised. But from the third month on, they noticed that instead of showing a gain there was a loss each month and the loss was getting larger each month. After 6 months, the loss was so large that they were now losing some of their original investment.

Mary was getting worried and shared her concern with the board each month. B. G. Money assured them this was the way real estate worked, and that in a few more months it would increase significantly.

At the end of 9 months, their investments of \$50,000 had decreased to \$30,000 and B. G. Money didn't seem to be available anymore. The broker didn't return their calls either.

After a year, the Board advised Mary Tegrity to seek advice from another broker. She was told this was a high risk investment and that he didn't think their investment value would increase but rather would keep decreasing. His advice was to sell the investment now at a loss before it dropped even lower.



## Investments – Issues

1. Approved Investments for Seventh-day Adventist entities
2. Mixing Church and Personal Investments
3. Investment Decisions – Guiding Philosophy and Principles
4. Conflict of Interest

**Approved Investments** – the NAD Working Policy, S 85, outlines the criteria for investments for the whole church. It breaks the investments into 3 types – Short-term (12 months), Intermediate-term (48 months) and Long-term funds (more than 48 months). At the Ohio Conference, we have a conservative investment policy.

You will find under the Investment the policy mentioned above.

**Mixing Church and Personal Investments** – We recommend that the church keep their finances separate as well as any church member to keep their finances separate. This commingling of funds is a conflict of interest and should be avoided.

**Investment Decisions** – S 85 10 Philosophy - Committees and individuals authorized to invest funds for the denomination must always be mindful of their stewardship responsibility. Under the guidance of the Holy Spirit, they should strive with prudence and wisdom to reflect the Master both in style and substance. At the practical level, this means direct investments will not be made in certain industries: it also means that principles of integrity and fairness will govern all transactions with counter parties.

S 85 15 Principles – Prudent Investors – Controlling committees must act as prudent investors would be expected to act, with discretion and intelligence, to seek reasonable income, preserve principal and to avoid speculative investments, investments claimed to provide above-normal gains based on hypothetical opinion rather than fundamental research.

See Investment Tab in notebook for remainder of S 85

**Conflict of Interest and/or Commitment** – E 85 05 Conflict of interest shall mean any circumstance under which an employee or volunteer by virtue of financial or other personal interest, present or potential, directly or indirectly, may be influenced or appear to be influenced by any motive or desire for personal advantage, tangible or intangible, other than the success and well-being of the denomination.

See Investment Tab in notebook for remainder of E 85

## **S 85 Investment of Denominational Funds**

### **S 85 05 Safeguarding Denominational Funds—1. *Introduction—***

In order that assets for investment might be prudently managed the following principles and policies have been adopted for the North American Division.

2. These policies are designed for application to denominational entities whose parent organization is a Union or the North American Division. However, academies and churches may be authorized to apply the provisions of these policies provided they meet the following guidelines:

a. Unions may authorize their conferences, individually or as a group to apply the terms of this policy to conference member organizations such as churches and academies.

b. Long-term fund investments shall be limited to true endowment or quasi endowment funds. Quasi-endowments are endowments free from third party or contractual obligations but established for designated long-term purposes by governing boards.

c. The conference executive committee shall take action, after evaluating the nature of the available funds and the skill resources available, recommending to the Union that the member organization apply the provisions of this policy.

d. The Conference shall arrange for annual financial reviews or audits with a report going to the conference executive committee.

**S 85 10 Philosophy—1.** Committees and Individuals authorized to invest funds for the denomination must always be mindful of their stewardship responsibility. Under the guidance of the Holy

Spirit they should strive with prudence and wisdom to reflect the Master both in style and substance. At the practical level, this means direct investments will not be made in certain industries, which are not in keeping with Seventh-day Adventist values; it also means that principles of integrity and fairness will govern all transactions with counter parties.

**S 85 15 Principles**—1. *Prudent Investors*—Controlling committees defined as any group with the authority to give direction and control execution of instructions, must act as prudent investors would be expected to act, with discretion and intelligence, to seek reasonable income, preserve principal, and to avoid speculative investments, investments claimed to provide above-normal gains based on hypothetical opinion rather than fundamental research. To the extent reasonably possible and efficient, the operational role should be separated from the oversight role for investment management.

2. *Regulatory Environment*—All investments must be prudent and in harmony with the laws, rules and regulations of the jurisdiction in which the organization is located.

3. *Risk vs. Return*—A return correlates strongly with risk, but tolerance for risk varies greatly with the purpose of the funds for investment and the relevant circumstances of the organization. Levels of risk and return must be determined for all asset pools. Acceptable risk and return levels are guided by the purpose or objective of the funds. The management of the trade-off between risk and return is the committee's central task.

While investment vehicles which are by nature speculative are to be avoided, specific investments or techniques are not by themselves prudent or imprudent. The choices of techniques or investments to include in a portfolio are determined by the level of risk for a specific security and its anticipated effect on the portfolio.

4. *Diversification*—Controlling committees shall diversify the portfolios of intermediate (S 85 40) and long-term (S 85 45) assets

for investment to avoid undue exposure to any single economic sector, industry group, or individual security. Pooled investment vehicles are the recommended method for facilitating diversification.

5. *Fairness*—When pooled funds are offered, interest and values must be established in such a manner that all investors are treated fairly based on length of time investments were held.

6. *Sole Purpose*—Controlling committees shall invest and manage each pool of assets solely in the interest of achieving the purposes for which each of the individual pools of assets were established, taking into consideration values held by the Seventh-day Adventist Church.

7. *Cost Control*—In investing and managing assets, a controlling committee must control costs to those appropriate and reasonable in relation to the size of the asset pools, the purpose of the asset pool and the skill of the controlling committee.

**S 85 20 Policies**—1. Investments in any company should not exceed 4.9 percent of the outstanding ownership of the entity.

2. At no time shall a controlling committee allow more than five (5) percent of the assets under its management, based on market value, to be invested in the securities of any one issuer other than government debt.

3. At no time shall a controlling committee allow more than fifteen (15) percent of the assets under management, based upon market value, to be invested in any one industry. Industries are defined as sub-groupings within macro-economic sectors (e.g. Sector = Technology, Industry = Hardware).

4. Retention of external managers or the construction of portfolios through the purchase of individual securities or vehicles should only be considered when the assets for investment are large enough to allow for appropriate diversification and to justify the fees associated with management of the fund and custody of the securities.

5. Use of Brokers

a. **Criteria for Selection**—In placing portfolio transaction orders on behalf of the Fund, the manager (internal or external – anyone with authority to approve the purchase or sale of securities) shall obtain execution of orders through well capitalized, qualified broker-dealers. Managers may not trade with affiliated brokerages.

b. **Costs**—All transactions must be executed at the optimum commission rates and spreads, taking into consideration the efficiency of execution of the transaction. All costs must be fully disclosed including direct commissions, reduction in yield, placement fees, management fees, administrative or any other benefits the brokers may receive as compensation. The committee should keep in mind that these types of costs are traditionally negotiated and the committee has the responsibility to negotiate the most favorable rates. Seeking prices from multiple vendors is strongly suggested.

c. **Reporting**—At least annually, the committee shall review a report detailing all commissions paid, including bid/ask spreads and new issue allocations by the Fund. Additionally, the report shall detail the benefits, if any, received in exchange for the commission dollars generated at each broker/dealer.

6. **Controlling committees** shall complete an asset allocation study in consultation with non-conflicted, qualified professionals for investment asset pools prior to investing any assets.

7. **Common and convertible preferred stocks** should be of good quality and listed on a major exchange or traded in the over-the-counter market with the requirement that such stocks have adequate market liquidity relative to the size of the asset pool.

8. **Controlling committees** shall approve an Investment Policy Statement for each asset pool in a format understood by the money management industry and consistent with this Working Policy, whether employing external managers or managing funds internally.

9. Convertible bonds, convertible into common stock, Real Estate Investment Trusts (REITs), and preferred stock are considered equity securities and thus are prohibited from being purchased as fixed income securities.

10. All members of controlling committees must have a current, signed conflict of interest statement on file.

11. Self custody of securities is not allowed. Controlling committees must select a recognized custodian to hold securities, to settle brokerage transactions, and to provide monthly detail of such transactions.

12. Retained professional investment advisors shall be appropriately qualified. The investment advisory contract should stipulate the fiduciary responsibility of the advisor, and the nature of compensation. It is required that compensation be based on fees, not commissions. All investment advisors must be registered as investment advisors with appropriate regulatory authorities.

13. Controlling committees shall require qualified legal review of account opening documents, management contracts, and powers of attorney.

14. Controlling committees are required to retain all records pertaining to transfers of assets, account documents, contracts, and statements.

15. When restricted or illiquid securities or real estate, acquired through donation or the maturity of a trust, are held until a prudent investor would liquidate such securities, they shall not constitute a violation of this policy.

16. Controlling committees must ensure that documented beneficial ownership is established for all securities held.

17. Investments listed in S 85 35 thru S 85 50 must at time of purchase meet all qualifying criteria. Should such investments subsequently fail to meet qualifying purchase criteria they may be held until a prudent investor would liquidate such investments and shall not constitute a violation of this policy.

**S 85 25 General Conference Unitized Funds**—1. The General Conference Investment Office serves the world field through a family of General Conference Unitized Funds that are designed to pool denominational funds for investment such that maximum economies of scale are achieved for the denomination and its mission. This family of General Conference Unitized Funds makes possible complex asset allocations and sophisticated portfolio construction with high levels of risk management through diversification of managers, management style and investment instruments that have been screened for the values of the denomination. As a part of the management service of the investment office, accounting, custody, performance appraisal, and auditing costs are included.

2. New funds may be created from time to time by the General Conference Investment Committee and approved by the General Conference Corporation. The following General Conference Unitized Funds are available:

- a. General Conference Money Fund
- b. General Conference Capital Preservation Fund
- c. General Conference OLDI Fund
- d. General Conference Bond Fund
- e. General Conference Income Fund
- f. General Conference U.S. Large Capitalization Equity Fund
- g. General Conference U.S. Small Capitalization Equity Fund
- h. General Conference International Equity Fund
- i. General Conference Emerging Markets Equity Fund
- j. General Conference Global Opportunities Fund

Each General Conference Unitized Fund, except the General Conference Money Fund and Capital Preservation Fund, offers monthly liquidity to all participants.

3. The portfolios of the General Conference Unitized Funds are composed of domestic and international equity, fixed income,

and cash equivalent securities. Within this framework, the investment objectives of each General Conference Unitized Fund are as follows:

Fund Name	Primary Objective	Secondary Objective
General Conference Money Fund	Current Income	Stable Daily NAV
Capital Preservation Fund	Preservation of Capital	Current Income
OLDI	Income	Preservation of Capital
Bond Fund	Income	Preservation of Capital
Income Fund	Income	Preservation of Purchasing Power
U.S. Large Cap Equity Fund	Growth of Capital	Preservation of Purchasing Power
U.S. Small Cap Equity Fund	Aggressive Growth	Growth of Capital
International Equity Fund	Growth of Capital	Preservation of Purchasing Power
Emerging Markets Equity Fund	Aggressive Growth	Growth of Capital
Global Opportunities Fund	Growth of Capital	Preservation of Purchasing Power

**S 85 30 Classes of Funds**—1. Assets for investment at all organizational levels must be divided into three categories, relative to expected demand time horizon:

a. Short-Term Funds—Those funds not needed to cover immediate expenses but that may be needed during the next twelve months to support operating activities or projects that are anticipated to commence during that period. Short-term funds are to be invested to maximize current income with an emphasis on security of principal and liquidity.



b. **Intermediate-Term Funds**—Those funds that support operating activities and projects that are anticipated to commence after the next twelve months but within forty-eight months. They typically would include excess operating capital, funds held for building, and other projects. Intermediate-term funds are to be invested with the goal of obtaining a positive annual return but even more importantly, to protect against loss of principal. In order to accomplish this there is a willingness to sacrifice some positive returns to protect principal. It is the objective that asset growth should exceed the rate of inflation over the investment time horizon in order to preserve purchasing power of the invested assets.

c. **Long-Term Funds**—Those funds that are committed for retirement benefits, endowment, quasi endowments, or other long-term needs where fluctuations in market value are acceptable in order to achieve greater anticipated long-term returns. It is recognized that fluctuations in market values may result in negative rates of return in some years. Long-term funds are invested with the objective that the market value of the investments should grow in the long run and earn rates of return in excess of the general market indices.

**S 85 35 Investment of Short-Term Funds**—1. All short-term securities purchased must have adequate market liquidity, should not represent a significant exposure relative to the size of the controlling committee's short-term portfolio and must be rated A-1, P-1 or equivalent except those issued by a sovereign government, or an agency thereof guaranteed by that government.

2. All denominational organizations, institutions, and services are authorized to invest short-term funds (current account items such as working capital and trust funds) in the following investment categories, maturing within twelve months:

a. Certificates of Deposit of insured institutions, up to insured limit

b. General Conference Capital Preservation Fund or Unitized Money Fund or other money market funds with assets in excess US\$250,000,000

c. Union revolving funds and union deposit funds

d. Securities issued by national governments, their agencies and local government bodies including states and provinces, or government obligations denominated in the local currency of the investing organization

e. Registered, open-end (mutual) funds which normally do not have 12b-1 fees or their equivalent and comply with all provisions of S 85 15 that generally hold securities that mature in 12 or less months

f. Exchange Traded Funds (ETFs) that generally hold securities that mature in 12 or less months.

**S 85 40 Investment of Intermediate-Term Funds**—1. All provisions in S 85 35.

2. Marketable bonds rated “investment grade” or better by Standard and Poor’s (BBB- or higher) and Moody’s (Baa3 or higher) or one of their subsidiaries. If Moody’s or S&P or their subsidiaries do not rate a security, then the Fitch (BBB- or higher) or one of its subsidiaries rating will be used. For split rated securities, the lowest rating will apply.

3. Intermediate-term issues with up to four years average life unless matched for specific liability dates. Intermediate-Term investments include:

a. Securities that have an average life of less than forty-eight months.

b. General Conference Unitized Bond and Income Funds

c. Special temporary employee loans. (These interest-bearing loans are given under special conditions such as in connection with a move. The controlling committee, board, or properly appointed subcommittee must give approval for each loan with the details on file with the minutes.)

4. Other Intermediate-term issues with an undetermined average life.

a. Union deposit funds

b. Registered, open-end (mutual) funds which normally do not have 12b-1 fees or their equivalent and comply with all provisions of S 85 15

c. Exchange Traded Funds (ETFs)

d. Convertible bonds, convertible into common stock, Real Estate Investment Trusts (REIT's), and preferred stock are considered equity securities and thus are prohibited from being purchased as fixed income securities.

**S 85 45 Investment of Long-Term Funds—**1. All provisions in S 85 35 and S 85 40.

2. Long-Term investments include:

a. Intra-denominational loans adequately secured by recorded mortgage or parent organization guarantee, deeds of trust, chattel mortgages on equipment, and interest-bearing with a repayment schedule. In addition, loans to denominational organizations within the loaning entity's territory but not under its jurisdiction, shall require either a guarantee or a "no objection" from the controlling committee of the borrower's larger organization,

b. All equity focused General Conference Unitized Funds,

c. Vendor contracted investment funds as arranged by the General Conference Investment Office.

d. Fixed Income:

1) G-7 Government and their Agency Securities (such as "Ginnie Mae's," "Fannie Mae's," and "Freddie Mac's").

2) Corporate notes and bonds maturing within thirty years.

3) First mortgages on an employee primary residence with up to 90 percent loan to value and repayment through a payroll deduction.

4) General Conference Bond and Income Unitized Funds or an income fund with a thirty-six month average life.

e. Registered, open-end (mutual) funds. Funds shall be evaluated as to types of fees and the impact upon performance.

f. Exchange Traded Funds (ETF's).

g. Well capitalized, non-speculative Real Estate Investment Trusts (REIT's) listed on a recognized exchange.

**S 85 50 Special Consideration Securities**—1. Union Conferences and the North American Division will set up and appoint Investment Oversight Committees. Existing union investment committees may be assigned this function if appropriate. Such committees will include disinterested professionals with current investment skills, and will have the authority to authorize qualifying member organizations under their purview to invest in the following investment vehicles in addition to the options described in S 85 35, S 85 40, and S 85 45 above. Such authorization shall be renewed every three years. Qualifying organizations will have:

a. A large enough investment pool to be cost effective to invest in such instruments.

b. A current Investment Policy Statement as described in S 85 15-9.

c. A professional staff and/or consultants managing such investments.

d. An action from the governing body to be authorized for such investments.

2. Short-Term Investments

a. Banker's acceptances created in international trade

b. Commercial paper

c. G-7 Government and government guaranteed agency securities with less than one year to maturity or government issuances denominated in the currency of the controlling organization

d. Corporate securities, which satisfy all of the limitations stated above, with less than one year to maturity

3. Long-Term Investments

- a. Common stocks, American Depository Receipts (ADR's) of foreign companies, and ordinary shares of non-U.S. securities or warrants thereon, listed on recognized exchanges.
- b. Preferred stocks rated investment grade.
- c. Convertible securities including debentures rated investment grade.
- d. Sales and repurchase of covered calls listed on a recognized exchange.
- e. Mortgage and other asset backed securities maturing within thirty years with the following exceptions:
  - 1) Subordinated debt is prohibited.
  - 2) All collateralized obligations must be rated AA or better.
  - 3) Interest Only (IO's), Principal Only (PO's), Inverse floaters and all other leveraged tranches are prohibited.
  - 4) Syndicated real estate mortgages limited to 80 percent of the fair market value of the collateral.
  - 5) Private debt placements secured by an irrevocable letter of credit issued by institutions rated A-1 or P-1 or its equivalent.
- f. Real Estate—Syndicated with institutional investors and representing no more than 25 percent interest in the property(ies) or if a single property principally owned, investment shall require professional consultation and management advice and prior approval by the controlling committee.
- g. High yield bonds
- h. Partnerships investing in equity securities which are managed defensively.
- i. Derivative contracts may be used to reduce or manage the risk exposure of a portfolio when used in combination with the other portfolio holdings and within the context of the manager's overall strategy.

1) Contracts can be used in lieu of cash market transactions only when fully documented and when their valuation, execution and/or cost provide relative advantages.

2) Adequate liquidity for contract margin requirements must always be coordinated within the overall manager's strategy.

3) Asset sales for cash must be accomplished in an orderly way.

4) The manager may utilize derivative contracts to replicate the risk/return profile of an asset or combination of assets provided that the guidelines allow such exposures with the underlying assets themselves. Derivatives may not be used to produce exposure to an asset, asset class, index, interest rates, or other financial variables that would not otherwise be allowed in the portfolio guidelines where derivative contracts are not allowed.

5) At no time shall the portfolio, in aggregate, be more than 100 percent invested.

**S 85 55 Exceptions**—1. Exceptions for securities and investments not covered in this S 85 policy may be requested in writing through the NAD Treasurer/Chief Financial Officer to the North American Division Committee, or in the cases of Conference subsidiaries through the Union Treasurer/Chief Financial Officer to the Union Executive Committee.

2. It is recognized that where the Church operates a Trust Services function, national, state or provincial trust legislation contains regulations that supersede the provisions of the S 85 policy.

## **S 86 Educational Financial Policy, K-12**

**S 86 05 K-12 Reversion**—North American Division participation in the financing of the operating expenses of education K-12, known as "K-12 Reversion," will be based on the equivalent of 2.5 percent of the gross tithe for the North American Division and shall be distributed as follows:

**Ohio Conference of SDA**

# **Treasurers' Manual**

**Section 12**

**Unrelated Business**

**Income**



June 6, 2013

## Unrelated Business Income Tax Exceptions and Exclusions

See the following IRS website for the publication unrelated business income:

<http://www.irs.gov/Charities-%26-Non-Profits/Charitable-Organizations/Unrelated-Business-Income-Tax-Exceptions-and-Exclusions>

### Unrelated Business Income Defined

For most organizations, an activity is an unrelated business (and subject to unrelated business income tax) if it meets three requirements:

It is a trade or business

It is regularly carried on, and

It is not substantially related to furthering the exempt purpose of the organization.

There are, however, a number of modifications, exclusions, and exceptions to the general definition of unrelated business income.



**Ohio Conference of SDA**

# **Treasurers' Manual**

## **Section 13**

### **Loans**



June 6, 2013

## Loan Scenario – Issues

1. Loans
2. Donations to the church specified for specific individuals
3. Borrowing from Local Funds

**What is the purpose of the church?** Certainly it is not giving loans to people. Giving loans should be left to a bank. If someone needs help, **it is one of the functions of the church to care for and help people.** The church can help through community services or a financial gift through the benevolent fund.

Members can make donations to the benevolent fund, but if they indicate that the money is to be used for a specific individual, IRS says “Contributions to individuals who are needy or worthy are not deductible. This includes contributions to a qualified organization if you indicate that your contribution is for a specific person. **But** you can deduct a contribution that you give to a qualified organization that in turn helps needy or worthy individuals if you do not indicate that your contribution is for a specific person.” Publication 526, page 6 (you have a copy of this publication)

Church funds are to be used for the non-profit function of the church. Giving loans from these funds for other purposes **may jeopardize our non-profit status** as well as **tie up the availability of church funds.**

Excerpt from North American Division of the General Conference Working Policy

**E 80 25 Not to Seek Gifts or Loans** – Employees shall not in any way seek personal gifts from church members or churches. When it is necessary for them to discuss their financial affairs, this should be done with their employing bodies rather than with members of the church. Employees shall not accept loans from church members or churches.

## Loans

Gladys Kindly was visiting with Pastor Onest and his wife while they were enjoying Sabbath lunch together. In the conversation she learned that Pastor and his wife were purchasing a house and needed \$2000.00 for closing costs. Unknown to Pastor Onest, Gladys suggested to the church board that they give him a loan for the money and he could pay the church back over the next 12 months.

The church really loved Pastor Onest and wanted to help him so it was voted to give him a loan and borrow the money from combined budget. Mary Tegrity wrote a check to Pastor Onest and he agreed to make the payments over the next year. There was no promissory note or written agreement for this loan.

Three months went by and Pastor Onest had not made a payment toward his loan. He did mention to Mary Tegrity that things were really tight financially for his family.

The Board received a request from Don Andout, a member of the church, who heard about the Pastor's loan and wondered if the church could give him a loan to help them purchase a car. Their car broke down and they needed it to go to work.

When Mary, the church treasurer, did the financial report for the month, she saw that there was only \$500.00 left in combined budget and the church property insurance was due the following month.

# LOCAL CHURCH LOAN APPLICATION

## THE COLUMBIA UNION REVOLVING FUND

5427 Twin Knolls Road - Columbia, MD 21045-3247

Telephone: (866) 721-CURF (2873) \* Fax: (443) 259-9627

### A. GENERAL INFORMATION (Please print information on application)

1. Name of church: \_\_\_\_\_ Name of Conference: \_\_\_\_\_

2. City in which church is located \_\_\_\_\_

3. Address to which loan documents (including loan proceeds, promissory note and periodic statements) should be sent:

\_\_\_\_\_ (Number) (Street)

\_\_\_\_\_ (City) (State) (Zip Code)

Attention: (Name and title) \_\_\_\_\_ Email address \_\_\_\_\_

Phone: (Area Code) \_\_\_\_\_ (number) \_\_\_\_\_

4. Description of project to be financed, equipment to be purchased, or other use of loan proceeds (attach additional sheets, if necessary, to fully describe project)

\_\_\_\_\_  
\_\_\_\_\_

5. Does the project involve the repair or renovation of Church-owned property? [ ] Yes [ ] No

6. Specify name of titleholder of record and place where deed is recorded: \_\_\_\_\_

\_\_\_\_\_

### B. CHURCH INFORMATION

1. Membership: Current: \_\_\_\_\_ Current Weekly Attendance: \_\_\_\_\_

Year before: \_\_\_\_\_

Year before: \_\_\_\_\_

2. Annual church operating expenses (last 3 years): Last year: \_\_\_\_\_ \$ \_\_\_\_\_  
(Do not include any mortgage/loan payments)

The year before: \_\_\_\_\_ \$ \_\_\_\_\_

The year before: \_\_\_\_\_ \$ \_\_\_\_\_

**Average (add all the above and divide by 3):** \$ \_\_\_\_\_

3. Annual local church offerings/income (last 3 years): Last year: \_\_\_\_\_ \$ \_\_\_\_\_

The year before: \_\_\_\_\_ \$ \_\_\_\_\_

The year before: \_\_\_\_\_ \$ \_\_\_\_\_

**Average (add all the above and divide by 3):** \$ \_\_\_\_\_

Revised 7/11

4. Annual church tithe (last 3 years): Last year: \_\_\_\_\_ \$ \_\_\_\_\_

The year before: \_\_\_\_\_ \$ \_\_\_\_\_

The year before: \_\_\_\_\_ \$ \_\_\_\_\_

**Average (add all the above and divide by 3):** \_\_\_\_\_ \$ \_\_\_\_\_

**300% of Average Tithe (Average x 3):** \_\_\_\_\_ \$ \_\_\_\_\_

5. Does the church owe anything on the building/property?  Yes  No.

If the answer is "Yes", to whom is the debt payable (bank, conference, etc)? \_\_\_\_\_

Is the building/property pledged (mortgaged, etc) to secure the debt?  Yes  No

If the answer is "Yes", when did it occur (date)? \_\_\_\_\_ What was the original amount? \$ \_\_\_\_\_.

What is the current balance of present loan? \$ \_\_\_\_\_.

What is the monthly payment? \$ \_\_\_\_\_.

Attach the most recent/available church financial statements.

### C. PROJECT INFORMATION

Details of project cost, as applicable:

1. Source of Estimate (engineers, architects, contractors, etc) \_\_\_\_\_

a. Land: \$ \_\_\_\_\_

b. Architect fees: \$ \_\_\_\_\_

c. Site preparation: \$ \_\_\_\_\_

d. Construction estimate: \$ \_\_\_\_\_

e. Fixtures and furniture: \$ \_\_\_\_\_

f. Equipment: \$ \_\_\_\_\_

g. Vehicles: \$ \_\_\_\_\_

h. Other (describe): \$ \_\_\_\_\_

2. Total cost of project: (add a to h) \$ \_\_\_\_\_

3. 65% of total cost (total estimated project cost multiplied by .65) \$ \_\_\_\_\_

4. Financing sources identified by Church in addition to loan from the Revolving Fund:

a. Expenses previously paid in full: \$ \_\_\_\_\_

b. Cash on hand (checking, saving accounts, including any funds at CURF): \$ \_\_\_\_\_

c. Local Conference contributions: \$ \_\_\_\_\_

5. Total Available Financing (add a to c): \$ \_\_\_\_\_

6. Identify any debt owed on any land connected to the project, or any liens on, or interests in the land: (Note: Revolving Fund policy requires that all land be free of debt prior to approval of loan. \_\_\_\_\_)

7. Identify any other debt owed by the church at the time of this application.

a. Creditor (owed to): \_\_\_\_\_ Original amount: \$ \_\_\_\_\_

b. Current balance owed: \$ \_\_\_\_\_ Monthly payment: \_\_\_\_\_

### D. LOAN TERMS REQUESTED

1. **Amount of Revolving Fund Loan requested:** \_\_\_\_\_ \$ \_\_\_\_\_

\* For projects costing more than \$200,000, the total amount of the loan requested cannot exceed the lesser of 300% of average annual tithe for the last three years (see Section B, item 4) or 65% of total project cost (see Section C, item 2). Projects costing up to \$25,000 may be financed entirely through the Revolving Fund. Projects costing between \$25,000 and \$200,000 may be financed at 100% on the first \$25,000 plus 75% on the amount between \$25,000 and \$200,000.

2. **Upon approval, what is the estimated date money will be needed? (Date)** \_\_\_\_\_

**Policy on draws** – If the borrower provides CURF a draw schedule, CURF will follow the draw schedule as stated.

In the absence of a draw schedule, CURF will issue a check for the loan amount within ninety (90) days after the vote of CURF Board, approving the loan. Interest on the full loan amount will be charged to the borrower during this period. If the funds are not needed immediately by the borrower, they can be put into CURF as Notes Payable.

**Borrower acknowledges reading this policy on draws**

Signature \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

3. **Repayment period requested:** \_\_\_\_\_ **Years:** \_\_\_\_\_ (See below)

Maximum repayment period allowed by the Revolving Fund:<sup>a</sup>

Up to \$3,000-- 3 years	\$6 - 6,999 --	7 years
\$3 - 3,999 -- 4 years	\$7 - 7,999 --	8 years
\$4 - 4,999 -- 5 years	\$8 - 8,999 --	9 years
\$5 - 5,999 -- 6 years	\$9,000 and up	* 15 years
Loans for acquisition of motor vehicles --	Up to 5 years	
Loans for acquisition of conference parsonages --	Up to 30 years	

\*On certain loans, the Revolving Fund may consider requests to extend repayment term up to 20 years.

**CERTIFICATION:**

TO THE BEST OF OUR KNOWLEDGE, ALL THE INFORMATION SET FORTH ON THIS APPLICATION IS TRUE AND CORRECT AS OF THE DATE SET FORTH BELOW.

THIS LOAN APPLICATION WAS SHOWN TO, REVIEWED AND APPROVED BY THE CHURCH BOARD ON (Date) \_\_\_\_\_, IN ACTION NUMBER \_\_\_\_\_ AND HAS RECEIVED ALL NECESSARY APPROVALS FROM THE CHURCH.

Name of Church Pastor: \_\_\_\_\_ Signature \_\_\_\_\_ Date: \_\_\_\_\_

Name of Church Treasurer: \_\_\_\_\_ Signature \_\_\_\_\_ Date: \_\_\_\_\_

**IMPORTANT REMINDER**

When purchasing real estate and /or existing buildings or facilities, please read carefully the following:

**Hazardous Waste and Church policy (NAD Working Policy S 05 46 3):** "A hazardous waste assessment and review shall be made regarding all church properties and other real estate to be held in the name of a denominational entity prior to acquisition of the asset, whether by gift, purchase, or otherwise. The assessment and review shall be made using an appropriate form approved by the organization's legal counsel".

1. Has the church complied with the hazardous waste assessment as stated above? [ ] Yes [ ] No
2. If the answer is "Yes", do you have written proof this was done? [ ] Yes [ ] No

3. If the answer is "No", please **DO NOT** process this application any further until this requirement is fully satisfied.

**Once completed, please forward a copy of the application to the office of the Treasurer of your local conference.**

# MEMORANDUM

To: Churches and Schools Requesting Loans

From: Doug Falle  
Ohio Conference of Seventh-day Adventists

Date: June 1, 2010

The Ohio Conference policy limits local church borrowing to 200% of annual tithe and requires 50% of the project cost on hand at the start of the project.

Exceptions to this will be considered on a case by case basis.

If there are any questions, please feel free to contact us.

**Policy for paid contractors doing work on Church/School property.**

1. If there is a contract involved, the Ohio Conference Association officers are the only employees authorized to sign. Pastors are not authorized to sign contracts of any type.
2. The contractor needs to provide a certificate of insurance listing the Ohio Conference of S.D.A. and the local church as additional insured and loss payee. This should be listed as follows:  
Ohio Conference of Seventh-day Adventists dba (*local church name here*) SDA Church.



**Ohio Conference of SDA**

# **Treasurers' Manual**

**Section 14**

**Resources**



June 6, 2013

## Resources for Church and School Treasurers

Ohio Conference of Seventh-day Adventists  
P.O. Box 1230  
Mount Vernon, OH 43050  
740-397-4665 ext 125 for Deena in Treasury

Andrew Sutton, Auditor  
740-397-4665 ext 124  
[adsutton@ohioadventist.org](mailto:adsutton@ohioadventist.org)

Karen Robinson, Auditor  
740-397-4665 ext 126  
[krobinson@ohioadventist.org](mailto:krobinson@ohioadventist.org)

Nancy Barnett, Payroll/Billing  
740-397-4665 ext 136  
[nancy@ohioadventist.org](mailto:nancy@ohioadventist.org)

Doug Falle, Treasurer  
740-397-4665 ext 125  
[dfalle@ohioadventist.org](mailto:dfalle@ohioadventist.org)

[www.ohioadventist.org](http://www.ohioadventist.org) – Ohio Conference of SDA

[www.irs.gov](http://www.irs.gov) – Internal Revenue Service

[www.dol.gov](http://www.dol.gov) – Department of Labor

[www.nadadventist.org](http://www.nadadventist.org) – North American Division