

Segregation of Duties Checklist

Duty	Owner Recommendation
Budgeting: Set annual budgets.	Finance committee
Cash handling: Collect and deposit funds.	At least two or three people (of no relation) should count church tithes and remain present until the deposit is made.
Purchase requests: Submit purchase requisitions.	Church staff who are not authorized to make purchases
Disbursements: Bank access <ul style="list-style-type: none"> • Grant permission for one user to create transactions. • Grant permission for a different user to authorize transactions. Credit card access Checks <ul style="list-style-type: none"> • Require two signatures on checks. • Don't pre-sign blank checks. • Don't use signature stamps. • Lock blank checks in a secure location. 	Designate a minimum of two authorized purchasers for dual controls. Exclude pastors and board members to avoid conflicts of interest.
Bank reconciliation and financial reporting: Require prompt reporting of invoices, receipts and written checks for monthly bank reconciliation. Prepare monthly and annual financial reports.	Someone other than those responsible for deposits and disbursements
Auditing: Conduct independent audits (annual and unannounced audits).	Someone other than those responsible for deposits, disbursements and reporting
Follow Best Practices	
Develop a segregation of duties policy with guidelines for:	
<ul style="list-style-type: none"> • Handling donations and cash 	
<ul style="list-style-type: none"> • Approving and tracking time-sensitive benevolence disbursements 	
<ul style="list-style-type: none"> • Defining steps for crisis management (e.g., identifying risks, developing steps for financial transactions, etc.) 	
<ul style="list-style-type: none"> • Requiring invoices or receipts for every purchase 	
<ul style="list-style-type: none"> • Requiring prompt investigation of irregularities (specify who must be notified) 	
<ul style="list-style-type: none"> • Setting a regular rotation of roles and responsibilities 	
<ul style="list-style-type: none"> • Protecting assets – such as cash, checks and financial records – with the use of safes, security cameras, alarm systems or other methods 	
<ul style="list-style-type: none"> • Managing data security (e.g., restricting computer access, backing up files, updating passwords regularly, etc.) 	
<ul style="list-style-type: none"> • Defining consequences for personal use of church funds 	
<ul style="list-style-type: none"> • Defining consequences for embezzlement 	
<ul style="list-style-type: none"> • Having employee dishonesty insurance (also known as a fidelity bond) for protection against losses caused by employee dishonesty, theft or embezzlement 	

For more information, contact us at PCSalesSupport@GuideStone.org or (214) 720-2868, Monday through Thursday, from 7 a.m. to 4:30 p.m. CT and Friday, from 7 a.m. to 4 p.m. CT.

This is for informational purposes only. It is not intended to be construed as legal advice. Readers should use this article as a tool, along with best judgment and any terms or conditions that apply, to determine appropriate policies and procedures for your church's risk management program.

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