

St. Peter's Business Services

Problem

St. Peter's Business Services was formed to provide an economical solution to a very common problem — providing quality financial administrative support to congregations.

The finance function is probably the most difficult to do well for any congregation. It is

- relatively technical,
- can consume considerable hours, and
- requires continuous commitment over at least several years.

Very few people are both willing and able to assume the burden. Most congregations make do with overstressed volunteers, tolerating a high turnover rate, incomplete and inconsistent records and very limited financial management and forecasting expertise. Some congregations are working with a 'permanent' Treasurer because no one else will do the job, even though the practice is strongly discouraged.

A Better Solution

The St. Peter's Business Services solution provides the skilled financial records management expertise to congregations at affordable cost. The solution:

- Provides accounting skills for non-profit accounting,
- Provides appropriate accounting software and systems,
- Reduces the workload on congregational volunteers, and
- Permits persons with business skills but not accounting expertise to serve ably as Treasurer.

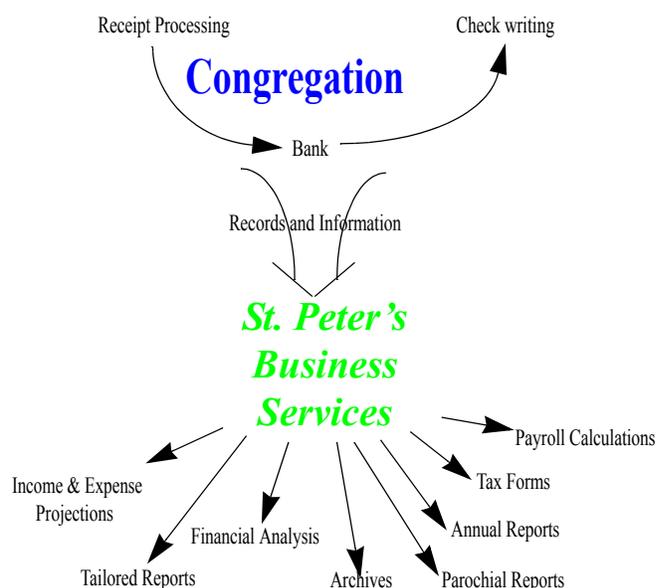
St. Peter's Business Services provides a quality solution by leading a team of persons with shared responsibilities and experience. The team includes two or more local congregational members and a financial expert from St. Peter's Business Services. A team arrangement permits flexible adaptation to each congregation's situation.

A typical division of responsibilities assigns to congregation members:

- All signature authority and control over expenditures,
- Oversight over the financial management process, and
- Local services such as check writing and revenue counting and deposit,

St. Peter's Business Services provides the expertise for:

- Defining a sound financial process and task descriptions, and providing training for congregational team members;
- All record keeping, monthly reconciliation with bank statements and comprehensive monthly reports;
- All payroll calculation and filing of state and federal reports;
- Comprehensive reports to the Congregational Governing Board and Congregational meeting, including interpretation and explanation; and
- Annual reports, complete documentation archives, and support for the auditing process.



This approach fills an important congregational need with an affordable solution and many benefits compared to the use of untrained volunteers:

- A quality Financial Process that conforms to generally accepted principles.
- Up to date and complete financial reports
- Thorough analysis of present position and trends.
- Comprehensive reports for the congregational fiscal officers.
- Tailored reports for special needs (e.g. Sunday School Superintendent, Buildings and Grounds).
- Quality records management, backup, and archiving to safeguard essential records.
- Free use of quality accounting software systems that are automatically kept up to date.
- Constant process improvement keeps increasing the benefits.

The congregation will find it much easier to find able volunteers because:

- The work load is much reduced and simplified to fit the available skills and time of volunteers.
- People skilled in business administration but not in accounting can be Treasurer.
- Volunteers are provided free training and explicit instructions for their duties.

The St. Peter's Business Services solution preserves the financial integrity and autonomy of the congregation by:

- Leaving all signatory control over accounts with the congregation.
- Ensuring all financial documents remain in the possession of the congregation.
- Providing locally responsive check writing and deposit processing.
- Providing quality financial records management and comprehensive insightful financial reports and analysis.

Typical Working Arrangement

Each congregation is different and services are tailored to provide the maximum benefit. A typical relationship with a congregation might develop in this way:

1. Business Services evaluates the current congregational system and proposes a strategy for proceeding, including a chart of accounts.
2. The congregation designates a person to write all checks, a person to process receipts, and a person to monitor the process (e.g., a Treasurer) These responsibilities can be combined into fewer persons, but it is strongly recommended that two different, non-related persons do the check writing and income processing.
3. Business Services provides task descriptions for the congregational team members.
4. Business Services offers to meet with each congregational person for training
5. Business Services sets up the finance records management system at its facilities.
6. The receipts person processes the income weekly and faxes or e-mails a report weekly to Business Services.
7. The expenditures person writes checks, fills out a provided paper or electronic report and faxes or e-mails it to Business Services weekly.
8. A congregation person faxes or e-mails time sheets to Business Services
9. Business Services calculates the proper payroll checks, withholding, etc., and forwards by e-mail instructions for writing checks, suitable check 'stubs' for each person and, when appropriate, instructions for writing checks for state and federal withholdings, including filled out forms.
10. When the bank statements arrive, Business Services will reconcile the month's records and e-mail an agreed suite of monthly reports to the congregation.
11. As required, Business Services will meet with the governing board either in person or via teleconference to explain and interpret the current financial status of the congregation
12. On appropriate dates, Business services will file appropriate state and federal withholding reports, send W2/1099 forms to employees and send W2/1099 reports to the federal government.

13. On appropriate dates, Business Services will provide prospective estimates of revenue and expense to support the budgeting process and, as data is available, retrospective analysis of revenue and expense trends.

All reports will be furnished in PDF format for maximum portability. Periodic CD-ROM's of all documents are furnished so the congregation has a valuable, convenient, and complete archive of all reports during that year.

Costs

The service is available only by subscription with a minimum commitment of 1 year, renewably annually.

After meeting with the congregation and estimating the work requirements, the cost will be set as a fixed monthly fee to cover the estimated average work load. (Cost depends upon the congregation's requirements, but a medium sized congregation with six active bank accounts and self-administered payroll would require about 2 hours of work per week, averaged over the year.) At the end of each quarter, a revised estimate of the work requirements will be made and the monthly fee adjusted for the next quarter.

Congregation Requirements

A major benefit of St. Peter's Business Services is that the investment and maintenance requirements for the congregation are very low. In addition to the appropriate congregational volunteers, a congregation must provide:

- Fax or scanner availability for all congregational team members
- E-mail capability for at least one congregational team member, preferably for all team members
- At least one PC or Macintosh with appropriate word processing or spreadsheet software for the use of the expenditure person.
- A laser printer and Adobe PDF reader software for printing documents. (The software is free and can be provided and installed by St. Peter's Business Services).

For congregations without suitable computer facilities, St. Peter's Business Services can provide a computer and printer at favorable cost. This cost can be integrated into the monthly fee, spread over one year's billing.

In addition, the congregation must agree to perform periodic audits and provide copies of those reports to St. Peter's Business Services. In consultation with the auditor, St. Peter's Business Services will adapt the process to meet auditors concerns, if any.

Finally the congregation must be responsible for the proper performance of the assigned duties of the congregational team members. St. Peter's Business Services will make every effort to train and support congregational volunteers, but the ultimate responsibility for their part of the team process lies with the local congregation.

For Further Information

Contact St. Peter's Lutheran Church at (631) 423 1013 and ask for the Manager of St. Peter's Business Services. By e-mail, you can contact us at SPBS@verizon.net.

We will be glad to meet with your congregation members to further explore the benefits to your congregation.