

CO-MINGLING CHURCH AND PERSONAL FUNDS

Church funds are assets of a 501(c)(3) corporation. No assets of a 501(c)(3) corporation can inure to the benefit of any member or officer of the corporation except as reasonable salary and benefits. Church funds include all funds for all ministries of the church, i.e. women's ministry, children's ministry, youth ministry, etc.

Alarming, church funds from various

ministry departments are frequently sent to denominational headquarters on personal checks. This should never happen. If church leaders are collecting monies and placing them in their personal accounts, they are (albeit inadvertently) converting church funds into personal funds...co-mingling church and personal funds. This is appropriating the assets of the corporation for personal use.

CHURCH LAW

Even if the funds are at some point removed from personal funds, this can cost a church its 501(c)(3) covering. All church funds for any department or any project should only and always be placed in an official church bank account. With proper fund accounting churches may manage all church funds from one bank account, though not required. Whatever number of bank accounts, they

should be protected by appropriate internal controls. Please, pastors and church treasurers, make sure your staff and volunteers are collecting church funds correctly and not co-mingling them with personal funds. Know who is handling church monies and know how those monies are being handled. This is your privileged responsibility and represents good stewardship.

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