

# **AN EFFECTIVE ACCOUNTING SYSTEM FOR CHURCHES**

**(A CASE STUDY OF SOME SELECTED CHURCHES IN  
KUMASI METROPOLIS)**

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**MAY, 2008.**

**Investigation Report submitted to the Business Administration Department of  
Christian Service University College in partial fulfillment of the requirements  
for the degree of Bachelor of Business Administration.**

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## **ABSTRACT**

Accounting plays a vital role in the assessment of performance of an entity .As church ministers / administrators are stewards of the funds allocated to them, it is important that effective accounting system is put in place so as to give proper accounts of their stewardship to church members and God.

The research was conducted through the administration of questionnaires and interviews of some ministers of religion, church members of some selected churches and theology students of Christian Service University College Kumasi.

It was concluded that an integrated accounting system should be used in maintaining the church accounts with proper internal control measures to safeguard the assets of the church.

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## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the study:

Religion is part of society. Mankind belongs to one religious society or the other. A person could be a Christian, A Muslim, Traditionalist, A Buddhist, etc.

For a country like Ghana; Christians and for that matter churches constitute about 60% of the religious denomination.

Churches are expanding rapidly in the country and for that, affect the socio-economic life of the citizenry. Some churches have schools, insurance companies, etc. and also embark on other socio-economic activities. All these projects call for the use of funds which are generated internally or source from outside (external assistance).

Church leaders / pastors who serve as administrators have been entrusted with some responsibilities and for that matter have to account for their stewardship. Proper bookkeeping (accounting) systems form a vital role for the reporting; and aim at achieving the desired goals of the church activities. To achieve the optimum benefit and make a meaningful developmental project, proper books of account must be maintain/kept. It will stimulate in the planning and implementation of decisions.

Leaders of the Church are expected to be good stewards of the funds entrusted to them. Peter warns to be continually watchful against the evil one, Satan, because he is like a roaring lion seeking whom he may devour (I Peter 5:8). Let heed this warning for Satan sets a trap in every place and cleverly lays bait that we might fall prey into it. Like a lion, he watches eagerly as we take the bait of temptation, then he devours. One such temptation that Satan often uses is money. Although Church leaders are trusted with money, they are not exempt from temptation. Paul warns to take heed, he who thinks he is strong should be careful, or he may fall

(I Corinthians 10:12). It is then imperative for the Church leadership to explore avenues which Satan may utilize to tempt its flock, and try to eliminate them. One such item is Church funds. It is therefore urgent that the Church leadership set up an adequate accounting system aimed to safeguard Church funds. Regretfully, many congregations have been divided or have been shut down due to cases of mishandled Church funds committed by a Church leader or leaders. More

disgraceful is the discouraging effect this incident may cause to the members of the Church as well as to those outside of the Church. Hence the need for an efficient accounting system

## **1.2 Problem statement**

There has been a misuse of church funds by some church administrators as a result of poor accounting systems. This has led to:

- Division among stewards/pastors and final split of some churches.
- Inability to complete church projects on time as well as to take proper initiatives.
- Poor old age remunerations which result in financial hardship.

## **1.3 Objectives of the study**

The following are the objectives of the study;

- To bring to the awareness of church leaders/pastors and other religious organizations some look holes in church accounting system.
- To suggest effective accounting system to be used in churches for efficient generation monitoring and use of funds

## **1.4 Research question**

The study is to ask/ inquire what accounting / book-keeping system is in churches that are not effective and efficient.

## **1.5 Organization of chapters**

Any research work presentation need to be organized in a chronological coherent manner to make the document understandable and easily assessable. This was how the chapters of the research work on an effective accounting system for churches –a case study of some selected churches were organized

Chapter one covers introduction; background of the study, problem statement, objectives of the study and research question respectively.

Chapter two consists of the literature review of the study .What writers and authorities say about account in relation to the study.

Chapter three comprises the methodology; that is the method by which data was collected, through primary data such as questionnaire, interview based on sample size. Also was the use of secondary data such as church accounts book, internet and magazines.

Results from data collected from various sources and their discussion constitutes chapter four.

The final and the concluding part which is chapter five are the summary and conclusion/ recommendation of the research. Attached is the bibliography and appendix.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 The meaning of bookkeeping and accounting

Bookkeeping is act of recording in the books, of all those business transactions that result in the transfer of money within or between entities. From Wood and Sangster (2002, p 4), "Bookkeeping is the process of recording data relating to accounting transactions in the accounting books.

Accounting is "The process of identifying, measuring, and communicating economic information to permit informed judgments and decision by users of the information" this was Wood and Sangster (2002, p.300) again stated. Accounting could also be seen as the act of collecting, recording, classifying, summarizing, interpretation and reporting the final event of a business for the purpose of making decision on the financial state and progress of the business.

#### 2.2 The accounting process (the accounting cycle)

From [www.netmba.com](http://www.netmba.com) The accounting process is a series or activities that begins with a transaction and ends with the closing of book. Because this process is repeated each reporting period, it is referred to as the accounting cycle and includes these major steps:

1. Identify the transaction or other recognizable event.
2. Prepare the transaction's source document such as a purchased order or invoice.
3. Analyze and classify the transaction. This step involves quantifying the transaction in monetary terms (example dollars and cents), identifying the accounts that are affected and whether those accounts are to be debited or credited.
4. Record the transaction by making entries in the appropriate journal, such as the sales journal, purchase journal, cash receipt or disbursement journal, or the general journal .Such entries are made in chronological order.
5. Post general entries to the ledger accounts.

The above steps are performed throughout the accounting period as transactions occur or in periodic batch processes. The following steps are performed at the end of the accounting period:

6. Prepare the trial balance to make sure that the debits equal credits. The trial balance is a list of all the ledger accounts, with debits in the left column and credit in the right column. At this point no adjusting entries have been made. The actual sum of each column is not meaningful; what is important is that of the sums be equal. Note that while out-of- balance columns indicate a



recording error, balanced columns do not guarantee that there are no errors. For example, not recording a transaction or recording it in the wrong account would not cause an imbalance.

7. Correct any discrepancies in the trial balance. If the columns are not in balance, look for mathematical errors, posting errors, and recording errors. Postings errors include;

- posting of the wrong amount,
- omitting a posting,
- posting in the wrong column, or,
- posting more than once.

8. Prepare adjusting entries to record accrued, deferred, and estimated amounts.

9. Post adjusting entries to the ledger accounts.

10. Prepare the adjusted trial balance. This step is similar to the preparation of the adjusted trial balance, but this time the adjusting entries are included. Correct any errors that may be found.

11. Prepare the financial statements;

- Income and expenditure: prepare from the revenue, expenses, gains, and losses.
- Balance sheet: prepared from the assets, liabilities, and equity accounts.
- Statement of retained earnings; prepared from net income and dividend information.
- Cash flow statement: derived from the other financial statements using either the direct or indirect method.

12. Prepare closing journal entries that close temporary accounts such as revenues, expenses, gains, and losses. These accounts are closed to a temporary income summary account, from which the balance is transferred to the retained earnings accounts (capital). Any dividend or withdrawal accounts also are to capital.

13. Post closing entries to the ledger accounts.

14. Prepare the after closing trial balance to make sure that debits equal credits. At this point, only the permanent accounts appear since the temporary ones have been closed. Correct any errors

15. Prepare reversing journal entries (optional). Reversing journal entries often are used when there has been an accrual or deferral that was recorded as an adjusting entry on the last day of accounting period. By reversing the adjusting entry, one avoids double counting the amount when the transaction occurs in the next period.

Instead of preparing the financial statements before the closing journal entries, it is possible to prepare them afterwards, using a temporary income summary accounts to collect the balances of the temporary ledger accounts (revenues, expenses, gains, losses, etc.) when they are closed. The

temporary income summary account then would be closed when preparing the financial statements.

### **2.3 The church as a registered trust**

A church is a non-profit making organization which falls under Registered Trust under business entities in Ghana. Registered Trust is a voluntary association established for any religious education, literary scientific, sports, social or charitable purpose, may be incorporated by registration of such body under the trusted (Incorporated) Act 1962 Act 106. Such corporation gives the association legal status to own land and to have perpetual succession. This law does not provide detailed rules on the framework for administering such body. It allows the Minister of Justice to set condition and direction for the body as he thinks fit with regarded to the extent that the objects and other circumstance of such body or association. The Minister may also apply to the High Court for an order cancelling the certification of incorporation of such a body if he is of the opinion that the activities of the association are contrary to public order or morality. (Dapaa 2006)

### **2.4 Accounting standards and related documents:**

In December 1989, the Institution of Chartered Accountant in England and Wales issue a statement of intent on Accounting Standards in 1970s. While there is no general law compelling observation of the standards, accounting standards have had statutory recognition since companies Act 1989 became law “.....- according standards must be complied with when preparing financial statement intended to present a true and fair view”. The companies Act state that failure to comply with the requirement of an accounting standards must be explained in the financial statements. Wood and Sangster (2002, p.139-140)

#### **The International Accounting Standard**

The Accounting Standard Board (ASB) deals with the UK. Beside this there is an intentional organization concern with accounting standards. The international Accounting Standards Committee (IASC) was established in 1973. Representatives from each of the founding members include the UK, sit on the committee as well as co-opted from other counters. Wood and Sangster (2002)

In Ghana the Institution of Chartered Accountant Ghana (ICAG) has it police regarding the preparation of financial statement.

In preparing to financial statement of profit and non-profit making organization they are regulated by the country's accounting standards example (ICAG) and the International Accounting Standards. With the intention of ensuring that they are helpful and reliable guide to corporate progress.

## **2.5 Accounting system:-**

### **2.5.1 Non – profit oriented organizations**

As their main purpose is not trading or profit – making, charities, churches, clubs, associations and other non-profit-oriented organization do not prepare trading and profit and loss accounts. Rather they prepare receipts and payment accounts” or income and expenditure accounts” Wood and Sangster (2002, p.400)

### **2.5.2 Receipts and payment accounts:**

Receipt and payments accounts are a summary of the cash book for the period. For any organization with no assets (other than cash) and no liabilities, a summary of the Cash Book reveals everything about what has happened financially during a periods. Wood and Sangster (2002, p.400).

### **2.5.3 Income and expenditure accounts:**

When assets are owed and / or there are liabilities, the receipts and payments account is not good way of drawing up financial statements other than the cash received and paid out, it shows only the cash balances. Other than the cash received and paid out, it shows only the cash balances. The assets and liabilities are not shown at all. What is required is;

1. A balance sheet and
2. Accounts showing whether the association's capital has increased.

In profit – oriented organization, 2 would be trading profit and loss accounts, in a profit and loss accounts. In a non – profit organization, 2 would be an income expenditure accounts. Wood and Sangster (2002, p.401)

## **2.6. Decision making (procurement)**

Decision-making is define as a process involving information, choice of alternatives actions, implementation and evaluation that is directed to the achievement of certain stated goals. Draft (2002)

Denhardt & Grubbs (2003) “.....while in public and non-profit organization is guided by commitments to democratic ideals. ....” It can be seen that decision making by the church in terms of use of funds, involve some democratic form church leaders imposing ideas on the entire church. However, not just Denhart & Grubbs (2003 say again that “In most businesses even those with service objectives, the bottom time profit is the basic measuring of evaluating good a job the organization is doing. In turn, performance of individual managers can, in many cases, be directly measured in terms of their units’ contribution to the overall profit of the company. The same is not true in public or non-profit agencies, where the objectives of the organization in which one works may be much more ambiguous and where making or losing money is not the main criterion for success or failure” decision that might be made rapidly by one individual or a small group in a business might in a public or non-profit organization require input from many diverse groups and organizations.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Population and sampling procedure**

The population of this study covered selected church leaders in the Kumasi Metropolis. Namely; pastors, bishops, stewards, retired pastors, members and theology students of Christian Service University College.

Out of the population targeted, twelve churches participated using random sampling. The sample techniques provided information from Orthodox and Charismatic churches

#### **3.2 Data collection method**

For the purpose of this research, both primary and secondary data were used in gathering the needed information

##### **3.2.1 Primary data**

With regards to the primary data the following methods / techniques were used.

###### **3.2.1.1 Questionnaire**

Questionnaires were used as part of the procedure in getting the needed information. Both open ended and closed ended questions were used. With respect to open ended questions, it was to explore new ideas and allow unusual responds to be derived. Closed ended questions were used for processing data.

###### **3.2.1.2 Interview**

Interview with some church leaders and administrators were also carried out as well with some church members and pensioned pastors. Semi-structured interview were used to solicit from respondents the accounting system used in some selected churches.

##### **3.2.2 Secondary data**

In relation to secondary data, internet facility were consulted together with some library books on financial accounts.

### **3.3 Data analysis:**

The data were analysis to give percentages, bar graph and pie chart for graphical representation to the information.

### **3.4 Limitation to the study;**

This modest research was hampered by certain limitation. Some of these are

- Unwilling on the part of respondent to disclosed vital information till further persuasion were made
- Time constraint to adequately interact with respondents.

## CHAPTER FOUR

### RESULTS AND DISCUSSIONS

#### 4.1. Results

##### 4.1.1. Church split

It was revealed from the twelve (12) questionnaires received that six churches representing 50% have split before. Out of this, 33% were due to expansion of the churches activities to reach out to the entire world, while 17 % was as a product of disagreement from the parent church. The disagreement; some were of characteristics doctrine / belief, clash of use of spiritual gifts, misused of church funds / misappropriation of God's money.

**Church Split**

<b>Responds</b>	<b>Frequency</b>	<b>Percentages (%)</b>
NO :	6	50
YES :	6	50
<b>TOTAL</b>	<b>12</b>	<b>100</b>

Table 1

**Breakdown of Church Split for Yes**

<b>Responds</b>	<b>Frequency</b>	<b>Percentages (%)</b>
Expansion	4	33
Disagreement	2	17
<b>Total</b>	<b>6</b>	<b>50</b>

Table 2

##### 4.1.2. Fund raising

From the mode of funds raised for church activities / operations; the major forms were tithes, harvest and silver collection (daily or weekly collection) followed by other forms like pledges, special offerings, thanks given offering, welfare contributions, external assistance, and the rest as pertains to different churches. The collection and tithes were the regular flows of income (cash) as

members are obliged not to come to the presence of God empty handed and should pay a tenth of the produce or income to God (Deuteronomy 4:15), while the rest were occupational.

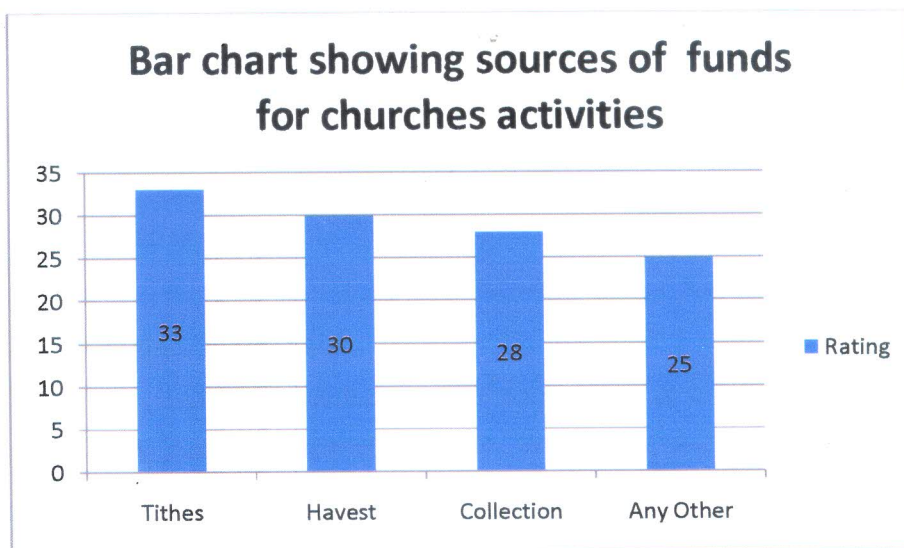


Figure 1

#### 4.1.3. Accounting records / systems:

##### 4.1.3.1. Bank accounts

All the churches in which the research was conducted had bank accounts.

##### 4.1.3.2 Accounts personnel/ clerk.

Ten churches which represent 83% had accounting practitioners who are church members in charge of the church accounts while the remaining 17% had practically no accounting background. Out of the 83 %, 53 % had certified accountants in charge of the church accounts while the rest are accounts clerks who work at various institutions and use the knowledge to record transactions.

**Practical Accounts Clerks In Charge Of Church Accounts**

Response	Frequency	Percentage (%)
YES	10	83
NO	2	17
TOTAL	12	100

Table 3



### Chartered Accountants In Charge Of Church Accounts Out Of Above List

Response	Frequency	Percentage (%)
YES	7	58
NO	3	25
TOTAL	10	83

Table 4

#### 4.1.3.3 Publication of church accounts:

From the questionnaire given out, 10 churches out of the twelve, representing 83% said they normally published their accounts to church members. While the 2 churches representing 17% said accounts are not published in the interest of the church and members as well

#### 4.1.3.4 Church members' particulars corresponding with their contributions:

It revealed that mostly church members personal records do not match with their financial contributions to the church and benefits from the church. Since the collections are matters relating to individual and his God, it is not worth disclosing, however the bulk amount generated can be disclosed was the view of a church leader. Instead welfare contributions were matching with members personal particulars.

#### 4.1.3.5 Ownership of property (land, schools etc in the name of the church)

All the churches interviewed had properties in the name of the church. They include land, building, furniture, and sets of musical instruments etc. They also issue funds and carry out several activities to the benefit of members and the entire community. There are other investments in the form of schools, hospitals, credit unions etc which brings other form of returns to the service of God and society.

#### 4.1.3.6. Financial statements:

All the churches studied for the purpose of the research had financial statements in one way or the other. They were receipts and payments accounts, income and expenditure accounts and balance sheet.

However some were not up to date, other activities of the church which yield income were not separated from the main church operations

#### 4.1.4. Accounting system

- It was realized that most of the books of accounts were receipts and payment accounts. That was what those with practitioners' in accounting field were using.

#### 4.1.5 Ministers' benefits:

From the research, 10 churches representing 300 degrees said their ministers are on the pay roll, while the remaining 2 which represent 60 degrees said no. From those who said they are on pay roll, 7 churches said their ministers Social Security Fund (SSF) are paid for them while 3 said they are not paid but ministers can be negotiated for.

**Pie chart showing ministers on pay roll**

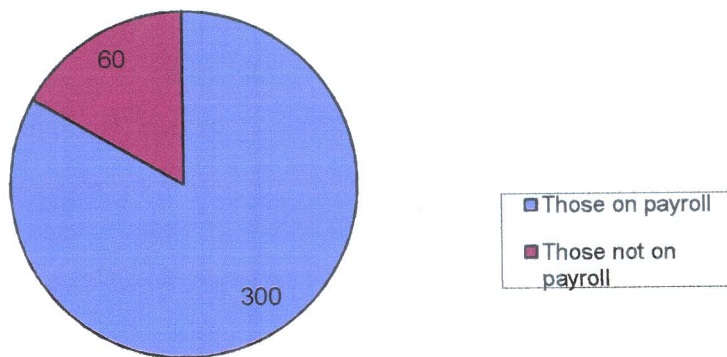


Figure 2

Concerning retirement benefits for ministers, in some church ministers are seen off through send off service through retirement services where well wishers and the church present cash and valuable items for their good services done. Others built houses for them and monthly remittances are given in addition while others do not and ministers rely on charity from others.

#### 4.1.6 Auditing

Some of the churches interviewed had internal auditors to audit the church accounts in one way or the other either by certified auditors or uncertified auditors.

## **4.2 Discussion**

### **4.2.1 Church split.**

Church stability is very important as it is Christ body, and that He wishes that we may be one as they are one ( John 17:27 ) However due to the great commission there is a need for expansion as to reach the entire world for Christ. But with disagreement being the cause of split which constitutes 17 % is not something to write about. Disagreement over money which Apostle Paul said is the root of all evil need to be taken a critical look at and how best to halt it in the near future. There ought to be transparency and proper internal control as audit accounts to minimize misuse and embezzlement of church funds.

### **4.2.2 Fund raising**

With tithing constituting the greater percentage of the church source of income as well as being a tenth of members earnings it would be ideal and profitable to church members and the church if they are recorded in relation to members particulars. If records are kept it will keep track on whether members work are progressing (profitable) not running at loss. With losses or retrogression members can be interviewed and the necessary assistance given to them to improve performance. As it is stated 'I wish above all things that it shall be well with you even as thy soul prospers" (3 John 1:2) NIV. Also as it is stated (Deuteronomy 8:18) NIV, that I am the Lord almighty who teaches you how to produce wealth. With the prosperity of individual members in the church the church is automatically blessed as members support God work with what they have. With adequate and accurate records of generating funds there could be proper projections or budgeting to meet the church operations

### **4.2.3 Accounting/ financial system:**

#### **4.2.3.1 Bank accounts**

It is a good record that all the churches had bank accounts in the name off the church. It was appropriate if bank is used to derive the ultimate benefit. (Matthew 21:17) it would have been better if the money was kept with investors which would yield returns. Funds of the church should be banked as and when they are received.

#### **4.2.3.2 Accounts personnel.**

It is of imperative importance that all heads of accounts in the church are chartered accountants so as to ensure that the right accounts are maintained.

#### **4.2.3.3 Publication of church accounts.**

For clarity and to motivate church members' accounts or total proceeds from tithes, silver collections, harvest, etc and relative expenses should be published.

#### **4.2.3.4. Church members' particulars corresponding with their contributions**

Personal records of church members (the date they joined the church, baptism, communicant, wedding etc) should match with their contributions on software of the church. As and when particulars are kept in that way it will help in the assessment of each individual in relation to their financial contribution to the church. Where your property is that where your heart is also.

#### **4.2.3.5 Ownership of other property**

Other form of investments which brings income to the church must have separate accounts records. The accounts for those transactions should be maintained as accounts for profit making organization with respect to the accounting standards. Development projects of the church needs to be properly evaluated before being undertaken so as bring them to completion on time.

#### **4.2.3.6 Financial statements.**

Financial statements maintained by some churches were quite good. However it needs to be up-to-date and project the true and fair view of the state of affairs of all church activities. A church bookkeeper/ accountant record the collections and disbursement and prepare a Weekly Statement of Collections and Disbursements which shall be reported to all members every week. The church bookkeeper/ accountant should also prepare a Monthly Statement of Collections and Disbursements summarizing transactions for the month and likewise reported to the members during fellowship day. [TobeChristian.org](http://TobeChristian.org). (2007)

#### **4.2.3.7 Accounting system.**

The accounting system was alright for some churches but there is a call for an integrated accounting system which will consolidate all church members' personal records to that of their financial contributions and benefits.

#### **4.2.5 Ministers benefit**

It is good that most ministers (clergy) are on pay roll .With that they pay taxes for nation development .Their Social Security Fund (SSF) however all are endeavor to pay as to ensure good retirement benefits. Retirement's particulars of ministers of the church, other administrators and all workers should be maintained in the accounts to keep track on them.

#### **4.2.6. Auditing / internal control**

It is a welcoming idea that some churches have internal auditors. However it is essential and beneficial to have an independent external auditor to examine the accounts records and expresses an opinion as to the true and fair view of the state of affairs of the church. The following points are worth noticing;

- Collections from the public or members should be checked for validity and completeness.
- Grants to beneficiaries should be checked against correspondence and should be authorized by management committee.
- Banking should be made promptly upon receipt, regular bank reconciliations statements should be made, returned cheques should be examined for date, signature, payee, endorsements etc. Walters and Dunn (2000).

#### **4.2.7 Recommendations for further research.**

For the purpose of further request suggest the following should be done;

- The sample size should be broad enough to cover most churches
- Most of the newly established churches should be considered even though they will not be willing to provide the needed information

## CHAPTER FIVE

### SUMMARY AND CONCLUSION

#### 5.1 Summary

It was realized from the findings that misuse of church funds constitute church split and division among ministers of religion. Some pastors are not accounting incline that resulted in improper records and misuse of church funds .Even if clergy are not accountants; it is their duty to maintain proper accounting records. They can employ certified accountants and auditors to help the in the accounts. The overall responsibility of the church accounts falls on church administrators and to be precise the ministers are accountable to God and the congregation which they serve.

Proper accounting system should be in place as well as internal control to safeguard the church assets (funds). Arranging the accounting system for the congregation (church members) will be based upon a method that best serve the financial position of the church and how this system provides for the financial reports that the church council will require.

The cash- based accounting system (receipt and payment) is considered a basic check book system, is adequate when the monthly expenses are small and easily handled by means of familiar check book. However , in this day and age , when it is required that financial conditions are verified, disbursements to budgets accounts are confirmed , and payroll accounts for worker's compensation insurance are audited , the double entry , accrual accounting (income and expenditure accounts) system is the method to used.

To conform to the General Accounting Principles, not-for-profit organizations could use the accrual method of accounting along side the cash-base method.

The integrated system; the availability of computers provides the means to establish an accounting system that offer everything that a congregation may require in the recording and processing of their financial information. Church members personal particulars; name, sex, date join the church, baptism, wedding etc should match with their contribution and benefits from the church.

## **5.2 Conclusion**

In conclusion, it is important that all the churches adopt and implement a sound accounting system / an integrated accounting system to ensure that all collections are properly recorded and all disbursements are properly authorized.

The business of the church is to win souls. Therefore funds raised should be used for expenses in spreading the gospel.

## **5.3 Recommendations**

Based on the in-depth study carried out on the topic, I hereby offer the following recommendations to churches to help streamline their accounting systems.

- That Christian Council of Churches should regularly supervise churches activities through control measures and resolve dispute between church leaders when they arise.
- Tithing which forms a greater percentage of churches source of income as well as being a tenth of members earning should be well manage to improve members standard of living which will results in increase in the church capital.
- Church funds generated daily should be banked into the church accounts.
- That church leaders are responsible to maintain proper books of accounts.
- That the church leaders have the responsibility to maintain proper accounting records and could be aided by an accounts clerk or certified accountant.
- That the church will make it a policy to prepare annual, semi-annual, quarterly or monthly financial reports showing receipt and payments, income and expenditure and balance sheet.
- That the church should maintain separate accounting records for church investments which yield returns and the double entry, accrual accounting systems is a method to use.
- That churches should have accounting system which will provide general information of members; regarding the date they join the church, date of confirmation and baptism, their financial contributions as well as their financial benefits received from the church.
- That all church ministers and administrative workers should be on pay roll and their Social Security Fund paid to enhance their good retirement and monthly remittance.
- That the church should deem it mandatory to employ external auditors to audit the church accounts
- That the church should put efficient internal control mechanisms in place to safe guard the asset /funds of the church.

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## APPENDIX

### QUESTIONNAIRE

This questionnaire is designed solely for academic purpose, your confidentiality is assured.  
Please tick the option that is applicable to you. Provide in writing when necessary.

1. What is the name of your church?.....
2. Where were you fellowshiping formerly?.....
3. Has your church been split before?      Yes [  ]    No [  ]
4. If yes, what was the cause of the of the split?.....
5. What are some of the ways in which funds are raised for the church activities? Tick where application with rating 1 to 3, where three is the greatest.

- |   |                              |
|---|------------------------------|
| i. Silver collections                                       | [ <input type="checkbox"/> ] |
| ii. Weekly collections                                      | [ <input type="checkbox"/> ] |
| iii. Special offering for project                           | [ <input type="checkbox"/> ] |
| iv. Tithes  | [ <input type="checkbox"/> ] |
| v. Harvest  | [ <input type="checkbox"/> ] |
| vi. Welfare contribution/cards                              | [ <input type="checkbox"/> ] |
| vii. Personal donations/free will                           | [ <input type="checkbox"/> ] |
| viii. Pledges   | [ <input type="checkbox"/> ] |
| ix. Appreciation day  | [ <input type="checkbox"/> ] |
| x. Sources from outside (NGO's Foreign /Local organization) | [ <input type="checkbox"/> ] |
| xi. Any other.....  |                              |

6. Do you have bank account and asset books for all the records/cash inflows?    Yes [  ]  
No [  ]

7. What are some of the books being maintained by the church for accounts purpose? Tick these applicable areas.

- |                                  |                              |
|----------------------------------|------------------------------|
| i. Cash and receipt book         | [ <input type="checkbox"/> ] |
| ii. Payment and expenditure book | [ <input type="checkbox"/> ] |
| iii. Purchases books             | [ <input type="checkbox"/> ] |
| iv. Sales books                  | [ <input type="checkbox"/> ] |

v. Welfare book [ ]

vi. Any other.....

8. Do you have a certified accountant (accounts clerk) in charge of the church accounts?

Yes [ ] No [ ]

9. Are financial statement of the church prepared when due?

Yes [ ] No [ ]

10. Are the church account published? Yes [ ] No [ ].

11. How often do you receive/financial statement prepared. ?

i. Weekly [ ]

iv. Half year [ ]

ii. Monthly [ ]

v. Annually [ ]

iii. Quarterly [ ]

vi. Any other.....

12. Does the church have internal auditors? Yes [ ] No [ ]

13. Does the church have external auditors who audits the church accounts?

Yes [ ] No [ ]

14. If No who audit the church accounts.

i. Pastor/church leader [ ]

ii. Pastors wife [ ]

iii. Elders /deacons [ ]

iv. Non of the above [ ]

v. Any other.....

15. Are church members made aware of the detail/summary of income and expenditure of the church every Sunday?

Yes [ ] No [ ]

16. Does the church have relevant records on members which portray the date they join the church, their financial contributions and benefits they received from the church?

Yes [ ] No [ ]

17. If yes can such records be easily verified by church members?

Yes [     ]     No [     ]

18. How are purchases/procurement decision taken?

- i. Solely by the Pastor /Leader of church     [     ]
- ii. By Presbytery     [     ]
- iii. By the Church Committee     [     ]
- iv. Any other

19. How are the purchases for church activities carried out?

- i. According to the public procurement Act     [     ]
- ii. By the pastor/church leader     [     ]
- iii. By officers in charge of purchase beside pastor     [     ]
- iv. Any other .....

20. Does the church have investments such as those listed below? If Yes tick which are applicable?

- i. Schools     [     ]
- ii. Hospital     [     ]
- iii. Land     [     ]
- iv. Building for their own use (church, mission house/office)     [     ]
- v. Building for renting     [     ]
- vi. Any company     [     ]
- vii. Any other.....

21. Are the pastors/ church steward / workers on pay roll?

Yes [     ]     No [     ]

a. If yes how do they contribute to Social Security Fund (SSF)?

Yes [     ]     No [     ]

b. If No how are they paid.....

22. How are the Pensioned pastors catered for?.....