

FIRST EPISCOPAL DISTRICT  
African Methodist Episcopal Church  
**FALL CONVOCATION**  
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14 Questions to Assess Your Church's Fiscal Fitness

Bishop Gregory G.M. Ingram  
*Presiding Prelate*

Reverend Dr. Jessica Kendall Ingram  
*Episcopal Supervisor*



## DOES YOUR CHURCH HAVE?

1. Does your Church have an Employer Identification Number (EIN)?

Yes \_\_\_\_\_ No \_\_\_\_\_

A church needs an EIN number to maintain a bank account and report wage/salaries of employees.

2. Does your Church have a copy of the Articles of Incorporation?

Yes \_\_\_\_\_ No \_\_\_\_\_

Articles of Incorporation are the means by which a Church legally exists.

3. Does your Church have a copy of the Deed to all its property/properties?

Yes \_\_\_\_\_ No \_\_\_\_\_

Deeds establish the legal ownership of property. Some deeds remain in the name of deceased trustees which may cause a problem if you want to sell a property.

4. Has your Church applied for every local tax exemption available?

Yes \_\_\_\_\_ No \_\_\_\_\_

Most municipalities allow tax exemptions for Church buildings if not the entire lot.

5. Does your Church require two signatures on each check?

Yes \_\_\_\_\_ No \_\_\_\_\_

A checks and balance system should be in place for all business checks.

6. Does your Church withhold wage taxes for its employees?

Yes \_\_\_\_\_ No \_\_\_\_\_

A number of Churches have gotten into trouble with the IRS/state/ local governments for failing to withhold the proper amount of taxes. If you don't have an accountant, pay a payroll service.

7. Does your Church have a property it rents? If so, is the Church paying the business taxes for renting the property?

Yes \_\_\_\_\_

No \_\_\_\_\_

Rental property income is considered unrelated business which is subject to business taxes. Each Church should check with its local tax authority.

8. Does your Church have property insurance?

Yes \_\_\_\_\_

No \_\_\_\_\_

All churches need property insurance that covers property, personal injury, and officers.

9. Does your Church obtain criminal background checks?

Yes \_\_\_\_\_

No \_\_\_\_\_

a. Anyone working with youth.

Yes \_\_\_\_\_

No \_\_\_\_\_

b. Sunday School Director/teachers?

Yes \_\_\_\_\_

No \_\_\_\_\_

c. Daycare Director/teachers?

Yes \_\_\_\_\_

No \_\_\_\_\_

d. Summer Camp Director/counselors?

Yes \_\_\_\_\_

No \_\_\_\_\_

All states in the First Episcopal District require criminal background checks for employees and volunteers working with children.

Churches and Religious Organizations  
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10. Does your Church have private benefits to individual?

Yes \_\_\_\_\_ No \_\_\_\_\_

11. Does your Church conduct substantial lobbying activities?

Yes \_\_\_\_\_ No \_\_\_\_\_

When a Church allows either private benefits or substantial lobbying activities, the Church is in jeopardy of losing its tax exempt status, the IRS investigations these activities. Churches are allowed to conduct the following activities without jeopardizing its tax exempt status

- a. Advocate Issues
- b. Invite ALL Candidates to speak
- c. Voter Education
- d. Voter Registration and Get Out the Drives

12. Does your Church have a Company Development Corporation (CDC)?

Yes \_\_\_\_\_ No \_\_\_\_\_

A CDC can further the mission of the Church in the community, but is independent of the Church.

13. Does the CDC Articles of Incorporation or By-laws require the Church to appoint members of the CDC Board of Director's?

Yes \_\_\_\_\_ No \_\_\_\_\_

14. Does the CDC file its tax returns on time?

Yes \_\_\_\_\_ No \_\_\_\_\_