

2023

Washington Conference of Seventh-day Adventists



Seventh-day  
Adventist® Church

# [TREASURER'S QUICK REFERENCE GUIDE]

A guide for Church Treasurers for handling the funds of the church, reporting to the church board, and coordinating with the Washington Conference for Employment Practices, Payroll, Insurance, Property Management and Remittance of Tithes and Offerings.

Dear Church or School Treasurer,

I wanted to take this opportunity to thank you for undertaking the very important ministry of handling funds for God's Kingdom. This essential ministry is often a lonely one filled with occasional aggravation and frustration as you work through the various duties assigned to the position. Consider this from the Quick Start Guide for Church Treasurers:

*"The work of the Church/(School) treasurer exemplifies the necessity and value of order and organization in connection with the work of God. This work is not always recognized as a ministry because it takes place behind the scenes. Nevertheless, the work of the treasurer is a specialized, vital ministry in which the individual exercises his or her spiritual gifts. And consequently, the entire congregation benefits."*

The following pages have been put together by the Washington Conference Treasury Staff as a resource for your ministry. It is designed to complement the Quick Start Guide for Church Treasurers, adding more specific information related to your church/school and the Washington Conference. In it you will find general church and school treasurer information including processes and procedures. You will find help on accounting, IRS regulations, insurance, property management, payroll procedures, tax and employment law. Please use this resource as you find the need, and as always, if you need our assistance please let us know and we will be glad to help.

Once again, your contribution to the growth of God's Kingdom is a tremendous blessing to us here at the Washington Conference. We want to be of assistance to you in your ministry.

May we all be faithful until that **Great Day** when we see Jesus face to face.

In His Service,

Jerry Russell

Vice President for Finance

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### **DUTIES OF THE TREASURER**

- Ensure that all donations are kept confidential.
- Donations are carefully recorded to go where the donor designates
- Year-end receipts are sent to the Donor (January 31 is the IRS deadline)
- Bills are paid on a timely basis.
- Accurate financial statements are presented to the board in a timely manner
- (Church) Tithe and offerings are remitted to the Washington Conference no later than the 10<sup>th</sup> of the month.
- (Church) Weekly loose offerings are recorded according to the offering schedule sent out by the Conference each year. (Reference Sunset Calendar link and Offering Code link in Additional Resources, page 19)
- (School) Statements are sent out on a monthly basis to parents.
- (School) Accounts Receivable are managed on a regular basis and reported to the board.
- Records are maintained, organized and protected.
- Safeguards are put in place so that records are not accessed by unauthorized individuals. According to Church Manual, the Conference auditor, pastor, district leader, leading church elder, or any others authorized by the church board can request and inspect financial and donor information. Schools shall provide access to the Conference Auditor, Principal and any others authorized by the church board.
- Have records organized and available for an annual or biennial audit by the Washington Conference.

### **BOARD MEETING & MINUTES**

- Financial Statements are to be presented to the Board each month (or at each regularly scheduled meeting).
- Board Minutes should show voted actions for church/school events (for insurance coverage)
- Board Minutes should show an approved annual budget.
- Board Minutes should approve all major and out-of-ordinary purchases.
- Board Minutes should approve any check payments where there will not be a receipt or invoice for back up. This is crucial for payments to individuals.
- Board Minutes should record closing or opening of bank accounts, and should record who signers are on the accounts. It is very important to have at least two signors on the account.

### **ACCOUNTING SOFTWARE**

- Churches and schools, in consultation with the treasurer, can choose the accounting software that best suits their needs.
- The Washington Conference offers free accounting software and support for LUCIS accounting software. (Lake Union Conference Information System)
- <https://www.elucis.org/downloads> is the website to download the program. You will need to call Treasury for the key code to complete the download.

- Candace Faletogo can assist you with getting your beginning accounts set up; and to give training on the program. If Candace is not available, please contact Josh Tyman or Pam Scott.

### **CHURCH OFFERING PROCEDURES**

- Church offerings should not be kept in the treasurer's home or left at the church for more than a week. It is recommended to deposit funds within 7 days after it was received. Offerings that have not been counted by deacons should never be left unattended.
- As soon as possible after the offering is taken, at least two deacons should count the loose offering and count the number of tithe envelopes. Document your count and have all participating deacons sign the paper.
- If the church has a safe, the combination should be changed on a periodic basis.

### **OFFERING CODES**

The Washington Conference maintains on its website a list of all active offering codes for Conference, Union, Division, and General Conference offerings. The structure of the codes may vary slightly depending on the accounting system used. The LUCIS accounting system follows a structure where any conference offerings should begin with a code of 82.xxx and Union, Division, or General Conference offerings should begin with 81.xxx. Tithe always uses the offering code of 80. All local offerings typically begin with 102.xxx and move up to 999.xxx. The xxx portion of each offering code is what can be found on the offering code list at the Conference website listed below. For anyone not using the LUCIS accounting system, contact Candace at [candace.faletogo@wc.npuc.org](mailto:candace.faletogo@wc.npuc.org) for a current list of codes to use. When new offerings are added they are updated on the form on the website and sent by email to the treasurers.

### **ONLINE GIVING-CHURCH**

- Churches can sign up for Adventist Giving. This program is linked to the church webpage, and gives members the option to return tithes and offerings online.
- Churches receive a deposit to their bank account once a month.
- A final report can be printed from the program each month. You can look at activity anytime throughout the month.
- [www.adventistgiving.org](http://www.adventistgiving.org) to sign up
- [help@adventistgiving.org](mailto:help@adventistgiving.org) for assistance

### **TITHE ENVELOPES-CHURCH**

Tithe Envelopes are available in English, Spanish, Russian and Korean. Please call Candace Faletogo to have some mailed to you. If you need more than 3 boxes, please make arrangements to have someone pick them up. Tithe envelopes are available at pastor's meetings and at camp meeting.

### **MONTHLY COMPUTER PROCESS FOR CHURCHES**

- Enter the tithe envelopes into the computer.

- Verify contributions. Compare end total with deposit slip from bank. If they do not match, go back to the contributions and income entry. Go through the open contributions with tithe envelopes to find the error. Do a trial again to verify amount.
- Close the open contributions. Always print the vouchers or reports provided by the software program you are using.
- Run a Remittance/Contribution Report. Make sure all weeks deposits are included in the monthly report. Print two copies and send one copy to the Conference with your check for monthly Remittance.
- Record checks. Make sure you the date for the handwritten check and the date of the computer entry match (if your program allows). Be sure to have adequate backup (receipts, invoices, etc.) for each check written.
- Record check to the conference from the Remittance Report.
- Close Month.
- Print reports. Balance Sheet Report and Financial Statement. This is for your Church Board.
- Reconcile general ledger to bank statement. All treasurers must do monthly bank reconciliation.

#### **MONTHLY COMPUTER PROCESS FOR SCHOOLS**

- Enter tuition payments under receipts
- Enter direct donations to school. Print receipt for your records and for the donor.
- Record checks. Make sure you change the date for the check written so check number and computer entry match. Be sure to have adequate backup (receipts, invoices, etc.) for each check written.
- Close Month.
- Print account statements to mail to parents or responsible party.
- Print reports. Balance Sheet Report and Financial Statement. This is for your School Board.
- Reconcile general ledger to bank statement. All treasurers must do monthly bank reconciliation.

#### **MANUAL BANK RECONCILIATION**

- Starting with the final balance shown by the bank statement, add any deposits not credited by the bank (usually the only one will be for a deposit made on the last day of the month, after the bank has closed its records for that day). Deduct all checks outstanding (written and recorded by the church treasurer that have not cleared the bank)
- First check off on the previous month's reconciliation all checks outstanding at that time, but included in this month's bank statement. Any checks not cleared this month are still outstanding and will be listed as "Outstanding Checks." Complete the list by checking off on this month's record of disbursements all checks written that are included in this month's bank statements. The remaining checks written, those that do not appear on the bank statement, will be added to the list of "Outstanding Checks."

- Combining (1) the balance per the bank statement, plus (2) deposits not entered by the bank, minus (3) outstanding checks, equals the adjusted bank balance.
- Starting with the final bank balance according to your own records, add any credits to your account by the bank that you have not entered (Bank Interest), and deduct any charges made to your account by the bank which you have not entered (bank service charges, NSF Checks). Combining (1) the bank balance per your records, plus (2) any unrecorded credits entered by the bank, minus (3) any unrecorded charges entered by the bank, equals the adjusted record balance per your records.
- The adjusted bank balance and the adjusted record balance should now agree and represent the amount of money available in the bank account at the end of the month.
- As a final step, be sure to enter in your own records any credits or charges shown on the bank statement that you do not have on your records.

### **FILE ORGANIZATION FOR AUDIT**

- Copies of receipts written
- Validated copies of all bank deposit tickets. This should agree with the deposit entry in the general ledger. This should show timely deposits.
- Check Register showing a listing of all checks written.
- Organized (preferably check number order) file of receipts and invoices with the check number written on each receipt or invoice. Every check written must be backed up with a receipt or a copy of the board minutes approving allocation of funds. This is especially crucial for checks written to individuals.
- Copy of cancelled checks with monthly statement.
- Copy of all financial statements presented to the board
- A file of bank statements and bank reconciliations (one for each month of the year) showing evidence that the account is reconciled promptly and regularly.
- Board minutes containing authorizations for the annual budget, for all out-of-the ordinary expenditures, for the opening and closing of bank or investment accounts, and for authorization of signatures and signature changes on accounts.
- If you have a loan, documentation of the loan should be available for review.

### **NSF CHECK PROCEDURE**

- Call the donor/payee
- Redeposit if donor/payee specifies
- Ask for reassurance of donation/payment and availability of funds.
- If funds are not replenished by the donor, record a separate entry with negative amounts in all areas specified by the original donation.

### **MONTHLY REMITTANCE- CHURCH**

- Tithe and other Conference, Union, Division and General Conference offerings are to be submitted to the Washington Conference each month.
- Due the 10th of each month (If you are set-up for electronic payment, e-mail your report to Candace at [candace.faletogo@wc.npuc.org](mailto:candace.faletogo@wc.npuc.org) to process an ACH debit)
- If you prefer to pay via paper checks, please mail Remittance Report (with breakdown of offerings) along with a check to the Conference.

### **INVOICES & STATEMENTS FROM THE CONFERENCE**

Some responsibilities are paid by the Conference and invoiced to the church. You will receive an invoice for each item charged to your account. Monthly statements will show your outstanding balance. All invoices shall be paid in a timely manner.

- Payroll
- Insurance
- Pathfinder Supplies
- Evangelism Supplies
- Taxes
- Other

### **TEACHER CHARGES TO SCHOOLS**

Conference-subsidized teacher charges are billed to the school on a 10-month basis beginning in September. You will receive a billing statement once prior to September. This will be your monthly amount for all 10 months. Teacher payments are due on the 20<sup>th</sup> of each month (September through June). A 5% discount is credited to your June statement for each month that your payment has reached the conference office by the 20<sup>th</sup> of the month.

### **TUITION ASSISTANCE FOR CONFERENCE EMPLOYEES**

Full-time salaried employees (both conference funded and locally funded) in administrative, professional, and supervisory positions are provided assistance on the tuition expense for their children who are enrolled in denominationally owned and operated schools.

The school treasurer shall send an invoice to the Washington Conference for 30% of tuition and registration fees. The assistance should be calculated on the gross charges for tuition and required fees, according to the current bulletin, before family or other discounts granted by the school. In cases where an employee's church provides a subsidy to cover the differential between constituent and non-constituent tuition rates, the tuition assistance from the employer shall be based on the net tuition expense to the employee. This shall not include charges for private music lessons.

The billing to the Conference must show the net charge to the employee, multiplied by 30%.

To be eligible for tuition assistance the student must be: Eligible to be claimed as a dependent on the employee's income tax return; and born to, or legally adopted by, the employee and/or spouse or is a stepchild by marriage receiving more than 50 percent of support from the new family unit.

Students Eligible in Divorce and Remarriage Situations: To be eligible for tuition assistance the student must be:

- a. Under the custody of a divorced employee and eligible to be claimed as a dependent on the employee's tax return.

- b. Under the custody of the ex-spouse of the employee and eligible to be claimed as a dependent on the employee's tax return.
- c. The controlling committee may make an exception to a. and b. if the employee has assumed full responsibility for a child's educational expenses in a denominational school.

If you are not sure which employees qualify, please feel free to contact human resources at the Washington Conference.

## INSURANCE

**Property Insurance** (including Equipment Breakdown) \$10,000 deductible. Conference assists with deductible portion over \$2,500. Please complete a claim form for losses over \$2,500. We do not have flood or earthquake coverage.

**General Liability** (Medical payments for slips and falls is an excess policy limited to \$10,000). Some exclusions where we do not have coverage: League sports, trampolines, fireworks, All-terrain vehicles. Coverage that you can purchase at an additional cost: Rock climbing.

**Business Auto** (Church owned vehicles) Vehicles must be titled in the name of the Western Washington Corporation of Seventh-day Adventists. Conference can hold the title in our office. If you have the title we must have a copy for our files.

**Rental Vehicles** If your church rents a vehicle for a church sponsored trip, you do not need to purchase the additional insurance coverage through the rental agency. Please call treasury for an insurance card to carry with you.

**15 passenger vans** are not covered by insurance and are not to be used for church or school outings in any circumstance whether rented or privately owned.

**Drivers for church or school events** who are carrying passengers must be at least 21 years of age; and not have more than 2 moving violations in a 3 year period.

**Background Screening.** All volunteers or employees working with children or driving vehicles must have a completed background screening prior to participating as a volunteer. Employment Practices and Sexual Misconduct—\$10,000 deductible.

**Executive Risk**—Covers volunteers and employees who serve on the board or in positions of leadership for decisions made in that capacity. Does not cover illegal activities. Deductible varies depending on the type of claim.

**Volunteer Labor**—Coverage for volunteers who are injured while volunteering for your organization.

**Worker's Compensation**—Employees who are injured while on the job need to let the doctor's office know this is a worker's compensation claim. The doctor's office will give them paperwork to complete. Employer: Western Washington Corporation of Seventh-day Adventists. State Insured

## HIRING EMPLOYEES

The Washington Conference has developed a process to ensure that each employee is hired in accordance with laws, regulations and policy. The Washington Conference is legally the lowest level employer, so local entities may not hire employees on their own. A church or school may request the Conference hire a locally funded employee, and will be responsible for paying all costs associated with that position.

There are pay scales set to community wages according to which employees should be paid. This scale will be provided upon request along with all forms and documentation.

Please ensure that your church has the current required employment posters.

Please contact Human Resources for the information needed to hire an employee to serve your church.

### I-9

- The I-9 is a required government document, which must be properly completed within 3 days of the start of employment.
- Improperly completed I-9's could result in fines between \$100 and \$1,000, which will be the responsibility of your church or school.
- If you have any questions regarding the I-9 once a new employee has been approved, contact Human Resources.

**NO EMPLOYEE MAY BEGIN WORK UNTIL HIRED BY THE WASHINGTON CONFERENCE AND HAVE COMPLETED A BACKGROUND CHECK.**

## LOCALLY FUNDED PAYROLL PROCESS

- Complete hiring process with Human Resources
- Once the hiring has been approved, you will receive a spreadsheet (Local Hire - Monthly Report) from the payroll department. The spreadsheet is used to calculate the monthly payroll for your employees. Please use this spreadsheet every month, unless you have employee changes.
- **Any employee status changes must be submitted by the 10<sup>th</sup> of the month.** (Changes from full or part time status, terminations/retirement, pay rates, etc. You will use a Personnel Action Form to submit changes. All our forms may be found on our website at [www.washingtonconference.org](http://www.washingtonconference.org). Follow the Ministries tab, Financial Ministry, Treasury, Payroll Forms, or contact the HR department at the Conference office.
- A new payroll spreadsheet will be sent to you by the **15<sup>th</sup> of the month** if you have made changes.
- Complete the employee spreadsheet each month with the following information:
  - Enter Institution, Address, and Prepared by
  - Enter period dates, phone #, today's date, and email address
  - Enter hours worked (regular/overtime/vacation/sick)
  - Enter any local advance/draw
  - Enter Check number and amount/Bill Pay/Transfer date at the bottom of "Total Charge"
  - Sign the payroll Report

- **Submit by the 20<sup>th</sup>** the completed Local Hire -Monthly Report to the Conference Office and the original employee time sheet, signed by both the employee and the supervisor by either:
  - Mail
    - Send **one copy** of the Payroll Report with current information
    - Send check or contact our office if you would like to setup an automatic withdrawal you're your account (exact amount on payroll report)
  - Fax/Email
    - Fax the report and a confirmation of one of these:
      - Use Bill Pay to submit payment (keep in mind to *allow 3-5 days* for the payment to be processed and send proof of submittal)
      - Deposit into Washington Conference of SDA Account – Deposit slip needs to be sent to our office by Fax or scanned for emailing
      - Wire Funds or ACH to – Wells Fargo – contact our office if you would like to set this up.

### New Employees

New employees must complete employment paperwork within **3 days of hire, as required by Federal law**. Please call the Treasury Department – Courtesy Payroll or visit our web site at: [www.washingtonconference.org](http://www.washingtonconference.org), to print required forms. Below is a list of forms you will need:

- New Employee Information Form
- I-9
- W-4
- Salary Reduction Agreement for Retirement (if employed 20+ hours per week)
- Direct Deposit Authorization
- Parent/School Authorization Form if 18 or under

The church/school treasurer must look at the documentation for the I-9 form, complete Section 2 and sign as employer or authorized representative. Business or organization name should be completed as Western Washington Corporation of Seventh-day Adventists, 32229 Weyerhaeuser Way S, Federal Way, WA 98001.

All employees working 20+ hours will receive basic retirement contributions from the employer with the exception of Early Childhood Education Centers (ECECs). Employee contributions are voluntary, and do qualify them for additional matching employer contributions. The salary reduction agreement form must be completed whether or not the employee chooses to make voluntary contributions. All employees working 30+ hours will receive medical benefits.

Please send original documents (*faxed or scanned documents **will not be accepted***) to our office **by the 10<sup>th</sup> of the month**, along with the New Employee Information Form. Forms are available on our website at [www.washingtonconference.org](http://www.washingtonconference.org). Follow the Ministries tab, Financial Ministry, Treasury, Payroll Forms.

You will receive an updated electronic Local Hire - Monthly Payroll (payroll report spreadsheet) form after we receive the new employee information.

### **Status and Pay Rate Changes**

Changes in employment status from part-time to full-time or vice versa, changes on rates, address changes, etc. must be communicated on a “**Personnel Action Form**” and submitted **by the 10<sup>th</sup> of the month**. *We recommend changes in pay rates be made once a year for July’s payroll, unless prior arrangements have been made with the Washington Conference.*

### **Termination**

When an employee terminates or retires, please complete a “Personal Action Form” and submit to our office **by the 10<sup>th</sup>**. Completion of this report does two things. First it lets us know when someone should be removed from payroll. Second, if the person is 59 ½ or older, it allows them access to their funds in their retirement account, without IRS penalty. Termination dates are sent to VALIC once a month. VALIC will make the funds available to the employee 30 days after receiving a termination date. If the termination is involuntary, refer to “Terminating Employees” Section below.

### **Retirement**

If you have an employee that is retiring directly from employment, and they have worked at least half time for the two years preceding retirement, they are entitled to a retirement allowance. This allowance is an additional cost to the local employer, and needs to be processed through payroll for tax purposes. The retirement allowance is calculated as follows:

$$\text{Monthly salary} \times \text{years of service} \times 12.5\%$$

This cost is the responsibility of the local church or school. You may choose to accrue this expense. Contract the Conference Treasury Department for assistance.

## **DISCIPLINE**

Employees who do not adequately perform their job should be notified on areas of improvement. While we often believe withholding criticism is the Christian thing to do, the supervisor of an employee should address a problem when it arises.

## **TERMINATING EMPLOYEES**

### **Voluntary Terminations**

Where the employee chooses to quit, there are few requirements. Please send the personnel action form to Human Resources.

### **Involuntary Terminations**

Your church must contact human resources prior to deciding to let an employee go. Failure to do so could result in negative repercussions for the church, and insurance will not cover expenses if the church does not first obtain legal counsel to ensure everything is done in accordance with law.

### **Retirement**

Employees should contact Human Resources directly if they are retiring and eligible for any retirement benefits.

### Retirement Allowance

Your retiring employee may be due a retirement allowance according to policy, which will be the financial responsibility of your church or school.

## NON-EMPLOYEE PAYMENTS FOR SERVICES

Anyone a church gives money to for an act or service could be legally determined an employee and subject to laws, regulations and tax withholding. This includes volunteers and independent contractors. Please contact Human Resources in any situation where you intend to give money to any individual for a service. The only exception would be independent contractors who are a verifiable company with numerous employees and a corporate office. If there is any doubt about an independent contractor contact Human Resources. Otherwise the church could be subject to fines and penalties.

## 1099 TAX REPORTING

If you pay an independent contractor, pay honorariums to speakers or musicians, or give payment for services to any individual who is not an employee you may need to provide information for tax reporting at the end of the year. Annual payments of \$600 or more must be reported on a 1099 tax form. You will need to have those individuals complete a W-9 form. Please submit the form and the amount of payments to the Washington Conference by January 10. The tax reports will be transmitted to the IRS from our office.

## PROPERTY MANAGEMENT

### Use Agreement Procedures

E-mail: [sonnett.peterson@wc.npuc.org](mailto:sonnett.peterson@wc.npuc.org) (Property Manager)

**Note: This process may take up to 60 days.**

**Note: Pentecostal worship is not approved in our facilities.**

1. Church/School designee should request a "Use Agreement" packet from the Conference.
2. Vote in business session the "Use Agreement".
3. Vote in business session a contact person to represent the church/school.
4. Send State of Washington certificate of articles of incorporation of Guest user. **Guest user needs to be recognized as a Non-Profit**
5. Send Church/School contact information, "Use Agreements," and voted Business minutes to the conference property manager for Corporate Board approval.
6. The conference legal counsel will review the "Use Agreement" and make suggestions (if needed).
7. Once approved by the Conference Corporation Board, the conference property manager informs Church/School contact person of changes if any.
8. After possible agreement changes, **print three copies** of the "Use Agreement" and have user sign first, then the church/school signs. Mail these copies to the Washington Conference of SDA, Attn: Property Manager.
9. Two copies of use agreement will be signed by the conference property manager and returned to the church/school.

10. The agreement will not be returned until proof of \$1,000,000 liability insurance certificate is received by the conference property manager naming **Western Washington Corporation of SDA as additional insured**.

**Revolving Fund Loans**

Churches and schools may borrow from the North Pacific Union Conference Revolving Fund (NPUCRF) for the purposes of purchasing new property and remodeling or expanding current property. The NPUCRF loan terms are subject to change but are currently as follows:

- Loans may be amortized up to a term of 20 years for new projects or expansions and 10 years for remodel projects.
- Loans are currently being issued at a rate of 5%.
- Loans are secured by a lien on the property if the loan exceeds \$50,000 until the loan is paid in full.
- Churches and schools may borrow up to the **lower** of 400% of the churches or constituent churches last 12 months of Tithe or 65% of the total project cost.

When churches and schools begin to consider a building project they should have a business plan in place that includes how they will finance the project including having at least 35% of the total cost on hand.

Currently the NPUCRF is not accepting deposits based on a deposit to loan ratio; however, the policy of the NPUCRF when open is to accept deposits for investment from churches, schools, and church members of the constituent conferences in the NPUC. Currently the NPUCRF is paying 2.25% on revolving fund deposits.

**Building Manual**

The conference has a policy manual for churches and schools which explicitly outlines the requirements, procedures, and policies of new building projects, remodels, or property purchases or sales. This resource is available as requested and we would recommend that it be reviewed in full by the church or school building committee before a project is begun. This will help with an understanding of the expectations of each project.

**TAX EXEMPTIONS**

**Real Property Tax Exemption**

Real Property owned and operated by an organization under the Washington Conference of SDA are exempt from property taxes in the state of Washington. There are some criteria laid out below to help determine whether a church or school should have any obligation for property taxes. The Revised Code of Washington (RCW) Chapter 84.36 details the exemptions that each type of property may qualify for. The property tax exemptions do not apply to some special assessments such as dike, storm drain, & forest fire assessments. These special assessments do not apply to all properties and are determined by each individual county.

The criteria for a church can be found in RCW 84.36.020 and are as follows:

- Up to 5 acres can be exempted.
- The property must have a building or the intention of a building on the property.
- The property must be used wholly for church purposes.
- Any portion of the property exceeding 5 acres or not being used by the church would not be exempted.

- The property can be rented out to a nonprofit organization without tax consequences providing the organization being rented to would qualify for a property tax exemption themselves and providing the funds from the rental are being used to further the mission of the church organization.

The criteria for a school can be found in RCW 84.36.050 and are as follows:

- Up to 400 acres can be exempted.
- The property must be principally designed to further the educational or social functions of the school.
- The property must be used by the school in a manner consistent with the mission of the school.
- The property can be rented out to a nonprofit organization without tax consequences providing the organization being rented to would qualify for a property tax exemption themselves and providing the funds from the rental are being used to further the mission of the church organization.

The criteria for a daycare center are similar to the church and school criteria with no specific acreage limit.

Property taxes are not exempt in the year a property is purchased and therefore any church or school interested in purchasing property should keep in mind that they would be obligated to pay property taxes on the first year of ownership.

All properties are owned and titled in the name of the corporation (Western Washington Corporation of Seventh-day Adventists) with the address of the conference. As a result of this the annual property tax assessments are sent to the conference in February each year. When the conference receives the assessments from the county we send them to the local church or school to be paid if there is any amount due. If a church or school has not paid in a prior year and has a delinquent year the conference pays the amount due for the delinquent year and current year and bills the church or school accordingly.

If you feel that the church or school may qualify for an additional exemption based on the amounts being billed please contact the conference office to have the property evaluated. If it is determined that the church or school should have a greater exemption than they are currently receiving we will file a new property tax exemption application and the church or school may be qualified to a refund for up to the prior three years of property taxes.

### **Income Tax Exemption & Donations to 501c3 Organizations**

Organizations operating under the 501c3 umbrella of the General Conference via the Washington Conference are exempt from paying income tax and are eligible to issue receipts to donors for gifts to any organization that falls under the General Conference 501c3 umbrella. The general qualification of whether an organization is a part of the umbrella of the General Conference is whether it is listed in the annual Adventist Yearbook. The yearbook can be accessed at [www.adventistyearbook.org](http://www.adventistyearbook.org). A search can be conducted to determine whether your church or school can issue a donation receipt based on if the organization the donations are intended for is listed in the yearbook.

A letter can be issued by the conference on behalf of the church or school if they need a letter for banking or other purposes stating that they are a nonprofit 501c3 organization. The state of Washington does not give a sales or use tax exemption to nonprofit or 501c3 organizations. Every church or school is obligated to pay sales tax or use tax on any items they purchase whether they are purchased in person or ordered from out of state. A church or school may be obligated to pay Unrelated Business Income Tax (UBIT) to the IRS if it is regularly carrying on a trade or business that is not substantially related to the charitable, educational, or other purpose that is the basis of the organization's exemption. These are better defined by IRS Publication 598.

**BASIC SCHEDULE OF  
RETENTION OF DOCUMENTS**

Corporate Papers: Charter, Articles of Inc., Minutes	Permanent
Property Records: Deeds, Abstracts of Title, Mortgages	Held at Washington Conference
Contracts, Building	Permanent
Insurance Policies (after expiration)	6 years
Correspondence, Departmental	3 years
Correspondence, Administrative	6 years
Audit Reports, Financial	Permanent
Audit Reports, Labor, Salary and Expense	Permanent
Ledgers, General	Permanent
Journals, General	Permanent
Receipts, Cash	6 years
Vouchers, Journal, Purchase & Disbursement	6 years
Cancelled Checks, General	6 years
Cancelled Checks, Payroll	4 years
Bank Statements & Reconciliation	6 years
Employment Records	Permanent
Time Cards	4 years
Payroll Journal and Earnings Record, Employee	Permanent
Ledgers, Accounts Receivable	10 years
Sales Invoices	6 years
Purchase Orders	6 years
Capital Assets Ledger	Permanent
Securities Ledger	Permanent
Tithe Envelopes	3 years

**Please do not destroy any documents until an audit has been finalized for that time period.**

**WASHINGTON CONFERENCE  
TREASURY CONTACTS**

Please use the following numbers when contacting the Washington Conference Treasury office for your information needs. Asking for the proper person will expedite your call. The conference switchboard number is 253-681-6008 and the fax is 253-681-6009. **32229 Weyerhaeuser Way S., Federal Way, WA 98001**

**General Information, Accounts Receivables, Church Remittances, Certificates of Insurance**

Candace Faletogo – 253-681-6046 or ext. 76132 – [candace.faletogo@wc.npuc.org](mailto:candace.faletogo@wc.npuc.org)

**Locally Funded Payroll Vehicle Registration**

Delia Sanchez – 253-681-6042 or ext. 76127 – [delia.sanchez@wc.npuc.org](mailto:delia.sanchez@wc.npuc.org)

**Payroll & Insurance**

Pam Scott – 253-681-6044 or ext. 76128 – [pam.scott@wc.npuc.org](mailto:pam.scott@wc.npuc.org)

**Accounts Payable and Conference Schools Liaison**

Ashley Beardsley – 253-681-6043 or ext. 76129 – [ashley.beardsley@wc.npuc.org](mailto:ashley.beardsley@wc.npuc.org)

**Reimbursements, Sunset Lake Camp Accounting, RHC**

Nicholas Humphries - 253-681-6047 or ext. 76130 - [nicholas.humphries@wc.npuc.org](mailto:nicholas.humphries@wc.npuc.org)

**Auditing –**

Ashley Beardsley – 253-681-6043 or ext. 76129 – [ashley.beardsley@wc.npuc.org](mailto:ashley.beardsley@wc.npuc.org)

Melanie Castillo – 253-681-6008 – [melanie.jacob-castillo@wc.npuc.org](mailto:melanie.jacob-castillo@wc.npuc.org)

**Budgeting, Financial Analysis, and Short- or Long-Term Planning –**

Jerry Russell – 253-681-6041 or ext. 76228 – [jerry.russell@wc.npuc.org](mailto:jerry.russell@wc.npuc.org)

Sonnett Peterson – 253-204-2684 or ext. 76126 – [sonnett.peterson@wc.npuc.org](mailto:sonnett.peterson@wc.npuc.org)

**LUCIS Software Support -**

Candace Faletogo – 253-681-6046 or ext. ext. 76132 – [candace.faletogo@wc.npuc.org](mailto:candace.faletogo@wc.npuc.org)

**Employee Hires, Employee Benefits and Retirement –**

Abishai Aiolutepa – 253-681-6014 or ext. 76122 - [kenneth.aiolutepa@wc.npuc.org](mailto:kenneth.aiolutepa@wc.npuc.org)

Heather Brueske – 253-681-6015 or ext. 76123 - [heather.brueske@wc.npuc.org](mailto:heather.brueske@wc.npuc.org)

**Financial Statements, Overall Accounting Function, and Property Management –**

Sonnett Peterson – 253-204-2684 or ext. 76123 – [sonnett.peterson@wc.npuc.org](mailto:sonnett.peterson@wc.npuc.org)

**OTHER RESOURCES**

NAD Local Church and School Accounting Manual:

[http://www.nadadventist.org/site/1/docs/NAD Local Church and School Accounting Manual.pdf](http://www.nadadventist.org/site/1/docs/NAD_Local_Church_and_School_Accounting_Manual.pdf)

LUCIS Accounting Resources: <http://elucis.org>

Washington Conference Website: <http://www.washingtonconference.org/>