

Signing Church Checks

Q: Who should be check signers on the church checking account?

A: There are a few key guidelines to keep in mind when determining who should sign church checks, what they should look for, and how many signatures should be required on the checks.

Key #1: First and most importantly, the check signers should not have access to other accounting records that might permit them to alter records or conceal misappropriation of church funds. Ideally, a check signer should be someone in authority in the church with no other involvement in the payment process (either in the accounting function or as an approver of payments).

Key #2: A check signer's duty should be to compare the prepared check with supporting documentation (such as an original vendor invoice or check requisition). If the check-signer finds the check and supporting documentation to be proper and has no other cause for concern about the payment, he/she can sign the check. If there are concerns about the appropriateness of a payment, the check signer should not sign the check until the matter is resolved.

Key #3: Consider the pros and cons of having multiple check signers. Some churches require two check signers for any significant amounts (perhaps any amount greater than \$500 or \$1000). While it may be ideal to have two check signers on every check, this process might become cumbersome if the church writes a large number of checks or doesn't have quick access to the check signers. One signature may be sufficient if other approval procedures are in place before the expense is incurred, such as a purchase requisition. Nevertheless, having multiple check signers does allow for additional scrutiny of payments and is an important control to consider for larger payment amounts.

Key #4: check signers should never sign a blank check, even with the understanding that the amount and payee will be filled in later. This practice makes it simple for individuals to misappropriate church funds. If check signers are not available on a regular basis to sign checks, the church should consider changing the authorized signers to other individuals in church leadership who are more readily available.

The Q & A was excerpted from a pamphlet titled *Frequently Asked Questions: Business Practices*. This free resource, as well as other FAQs in English and Spanish, can be downloaded at <http://generaltreasurer.ag.org>.