

Church Administration, Finance, and Law Study Sheet

- 1- What is the definition of management in the broadest sense?
- 2- Why should a church conduct business in a responsible way?
- 3- What is management in the church?
- 4- Describe authoritarian leadership.
- 5- What is key to staff motivation?
- 6- Why are official minutes of meetings important?
- 7- What are some sound staffing advantages?
- 8- Who is a trustee?
- 9- What body of appointed members is legal responsible for transactions relating to church property?
- 10- What is the purpose of committees in the church?
- 11- What is a written agreement between borrower and lender called?
- 12- What is the cost of borrowing money?
- 13- What is a flexible interest rate?
- 14- What comprises the total cost of a loan?
- 15- What is the Annual Percentage Rate?
- 16- How does a note differ from a mortgage?
- 17- What is a debenture bond?
- 18- What should building committees avoid when proposing to borrow money?
- 19- How important is follow-up in a capital fund campaign?
- 20- What are the steps for recording the cash a church receives?

- 21- What is the general journal's function?
- 22- What is a faith promise?
- 23- What is a ledger?
- 24- What is the difference between receipts and disbursements?
- 25- What is the total receipt of money and goods called?
- 26- Why is a statement of changes in the financial position important?
- 27- What are the three columns of a ledger account called?
- 28- What is the primary purpose of a filing system?
- 29- What is an advantage of using a worksheet?
- 30- What information should a church include on its list of important records and documents?
- 31- What is a statement of receipts and disbursements?
- 32- What is fund accounting?
- 33- What does a balance sheet reveal?
- 34- What does a statement of receipts and expenses reveal?
- 35- Why is internal control important?
- 36- How many years should financial records be retained?
- 37- Why should a church filter all monetary receipts and disbursements through its bank account?
- 38- What accounting procedure is meant to satisfy the government, lending institutions, and church leaders of accuracy?"
- 39- What kind of investments should church leaders avoid?
- 40- What questions must the pastor and church board consider before establishing a

purchase order system?

41- What is an argument that a church should not include depreciation in financial reports?

42- What must accompany an expense report or reimbursement request?

43- What is a disadvantage of a single entry bookkeeping system?

44- When do purchase orders need additional authorization?

45- Why should a church use accounting principles and concepts?

46- Why is insisting on written agreements a good policy?

47- What are internal controls?

48- What should be printed on a purchase order to minimize forgeries?

49- When should a church make permanent repairs instead of stopgap measures?

50- Why should a church use a checking account to post income and pay bills?

51- What is a payment voucher?

52- What does a cash position report reveal?

53- What is a check requisition form?

54- What term describes a large amount of cash kept on hand for making cash payments?

55- What type of crises should a church be insured against?

56- Why is budgeting important?

57- To safeguard internal controls, how many bank accounts should be used?

58- What are the steps in budgeting income?

59- To create a master plan for church growth, what three questions should be asked?

60- Why are monthly financial statements essential to the budgeting process?

61- How do requested budgets differ from proposed budgets?

- 62- What should be done with old vehicles and equipment when new ones are purchased?
- 63- When does implicit ratification occur?
- 64- Who is responsible to know who may legally perform marriage ceremonies in a particular state?
- 65- What three steps should be followed when preparing an annual budget?
- 66- What are the purposes of a marriage license?
- 67- What is a church's stewardship potential?
- 68- What legal privilege provided to clergy may conflict with mandatory child abuse reporting laws?
- 69- When does an accident involve negligence?
- 70- What must the priority consideration be for a permissive reporter of child abuse in deciding whether or not to report suspected child abuse?
- 71- Define defamation.
- 72- What must be determined in court for a minister to recover damages for defamation?
- 73- What steps can be taken to avoid both the actual behavior and the accusation of sexual harassment?
- 74- What kind of church retains the authority within the membership to manage its own affairs and select its own pastor?
- 75- Why is truth considered the "absolute defense/?"
- 76- When a church incorporates, what does it subordinate to the state and what remains independent?
- 77- What is a church charter?
- 78- Why should a dissolution clause appear in a church's articles of incorporation?
- 79- How should a church arrange for its pastor to be president by virtue of his office?
- 80- What give church officers and directors legal authority?

- 81- What determines the number of votes necessary for an election?
- 82- Why should the reading, discussing, correcting, and approving minutes as a subsequent meeting be required?
- 83- What ethic or legal reason would convince a church not to purchase workers compensation insurance?
- 84- What is the law called that requires reasonable accommodations for the disabled?
- 85- Why should church leaders be aware of the criteria related to engaging in commerce?
- 86- What is considered work for hire?
- 87- When is an original work protected by copyright?
- 88- What is the only legal requirement of copyright owners related to original works?
- 89- What are a copyright owner's exclusive rights?
- 90- What should be done with an application of someone who does not agree to a background check?
- 91- What is the basic purpose of screening church worker applicants?
- 92- How can a church protect lay counselors and their counselees from mistaking mental illness for some kind of demonic influence?
- 93- What is negligent supervision?
- 94- Churches will likely be held liable for which injuries to a minor?