

Annual Church and Ministry Seminar
October 21, 2025
Agenda

- | | |
|---------------|--|
| 7:30 - 8:30 | Registration and vendor booths |
| 8:30 - 9:45 | Legal Update from The Church & Ministry Law Group
attorneys at Schmitt Schneck Even & Williams, P.C.
Robert Erven Brown
Lacy Cooper
Jonathan A. Ruybalid |
| 9:45 - 10:30 | Session by Kevin Norton, CPCU and Monica J. Stern, CPA |
| 10:30 - 10:40 | Break |
| 10:40 - 12:15 | Session by Julie Froke, EA, Monica J. Stern, CPA and
Barbara L. Starley, CPA |
| 12:15 - 12:30 | Open Questions and Answers - Door Prize Drawing |

Live Stream Information

Download 2025 Seminar packets at www.mjsterncpa.com in advance. There are two - one from Robert Erven Brown and one from Monica J. Stern, CPA.

To view the Live Stream go to www.pvumc.org/watch No password is needed. You will view on the traditional service site.

To ask questions, send an email to info@mjsterncpa.com or use the live stream chat. We will try to get as many questions as possible. Please indicate if the question is for Bob or for Monica, if not obvious.

Monica J. Stern, CPA, PLLC
2025 Annual Church and Ministry Seminar

<u>Title</u>	<u>Page Number</u>
<i>Kevin J. Norton, CPCU</i> Liability Insurance	1
<i>Monica J. Stern, CPA</i> Applying for 501(c)(3) Status	4
Solar Energy Tax Credits for Churches	8
<i>Julie Froke, EA</i> Trust as an Internal Control - Lessons from the Rita Crundwell Case	10
<i>Monica J. Stern, CPA</i> Before You Donate to Another Charity	17
One Big Beautiful Bill	28
<i>Barbara L. Starley, CPA</i> Payroll Compliance Self-Audit Checklist	33
<i>Monica J. Stern, CPA</i> Federal and State Electronic Payments	39
Form 720	43
Handling Cash at Events	46
<i>Heidi Zinn and Monica J. Stern, CPA</i> The Church Network	48

Monica J. Stern, CPA, PLLC
2025 Annual Church and Ministry Seminar

Sponsors

The Church & Ministry Law Group at Schmitt
Schneck Even & Williams, P.C.

Robert Erven Brown
Lacy Cooper
Jonathan A. Ruybalid

Lightwell Insurance Advisors (fka American
Church Group of Arizona)

Kevin Norton

Church Loan Consulting, LLC
Arizona Tuition Organization

Brett Roehr

Five Star Bank

Luke Ziegenmeyer

The Church Network

John Simon/Heidi Zinn

Good Steward Church Academy

Barbara L. Starley, CPA

Brown & Brown

Bruce Kindall

Brotherhood Works (fka Ministry Works)

Tonya D. Miller

Special Thanks

Paradise Valley United Methodist Church
Pastor Jonathan Arnpriestor
Jen Ben, AV/Streaming
Sam Henderson, coffee master

Liability Insurance



Kevin J. Norton, CPCU

Lightwell Insurance Advisors

1

General Liability

- Covered Damages – Bodily Injury and Property Damage
- Covered Activities – Premises, operations, and activities
- Coverage Triggers – Occurrence basis
- Who is covered – Entity, Board, employees, volunteers

2

Directors & Officers Liability

- Covered Damages – Financial
- Covered Activities – Wrongful acts arising out of decisions of the board
- Coverage Triggers – Occurrence (Preferred) & Claims Made
- Who is covered – Entity, Board Members and others

3

Employment Practices Liability

- Covered Damages – Compensatory Damages and Emotional Injury
- Covered Acts – See policy for definition but will usually include discrimination, harassment, wrongful termination, and other workplace torts
- Coverage Trigger – Occurrence (Preferred) and Claims Made
- Who is covered – Entity, Board, Executives, Managers, and others

4

Sexual Misconduct and Abuse Liability

- Covered Damages – Bodily injury and Emotional Injury
- Covered Acts – Inappropriate behavior, improper reporting
- Coverage Trigger – Occurrence (Preferred) & Claims Made
- Who is covered – Organization, Board, employees, and volunteers

5

Religious Freedom Liability

- Covered Damages – Emotional Injury
- Covered Activities – Communications, Religious activities, and Discriminatory Acts
- Coverage Trigger – Occurrence
- Who is covered: Entity, Board, Employees & Volunteers

6

Counseling Liability

- Covered Damages – Bodily injury and Emotional Injury
- Covered Activities: Counseling, mentoring, coaching
- Coverage Trigger – Occurrence
- Who is covered – Entity, Pastors, Employed and Lay Counselors

7

Security Operations Liability

- Covered Damages – Bodily Injury and Emotional Injury
- Covered Activities – Security for sponsored events
- Coverage Trigger – Occurrence
- Who is Covered – Entity, Designated employees and volunteers serving on the “team” while acting within the scope of their authorized duties

8

Umbrella or Excess Liability

- Additional liability coverage that “goes over” primary liability coverage
- Coverage amounts – Can be purchased in Million-Dollar increments

9

Thank you!

Kevin J. Norton, CPCU
knorton@lightwell.com
 480-834-8139

10

2025 CHURCH AND MINISTRY SEMINAR

Presented by
 Monica J. Stern, CPA, PLLC

Applying for 501(c)(3) Status


11

Applying for 501(c)(3) status

Churches are automatically exempt from income tax under IRC 501(c)(3).

Churches are not required to apply for exemption under 501(c)(3).

12




Applying for 501(c)(3) status

Entities that are not churches must apply.

Religious entity \neq Church.

All churches are religious organizations, but not all religious organizations are churches.

13




Applying for 501(c)(3) status

Churches MAY apply if they desire.

Benefits of applying for 501(c)(3) status:

- Will have an official determination letter from the IRS
- Will be listed in the exempt organization search at IRS.gov
- May make it easier to prove the church is a 501(c)(3)

14



Applying for 501(c)(3) status

Churches MAY apply if they desire.

Benefits of applying for 501(c)(3) status:

- May be able to more easily access discounts and donations from businesses – although many limit church donations, regardless.

15

Applying for 501(c)(3) status

Downsides of applying:

- Churches must apply using the 1023 (not 1023EZ) and must complete additional schedules for churches
- Must disclose salaries and benefits of key employees and officers/directors
- Must provide up to 4 years of financial information or budgets

16

Applying for 501(c)(3) status

Downsides of applying:

- Must disclose doctrine and other religious matters
- Application is open to public inspection. You must allow anyone who asks to look at the application.

17

Applying for 501(c)(3) status

Downsides of applying:

- Cost – the form is not “do it yourself” and requires hours of professional and staff time.
- Cost – IRS fee is \$600.
- Applying does not change whether you file Form 990 or not. Churches are exempt from filing Form 990, but must request exemption in the application.

18

Applying for 501(c)(3) status

IRS publication 1828 can be used to prove that churches are automatically exempt under 501(c)(3).

19

Applying for 501(c)(3) status

Fear Mongering – “Why Every Church Should be a 508(c)(1)(a) Church?”

- 508 governs the filing of Forms 1023 and 990 under code section 501(c)(3).
- Churches are exempt from filing forms under 508.
- 501 is the section that governs the tax-exemption, not 508.

20

Applying for 501(c)(3) status

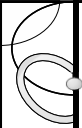
Do not fall for the Scam!

“All 501(c)(3) ministries have waived their rights.”

“Sec. 508 entities ... are not exposed to public scrutiny.”

“Filing an application for non-profit status is not required. There is no annual income tax filing requirement such as the Form 990.” (True for all Churches under 501(c)(3).

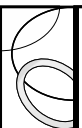
21



2025 CHURCH AND MINISTRY SEMINAR
 Presented by
 Monica J. Stern, CPA, PLLC

Solar Energy Tax Credits for Nonprofits

22

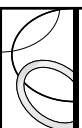


Solar Energy Tax Credits for Nonprofits

The Inflation Reduction Act of 2022 significantly changed the ability for tax-exempt organizations to access tax credits.

Previously, tax-exempt organizations could not benefit from tax credits for solar energy because the credit could only be offset against income tax. No refunds were allowed.

23




Solar Energy Tax Credits for Nonprofits

Effective 1/1/2023, tax-exempt organizations can receive a refundable investment tax credit of 30%.

Qualifying installations:

- less than 1 mega-watt
- effective for photo-voltaic panels and/or battery storage and water heating
- are placed in service after 1/1/2023

24




Solar Energy Tax Credits for Nonprofits

“Placed in service” means when the system is fully functioning as designed.

System must be connected to the grid to be placed in service unless simply a storage system.

Timing matters!

25




Solar Energy Tax Credits for Nonprofits

Tax refund is claimed on form 990-T. Preregistration and ID.me is required before filing for the credit.

For projects beginning construction in 2024 or later, an additional 10% is available if the system contains required percentages of US domestic content. Domestic content panels are on average 2-3 times more expensive in 2025.

26



Solar Energy Tax Credits for Nonprofits

Allowable costs include:

- panels, inverters and other required equipment
- installation cost
- permits or development fees
- storage batteries (must be at least 3kw)
- sales tax
- car parking shade structures if designed primarily for the energy generating system.

27

Solar Energy Tax Credits for Nonprofits

The One Big Beautiful Bill is canceling this program.

To qualify for the 30%+ tax credit:

- Construction must begin prior to 7/4/2026, or
- If started later, must be full operational by 12/31/2027

28

Solar Energy Tax Credits for Nonprofits

70.95 KW system		Arizona Public Service		went online 1-2025	
Utility company		2023	2024	2025	Savings
January	\$ 3,070.58	\$3,463.63	\$3,122.78		
February	\$ 3,141.73	\$2,581.91	\$1,673.45	\$	(908.46)
March	\$ 2,096.72	\$2,259.70	\$1,119.22	\$	(1,140.48)
April	\$ 2,491.35	\$2,595.35	\$1,140.89	\$	(1,454.46)
May	\$ 3,306.19	\$3,151.70	\$1,809.87	\$	(1,341.83)
June	\$ 3,844.58	\$4,453.99	\$2,803.17	\$	(1,650.82)
July	\$ 5,522.04	\$5,925.51	\$3,967.73	\$	(1,957.78)
August	\$ 4,906.55	\$5,958.32	\$4,829.18	\$	(1,129.14)
September	\$ 5,308.58	\$4,552.57			
October	\$ 3,389.73	\$4,536.47			
November	\$ 3,034.19	\$2,625.18			
December	\$ 2,722.96	\$3,091.56			
Cost	\$185,000.00				
Less 30% tax refund	\$ (55,500.00)				
Net cost	\$129,500.00				
Projected savings	\$ 16,500.00	Savings will increase as costs go up over 10 years			
Payback	7.85 years				

29

2025 CHURCH AND MINISTRY SEMINAR


Presented by
Julie Froke, EA

Trust as an Internal Control –
Lessons from the Rita Crundwell Case

30



31



Trust as an Internal Control


Who was Rita Crundwell?

- Comptroller/Treasurer for Dixon, Illinois (pop. 16,000)
- Known for being trustworthy and hardworking
- Owned a quarter horse empire of over 400 horses

And...

- Perpetrator of the largest municipal fraud in US history
 - \$53 million, 179 transactions over 20+ years

32



Trust as an Internal Control

Anatomy of the Fraud (1990-2012)

- How she stole \$53 million:
 - Created a fake bank account: "RSCDA"
 - Reserve Sewer Capital Development Account
 - Transferred funds from city accounts into RSCDA
 - Fabricated invoices and documents to justify transfers
 - Had total control over books, reconciliations, and audits

33

Trust as an Internal Control

How Was She Caught?

- 2011 – Rita went on a long vacation
- The clerk requested bank statements
- Clerk discovered unfamiliar “RSCDA” account
- Alerted Mayor → FBI involved
- Six-month investigation revealed massive fraud
- Arrested in 2012, sentenced to 19 years 7 months
 - Sentence Commuted by President Biden 12 / 2024

37

Trust as an Internal Control

Key Failure – Trust was the Only Control “Everyone trusted her.”

- Trust became a substitute for oversight
- No segregation of duties
- No independent review of bank statements
- No internal controls or checks
- A system of **one-person control = massive risk**

38

Trust as an Internal Control

What Can We Learn?

- Trust is not a control - it can be a vulnerability
- Financial stewardship is both spiritual and practical
- Accountability is not a lack of faith, but a safeguard
- Even faithful people face temptation

39

Trust as an Internal Control

When does fraud happen?

Opportunity – “No one checks the credit card statement.”

Pressure – “There’s not any money to pay bills.”

Rationalization – “They don’t pay me enough anyway.”



40

Trust as an Internal Control

Internal Controls You Can Implement

- Segregate duties – no one person handles everything
- Require two-person approvals for spending
- Have multiple people review bank statements independently
- Encourage vacations - fraud is often uncovered this way

41

Trust as an Internal Control

Internal Controls You Can Implement

- Establish spending limits
- Require written approval for purchases over a set amount
- Reconcile bank accounts monthly
- Have multiple people review bank account reconciliations independently
- Look for someone living above their means – If you see something, say something!

42

Trust as an Internal Control

An audit is not a substitute for internal controls!

- Fraud is caught by whistleblowers 43% of the time vs external audits 7% of the time
- Auditors missed giant red flags
- Small town – the auditors were quite “cozy” with Rita

43

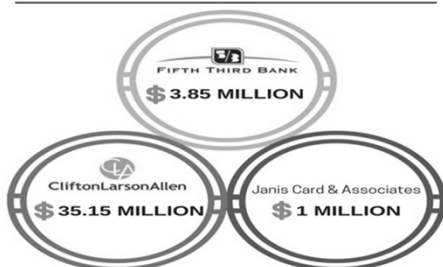
Trust as an Internal Control

Recovery & Insurance Settlements

- Estimated stolen amount: \$53.7 million
- Recovered through asset sales: ~\$9 million
- Recovered through insurance settlements: ~\$40 million – mostly from auditors
- Funds used to pay off city debt and rebuild infrastructure

44

THE SETTLEMENT



45

Trust as an Internal Control

Recovery & Insurance Settlements

- Recovery fund set up from the sale of Crundwell's assets and from the settlements
- Projects included
 - River Street revitalization
 - Street repairs
 - Bike paths
 - New vehicles and equipment

46




47

Trust as an Internal Control

Reflection Questions

- Do you think “we’re too small for fraud”?
- Is there a culture of accountability or blind trust?
- Are your checks and balances real - or symbolic?
- Do staff feel safe reporting suspicious activity?
- Are we relying too heavily on one person?
- What would happen if your key financial person were suddenly unavailable?

48




Trust as an Internal Control

All the Queen's Horses available for viewing on:

- Apple TV
- Plex (free with ads)
- Amazon Prime (free with subscription)

49




2025 CHURCH AND MINISTRY SEMINAR

Presented by
Monica J. Stern, CPA, PLLC

Before You Donate to Another Charity

50



Before You Donate to Another Charity

IRS 501(c)(3) status requires your tax-exempt entity to know how money donated to another charity is spent and that it is spent for 501(c)(3) purposes.

Do you know how another charity spends your money?

51

Before You Donate to Another Charity

Ways to monitor how money is spent:

- Financial statements, both Statement of Financial Position (balance sheet) and Statement of Activities (income statement)
- Annual reports
- Photographs or project reports if given for a project
- Site visits, if practical

52

Before You Donate to Another Charity

Ways to monitor how money is spent:

- Receipts from the charity if donation was for a specific item
- Read the IRS Form 990. Request most current one from the Charity if not available at:
 - <https://www.irs.gov/charities-non-profits/tax-exempt-organization-search>
 - <https://projects.propublica.org/nonprofits/>

53

Before You Donate to Another Charity

Types of 990 filings:

- 990 – required for Charities with $\geq 200,000$ in revenue OR $\geq 500,000$ in assets
 - 990-EZ – required for Charities with 50,000 – 199,999 in revenue AND $< 500,000$ in assets
 - 990-N – required for Charities with $< 50,000$ in revenue AND $< 500,000$ in assets
- 990-N is of little value. No financial information.

54

Before You Donate to Another Charity

Forms 990 and 990-EZ tell the story of the Charity. Form 990 is much more comprehensive.

Churches and church-controlled organizations do not file form 990. All other charities are required to file and they are required to provide you with a copy if you ask.

55

Before You Donate to Another Charity

Questions to ask yourself:

- Is the form well prepared by a qualified outside party (CPA or EA)? Is it missing information? Is it inconsistent with what you know about the charity? Are all applicable lines filled in?
- Is the nature of the revenue consistent with the type of charity?


56

Before You Donate to Another Charity

Questions to ask yourself:

- Are the stated mission and programs consistent with the intent of your gift?
- Can you understand the magnitude of the charity's work?

57



Before You Donate to Another Charity

Form 990 (2016) Page 2

Part III Statement of Program Service Accomplishments
Check if Schedule O contains a response or note to any line in this Part III ☐

1 Briefly describe the organization's mission:
Is this a mission you support? Is it adequately described?


2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ **Yes** ☐ **No**
If "Yes," describe these new services on Schedule O. _____

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ **Yes** ☐ **No**
If "Yes," describe these changes on Schedule O. _____

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses \$ _____) (Revenue \$ _____)
Including grants of \$ _____
Program should be described completely, including statistics related to activities.

58




Before You Donate to Another Charity

Questions to ask yourself:

- Are there potential "red flag" comments on the return?
 - Excess benefit transactions?
 - Receivables from Officers, Directors or Key Employees?
 - Business relationships with Officers, Directors or Key Employees?

59



Before You Donate to Another Charity

Form 990 – Page 4

25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I. ☐ **25a**

b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I. ☐ **25b**

26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part II. ☐ **26**

27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? If "Yes," complete Schedule L, Part II. ☐ **27**

28 Was the organization a party to a business transaction with one of the following parties? (See the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions). ☐ **28**

a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? If "Yes," complete Schedule L, Part IV. ☐ **28a**

b A family member of any individual described in line 28a? If "Yes," complete Schedule L, Part IV. ☐ **28b**

c A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? If "Yes," complete Schedule L, Part IV. ☐ **28c**

60

Before You Donate to Another Charity

Questions to ask yourself:

- Is the board independent?
 - Are there enough board members (5+)?
 - Are an excess number of members related to each other?
 - Are board members compensated for being board members?

61

Before You Donate to Another Charity

Questions to ask yourself:

- Does the Charity compensate its key employees fairly?
 - Are salaries not higher than other similar charities pay?
 - Are salaries unreasonably low or non-existent?
 - Are benefits reasonable?
 - Does it appear board members are devoting reasonable time to the Charity?

62

Before You Donate to Another Charity

Form 990 – page 7

(A) Name and title	(B) Average hours per week for each individual organization (do not list)	(C) Position (do not check more than one box, unless person holds two offices and a director/trustee)					(D) Reportable compensation from the organization (990- 1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (990- 1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		(1) Chairman	(2) President	(3) Vice president	(4) Secretary	(5) Treasurer			
(1)									
(2)									
(3)									
(4)									
(5)									

63

Before You Donate to Another Charity

Questions to ask yourself:

- Was there a significant diversion of the organization's assets? Defined as the lessor of:
 - \$250,000
 - 5% of the gross receipts for the year
 - 5% of total assets at the end of the year

64

Before You Donate to Another Charity

Form 990 (2024)
Part VI Governance, Management, and Disclosure. For each "file" response to lines 2 through 7b below, and for a "file" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions. Check if Schedule O contains a response or note to any line in this Part VI.

Section A. Governing Body and Management

	1a	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year. If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.			
2 Enter the number of voting members included on line 1a, above, who are independent.	2b		
3 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			
4 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?			
5 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			
6 Did the organization become aware during the year of a significant diversion of the organization's assets?			

Line 5, if yes, will be explained in Schedule O.

65

Before You Donate to Another Charity

Questions to ask yourself:

- Does the Charity have basic policies in place?
 - Conflict of Interest policy, with annual disclosures
 - Whistleblower policy
 - Document retention and destruction policy
 - Adequate compensation review policies

66

Before You Donate to Another Charity

Form 990 – page 6

<p>12a Did the organization have a written conflict of interest policy? If "No," go to line 13</p> <p>12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?</p> <p>12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done</p> <p>13 Did the organization have a written whistleblower policy?</p> <p>14 Did the organization have a written document retention and destruction policy?</p> <p>15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?</p> <p>a The organization's CEO, Executive Director, or top management official</p> <p>b Other officers or key employees of the organization</p> <p>If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.</p>	<table border="1"> <tr><td>12a</td><td></td></tr> <tr><td>12b</td><td></td></tr> <tr><td>12c</td><td></td></tr> <tr><td>13</td><td></td></tr> <tr><td>14</td><td></td></tr> <tr><td>15a</td><td></td></tr> <tr><td>15b</td><td></td></tr> </table>	12a		12b		12c		13		14		15a		15b	
12a															
12b															
12c															
13															
14															
15a															
15b															

67

Before You Donate to Another Charity

Questions to ask yourself:

- Does the Charity have a broad mix of revenues appropriate to the type of organization?
 - Some charities will have low contributions and high program revenues (schools for example).
 - Some charities have only contributions.
 - Is investment income unduly high?
 - Is unrelated business income unduly high?

68

Before You Donate to Another Charity

<p>Part VIII Statement of Revenue</p> <p>Check if Schedule O contains a response or note to any line in this Part VIII <input type="checkbox"/></p>		<p>99 Total revenue</p> <p>99a Related 501(c)(3) exempt function revenue</p> <p>99b Unrelated business revenue</p> <p>99c Revenue classified from tax-exempt activities under sections 512-514</p>	
<p>1a Federal campaigns</p> <p>1b Membership dues</p> <p>1c Fundraising events</p> <p>1d Related organizations</p> <p>1e Government grants (contributions)</p> <p>1f All other contributions, gifts, grants, and similar amounts not included above</p> <p>1g Noncash contributions included in lines 1a-1f</p> <p>1h Total. Add lines 1a-1f</p>	<p>2a Program service revenue</p> <p>2b Investment income</p> <p>2c Dividend income</p> <p>2d Interest income</p> <p>2e Royalty income</p> <p>2f Rental income</p> <p>2g Other income</p> <p>2h Total. Add lines 2a-2f</p>		

69

Before You Donate to Another Charity

3 Investment income (including dividends, interest, and other similar amounts)				
4 Income from investment of tax-exempt bond proceeds				
5 Royalties				
6a Gross rents		6a		
b Less rental expenses		6b		
c Rental income or loss		6c		
d Net rental income or loss		6d		
7a Gross amount from sales of assets other than inventory		7a		
b Less cost or other basis and sales expenses		7b		
c Gain or loss		7c		
d Net gain or loss		7d		
8a Gross income from fundraising events not including \$ of contributions reported on line 14a. See Part IV, line 14		8a		
b Less direct expenses		8b		
c Net income or loss from fundraising events		8c		
9a Gross income from gaming activities. See Part IV, line 19		9a		
b Less direct expenses		9b		
c Net income or loss from gaming activities		9c		
10a Gross sales of inventory, less returns and allowances		10a		
b Less cost of goods sold		10b		
c Net income or loss from sales of inventory		10c		

70

Before You Donate to Another Charity

Questions to ask yourself:

- Does the balance sheet contain any unusual items?
 - Is the cash/investments level reasonable for the size of the Charity?
 - Are there loans to officers?
 - Are accounts payable unduly high?
 - Is the level of debt appropriate for the asset level?

71

Before You Donate to Another Charity

Form 990 (2024) Page 11

Part X Balance Sheet
Check if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year	(B) End of year
Assets	1 Cash—non-interest-bearing	1	
	2 Savings and temporary cash investments	2	
	3 Pledges and grants receivable, net	3	
	4 Accounts receivable, net	4	
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons	5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(e)(1)), and persons described in section 4958(c)(2)(B)	6	
	7 Notes and loans receivable, net	7	
	8 Inventories for sale or use	8	
	9 Prepaid expenses and deferred charges	9	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VII of Schedule D	10a	
	b Less: accumulated depreciation	10b	
	11 Investments—publicly traded securities	11	
	12 Investments—other securities. See Part IV, line 11	12	
	13 Investments—program-related. See Part IV, line 11	13	
	14 Intangible assets	14	
	15 Other assets. See Part IV, line 11	15	
16 Total assets. Add lines 1 through 15 (must equal line 32)	16		

72

Before You Donate to Another Charity

Questions to ask yourself:

- Are the net assets positive, but reasonable?
 - If negative, Charity is spending more than they take in.
 - If very large, Charity may not need your money and could be offering more programs.
 - If there are restricted net assets, is the cash adequate to cover the restricted balance?

73

Before You Donate to Another Charity

Liabilities	17	Accounts payable and accrued expenses	17
	18	Grants payable	18
	19	Deferred revenue	19
	20	Tax-exempt bond liabilities	20
	21	Escrow or custodial account liability. Complete Part IV of Schedule D	21
	22	Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons	22
	23	Secured mortgages and notes payable to unrelated third parties	23
	24	Unsecured notes and loans payable to unrelated third parties	24
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	25
	26	Total liabilities. Add lines 17 through 25	26
Net Assets or Fund Balances	27	Organizations that follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 27, 28, 32, and 33. Net assets without donor restrictions	27
	28	Net assets with donor restrictions	28
	29	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33. Capital stock or trust principal, or current funds	29
	30	Paid-in or capital surplus, or land, building, or equipment fund	30
	31	Retained earnings, endowment, accumulated income, or other funds	31
	32	Total net assets or fund balances	32
	33	Total liabilities and net assets/fund balances	33

74

Before You Donate to Another Charity

Questions to ask yourself:

- Is the Charity's public support percentage on Schedule A greater than the minimum 33.333%?
 - A low percentage indicates the Charity may not have a broad donor base and would be hurt by the loss of large donors.
 - A higher percentage indicates they are not as dependent on a few large donors.

75

Before You Donate to Another Charity

Section C. Computation of Public Support Percentage

14	Public support percentage for 2024 (line 6, column (f), divided by line 11, column (f))	14	%
15	Public support percentage from 2023 Schedule A, Part II, line 14	15	%

76

Before You Donate to Another Charity

Questions to ask yourself:

- Is Schedule L present for Transactions with Interested Persons?
 - Is the Charity engaging in Excess Benefit Transactions, unreasonable compensation or lending money to Board Members, Officers or Key Employees? These are all red flags required to be disclosed.

77


Before You Donate to Another Charity

Keep your eyes open!

Modest Needs Foundation, CEO arrested for embezzling \$2.5 Million. 990 red flags:

- He prepared the 990 himself.
 - He reported theft as grants to individuals.
- 990 reflects a high amount of grants (\$984,558), with a low number of grants (5,286) – \$18,626 per person. Modest???

78



Before You Donate to Another Charity


Keep your eyes open!

Prescott Area Habitat for Humanity, Executive Director arrested for embezzling \$400,000.

990 red flags:

- Used a firm, but not well prepared.
- Reported theft as “Unclassified Cost/Adjust” in expenses.

79



Before You Donate to Another Charity


Keep your eyes open!

Unnamed Valley Charity – 990 prepared by me

990 red flags:

- Disclosed significant diversion
- Disclosed excess benefit transactions
- No policies
- Significant receivable from officer

80

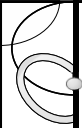


Before You Donate to Another Charity

Keep your eyes open!

Review Form 990 to learn more about the charity you are supporting.

81

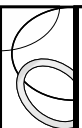


2025 CHURCH AND MINISTRY SEMINAR

Presented by
Monica J. Stern, CPA, PLLC

One Big Beautiful Bill Act

82



One Big Beautiful Bill Act

Signed into law July 4, 2025

- Some provisions are retroactive
- Some provisions are for future years
- Ends some programs
- Creates other programs
- Expands some programs
- Restricts other programs

83



One Big Beautiful Bill Act

What is not in the bill:
The parking lot tax



84

One Big Beautiful Bill Act

Tipped Employees, effective 1/1/2025

- Employees get a deduction of up to \$25,000.
- Employee is not required to itemize.
- Employer taxes and 941 reporting do not change.

If your Church has a coffee shop, tips are required to be reported properly through your payroll system.

85

One Big Beautiful Bill Act

Overtime Pay, effective 1/1/2025

- Employees who receive overtime pay that is required by the Fair Labor Standards Act receive a deduction for the half-time portion received.
- Employee is not required to itemize.
- Employer taxes do not change.
- Employer must track in payroll software.

86

One Big Beautiful Bill Act

22222 VOID <input type="checkbox"/> * Employer's social security number		For Official Use Only OMB No. 1545-0047	
b Employee identification number (EIN)		1 Wages, tips, other compensation	
c Employee's name, address, and ZIP code		2 Federal income tax withheld	
d Control number		3 Social security wages	
e Employer's first name and initial Last name		4 Social security tax withheld	
f * this is the half-time portion only, not time-and-a-half		5 Medicare wages and tips	
g https://home.treasury.gov/system/files/136/Tipped-Occupations-Detailed-8-27-2025.pdf		6 Medicare tax withheld	
h Employee's address and ZIP code		7 Tipped wages, tips, etc. usually = Box 12a	
i State Employee's state ID number		8 Allocated tips	
j State wages, tips, etc.		9 Dependent care benefits	
k State income tax		10 Nonqualified plans	
l Local wages, tips, etc.		11a New contributions for 2025 12 qualified tips	
m Local income tax		11b qualified OT*	
n Locality name		12a Treasury (tipped occupation codes Required in 2026	
13 State		13b State income tax	
14 Local		14b Local income tax	
15 Locality name		15 Locality name	

Form **W-2** Wage and Tax Statement **2026** Department of the Treasury - Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Information: www.irs.gov/privacy

87

One Big Beautiful Bill Act

Charitable Contributions, effective 1/1/2026

- Non-itemizers will be allowed a deduction of up to 1,000/2,000 for charitable contributions
- High income donors will see less tax savings by donating. Savings will be limited to no more than the 35% tax bracket and only donations that exceed .5% of adjusted gross income.

88

One Big Beautiful Bill Act

Charitable Contributions, effective 1/1/2026

- Donors older than 70 ½, will see increased savings by donating through their IRA accounts rather than directly.

89

One Big Beautiful Bill Act

State and Local Income Tax Deduction – effective 1/1/2025

- Previously limit was \$10,000, now is \$40,000
- Includes property tax, state income tax, auto tags, STO contributions in lieu of state tax.
- More people will be itemizing under this structure. Donations will be more valuable.

90

One Big Beautiful Bill Act

1099-Misc and 1099-NEC, effective for filing 2026 forms in 2027

- Changes filing requirement from \$600 to \$2,000
- Limit will adjust with inflation each year
- Likely will result in much fewer filings
- 2025 remains at \$600

91

One Big Beautiful Bill Act

Employee Retention Credit – effective 1/31/2024

- Only claims filed by 1/31/2024 for Q3 and Q4 2021 will be valid.
- Claims filed prior to that date are still being processed.

92

One Big Beautiful Bill Act

Moving expensive reimbursements, effective 1/1/2018

- Made permanent the provision of the TCJA of 2017 to not allow tax-free reimbursements of moving expenses or deductions
- Employers can only reimburse on a taxable basis.

93

One Big Beautiful Bill Act

New Scholarship Granting Organizations, effective 1/1/2027

- Can accept contributions and a donor can receive a dollar-for-dollar Federal Tax Credit of up to \$1,700/\$3,400
- Credits must be reduced by any state tax credit received
- Has income limitations for students

94

One Big Beautiful Bill Act

New Scholarship Granting Organizations, effective 1/1/2027

- State must agree to participate – likely will be folded into the AZ STO programs
- Will benefit more taxpayers at the Federal level due to Arizona's low tax rate of 2.5%

95

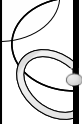
One Big Beautiful Bill Act

Effect on lower-income taxpayers – effective 1/1/2026

- Medicaid restrictions (AHCCCS in AZ)
- Too poor for a subsidy - too rich to get Medicaid
- Healthcare subsidy reductions and increased repayments of overpaid subsidies

Churches are likely to see benevolence requests increase.

96

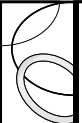


2025 CHURCH AND MINISTRY SEMINAR
Presented by
Barbara L. Starley, CPA

**PAYROLL COMPLIANCE
SELF-AUDIT CHECKLIST**

©Barbara L. Starley, CPA. All Rights Reserved.

97

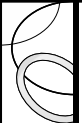


Primary Reports You Want to See

- **Statement of Financial Position** (Balance Sheet)
- **Statement of Activity** (Profit & Loss)
- **Payroll Journal/Summary/Register**
- **Previous Year W-2s**
- **Previous Year 1099s** (NEC & Misc)

©Barbara L. Starley, CPA. All Rights Reserved.

98



What You're Looking For...
Statement of Financial Position

- **Payroll Liability Accounts:** up-to-date with accurate balance
 - ✓ Payroll Taxes are paid
 - ✓ Garnishments are paid
 - ✓ Retirement Contributions are paid
- **Employee Advances:** up-to-date with accurate balance
 - ✓ Account Balance is up-to-date
 - ✓ Repayment plan, if not immediate, is in writing
- **Cash Surrender Value [CSV] on Key Person Insurance**, if applicable
 - ✓ Loan(s) against CSV have been recorded as an offset
- **Discretionary Fund Account**
 - ✓ Expenses are accountable (receipts attached)
 - ✓ Expenses include description of "business purpose"
 - ✓ Non-Accountable Expenses are TAXABLE

©Barbara L. Starley, CPA. All Rights Reserved.

99

What You're Looking For...

Statement of Activity

- **PERSONNEL**
 - ✓ Compensation (Employees [EE] only, no Independent Contractors [IC])
 - Clergy
 - Non-Clergy
 - ✓ Benefits
 - Health Insurance (net of any EE withholding)
 - Payroll Taxes (Employer [ER] share only)
 - Retirement Plan (ER Contributions only)
 - Work Comp Insurance
 - ✓ Other Payroll-Related Costs
 - Background Checks
 - Key Person Insurance Expense (verify that organization is beneficiary)

©Barbara L. Starley, CPA. All Rights Reserved.

100

What You're Looking For...

Payroll Journal/Register/Summary

- Payroll Taxes
 - ✓ NO Federal Unemployment Taxes shown as Employer Taxes
 - ✓ NO AZ Unemployment Taxes shown as Employer Taxes (for Churches)
 - Exception: Voluntary Election to Participate
 - Exception: Nonprofits (other than churches) with > 4 Ees
 - Exception: Election of Alternative Reimbursement Payment Option
- Clergy Payroll
 - ✓ Compensation is split between "Salary" and "Housing"
 - ✓ NO Social Security or Medicare Taxes are withheld (or matched)
 - ✓ Federal & State Taxes are not mandatory, but CAN be withheld

©Barbara L. Starley, CPA. All Rights Reserved.

101

What You're Looking For...

Payroll Journal/Register/Summary (continued)

- Non-Clergy Employees
 - ✓ Compensation is shown as "Salary" for EXEMPT Employees
 - Confirm job duties align with DOL* work test (Executive/Administrative/Professional)
 - Confirm salary meets minimum FLSA* threshold (\$684/week = \$35,568/year)
 - ✓ Compensation is (preferably) shown as "Hourly" for Non-Exempt EEs
 - Confirm hours reflect actual (or, at a minimum, expected) hours to be worked
 - Confirm hourly rate meets STATE minimum wage (\$14.70/hr. as of 1/1/2025)
 - Confirm hourly rate meets CITY minimum wage if > State (Flagstaff = \$17.85/hr. as of 1/1/2025)

*Abbreviations:
DOL = Department of Labor
FLSA = Fair Labor Standards Act

©Barbara L. Starley, CPA. All Rights Reserved.

102

What You're Looking For...

Payroll Journal/Register/Summary (continued)

- Taxable Benefits
 - ✓ Reimbursements for personal health insurance (including Medicare premiums) are taxable.
 - Exception: Organization has a formal ICHRA plan in writing and in effect
 - Note: Health Sharing premiums are considered personal plans, even if all EEs are covered and are taxable
 - ✓ Non-Accountable Allowances are taxable, including:
 - Auto Allowances
 - Fully Paid Cell Phone Expenses
 - Discretionary Funds

©Barbara L. Starley, CPA. All Rights Reserved.

103

What You're Looking For...

Payroll Journal/Register/Summary (continued)

- Paid Time Off Accruals
 - ✓ Mandated Paid Sick leave is calculated, accrued, and communicated to EEs
 - Accrual rate = 1 hour of paid sick time for every 30 hours worked
 - Employer is NOT required to pay out the value of any unused sick leave at end of year
 - Sick time accrual depends on size of Employer
 - Under 15 employees = max accrual of 24 hours
 - 15 or more employees – max accrual of 40 hours
 - Rollovers are required, but only to maximum accrual amount
 - Employer may opt to provide full annual amount of sick time at the start of the year
 - Front-loading mandated paid sick leave eliminates the need to roll over unused time

©Barbara L. Starley, CPA. All Rights Reserved.

104

What You're Looking For...

Payroll Journal/Register/Summary (continued)

- ✓ Paid Time Off Accruals (continued)
 - Employer is NOT required to pay out unused sick time when an EE leaves employment for any reason
 - Permitted Time Used is deducted from Accrual
 - Time off may be used for:
 - Employee's own medical care
 - To care for a family member
 - When employee is exposed to a communicable disease
 - For situations involving domestic violence, sexual violence, abuse, or stalking

©Barbara L. Starley, CPA. All Rights Reserved.

105

What You're Looking For...
Prior Year W-2s

- **Box 1**
 - Clergy Salary Portion of Compensation + Taxable Benefits
 - Non-Clergy Compensation + Taxable Benefits
- **Box 2**
 - Federal Income tax withheld from paychecks
 - Federal Income tax is not mandatory for Clergy
 - but Clergy may request optional withholding
- **Boxes 3, 4, 5 & 6**
 - For Clergy - all 4 boxes should be blank or show \$0
 - For Non-Clergy - all 4 boxes should show figures

©Barbara L. Starley, CPA. All Rights Reserved.

106

What I'm looking for...
Prior Year W-2s (continued)

- **Box 12**
 - Retirement Plan Contributions (code = type of plan)
 - Health-Related Pre-Tax Benefits (if ER has 250 or more W-2s)
 - Taxable cost of Group-Term Life Insurance >\$50,000
- **Box 14**
 - Clergy Housing Portion of Compensation
- **State Section**
 - State Income (generally matches Box 1 in AZ)
 - State Tax withheld
 - State Income tax withholding is not mandatory for Clergy
 - but Clergy may request optional withholding

©Barbara L. Starley, CPA. All Rights Reserved.


107

What I'm looking for...
Prior Year 1099s

- **1099-NEC Recipients**
 - ✓ W-9 on file
 - ✓ Expenses separate from PERSONNEL on Stmt. of Activity
 - ✓ Properly classified as Independent Contractors
 - Consider CONTROL factors:
 - Financial, Time/Supervision/Training, Tools Provided
 - Integration of services with Organization's purpose

©Barbara L. Starley, CPA. All Rights Reserved.

108



What You're Looking for...
Prior Year 1099s (continued)

- 1099-MISC Recipients
 - ✓ W-9 on file
 - Backup withholding required if payee does not provide a valid TIN (taxpayer identification number)
 - ✓ Rent & Royalties are most common
 - Rents are reported if amount paid is > \$600/year
 - Threshold will increase to \$2,000 for tax year 2026
 - Threshold will adjust for inflation in subsequent years
 - Royalties must be reported if amount paid is > \$10/year

©Barbara L. Starley, CPA. All Rights Reserved.

109




What You're Looking For...
DOCUMENTATION

- Job Descriptions
- Employee Handbook
- Housing Allowance Worksheets
- Board Minutes
- Employee Records

©Barbara L. Starley, CPA. All Rights Reserved.

110



What You're Looking For...
DOCUMENTATION (continued)

- Job Descriptions
 - ✓ Reflect current job duties
 - ✓ For Clergy – job description includes “clergy” duties
- Employee Handbook
 - ✓ Updated regularly
 - ✓ Updates are consistent with current Federal & State laws
 - ✓ Federal COBRA or AZ Mini-COBRA are provided (if required)
 - ✓ Employees are not entitled to Unemployment Benefits
 - See Exceptions on Slide #5

©Barbara L. Starley, CPA. All Rights Reserved.

111

What You're Looking For...

DOCUMENTATION (continued)

- Housing Allowance Worksheets/Approvals
 - ✓ Worksheet includes the "lesser of 3" comparison
 - ✓ Worksheet includes approval signature and date
 - ✓ Worksheet is "current" or "evergreen"
- Board Minutes
 - ✓ Board Decisions regarding payroll are in alignment with rules & regs
 - ✓ Board Decisions regarding payroll are consistent with payroll records

©Barbara L. Starley, CPA. All Rights Reserved.

112

What You're Looking For...

DOCUMENTATION (continued)

- Employee Records
 - ✓ Receipt and understanding of Employee Handbook is on file
 - ✓ Job Descriptions are current for what each person does
 - ✓ Form I-9 and Tax Withholding Documents are on file & match payroll records
 - Note: You do NOT need to get an updated W-4, A-4, or I-9 every year
 - ✓ Elections to participate or opt-out of coverages/benefits are signed and on file
 - ✓ Emergency contact is current

©Barbara L. Starley, CPA. All Rights Reserved.

113

Quick Recap & Take-Away...

Primary Reports Work Together

- Statement of Financial Position (Balance Sheet)
- Statement of Activity (Profit & Loss)
- Payroll Journal/Summary/Register
- Previous Year W-2s
- Previous Year 1099s (NEC & Misc)

©Barbara L. Starley, CPA. All Rights Reserved.

114

Need additional help...
Contact Information




Barbara L. Starley, CPA
On-Call Controller
 Phone/Text: 480-251-5291
 Email: Barbara@OncallController.com

JOIN TODAY!



©Barbara L. Starley, CPA. All Rights Reserved.

115

2025 CHURCH AND MINISTRY SEMINAR
 Presented by
 Monica J. Stern, CPA, PLLC

Federal and State Electronic Payment Requirements

116

Federal Electronic Payment Requirements


Presidential Order 3/2025 mandates IRS Electronic Payments effective 9/30/2025*.

NO MORE CHECKS FOR TAX PAYMENTS – INDIVIDUAL OR BUSINESS!

Mandate includes balance due notices for penalties and interest.

*effective date for individuals expected to be early 2026.

117




Federal Electronic Payment Requirements

All government agencies are moving to require ID.me for all activities.

ID.me

- Assigned to an individual, not a company
- Can use for both business and personal activities
- Can use multiple email addresses
- Identifies you as an individual
- Must set up in advance and upload personal identifying information.

118




Federal Electronic Payment Requirements

Approved methods:

- IRS Direct Pay
 - Free
 - No sign-in required
 - Must use bank account
 - Can change or cancel within two days

<https://directpay.irs.gov/directpay/businesspayment>

119



Federal Electronic Payment Requirements

Approved methods:

- EFTPS (will become TC2 program in 2026)
 - Free
 - Enrollment in advance is required
 - Must use bank account
 - Can change or cancel up to two days before scheduled date

<https://www.eftps.gov/eftps/>

120

Federal Electronic Payment Requirements

Approved methods:

- Electronic Funds Withdrawal
 - Free
 - Only available when return is e-filed by tax professional
 - Must use bank account
 - No changes once sent

121

Federal Electronic Payment Requirements

Approved methods:

- Same Day Wire
 - Used for making a payment on the due date
 - Requires taking an IRS worksheet to the bank
 - Must use bank account
 - No changes once sent
 - Bank wire charges apply
- <https://download.eftps.com/SameDayPaymentWorksheet.pdf>

122

Federal Electronic Filing Requirements

Must e-file W-2 and 1099 forms if business has 10 or more TOTAL information returns.

Rule was effective 1/1/2023.

All 990 series returns must be e-filed.

123

Arizona Electronic Payment Requirements

Must make electronic payments when annual liability exceeds \$500:

- Transaction privilege tax (sales tax)
- Withholding for employees
- Corporate income tax (UBIT)

Note – once threshold is met, all payments must be electronic, not just those over \$500.

124

Arizona Electronic Payment Requirements

How to make payments:

- Must enroll in advance
- Can pay by bank withdrawal or credit card
- Fees apply for credit card use
- Can also file on line

<https://www.aztaxes.gov>

125

Arizona Electronic Filing Requirements


Forms that must be e-filed:

- W-2 forms
- Withholding, if the average quarterly liability was \$125 or more during the prior year
- Transaction privilege tax if over \$500 per year
- 1099 forms but only if there is state withholding

<https://www.aztaxes.gov>

<https://azdor.gov/e-file-process/e-services-w-2-1099>

126




EFTPS letters in August

Letters sent 8/15 to remind taxpayers to check that their payroll service is actually paying the taxes.

Check EFTPS periodically to be sure payments are made.

127




2025 CHURCH AND MINISTRY SEMINAR

Presented by
Monica J. Stern, CPA, PLLC

Form 720 Filing Requirements

128




Form 720

Form 720 covers a variety of excise taxes.

Most common for nonprofits is:
Patient-Centered Outcomes Research Institute fee

Churches are not exempt from filing Form 720.
This fee was implemented in 2012.

129



Form 720

Fee applies if the entity has:

- Health reimbursement arrangement (HRA)
- Qualified Small Employer HRA (QSEHRA)
- Individual Coverage HRA (ICHRA)

130

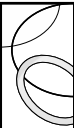


Form 720

These plans are not included:

- Group insurance plans
- Standalone dental or vision plans
- Health Savings Accounts (HSA)
- Health Flexible Spending Account (FSA)

131



Form 720

Fee is based on the plan year.

Example – fee for a plan year 10/1/2024 – 09/30/2025 is \$3.47 times the average number of lives covered under the plan.

Form is filed for 2nd Q ending 6/30 and due 7/31.
Entire year is reported once annually on this date.

132

Form 720

Filing for 720:

- Complete part II, line 133
- Complete Part III
- Ignore other pages of the 8-page form.
- Penalties and interest apply for late filing/payment.
- Maximum penalty is the lesser of \$510 or 100% of the tax.

133

Form 720

Reserved for future use		2.75% of sales price			
1 Total. Add all amounts in Part I. Complete Schedule A unless one-time filing					
Part I					
(Patient-Centered Outcomes Research Fee (see instructions))					
IRS No.	(a) Avg. number of lives covered (see instructions)	(b) Rate for avg. covered life	(c) Fee (see instructions)	Tax	IRS No.
Specified health insurance policies					
	(a) With a policy year ending before October 1, 2024	\$3.22			
	(b) With a policy year ending on or after October 1, 2024, and before October 1, 2025	\$3.47			
133	Applicable self-insured health plans				133
	(c) With a plan year ending before October 1, 2024	\$3.22			
	(d) With a plan year ending on or after October 1, 2024, and before October 1, 2025	\$3.47			
			Rate	Tax	
41	Sport fishing equipment (other than fishing rods and fishing poles)		10% of sales price		41
110	Fishing rods and fishing poles (limits apply, see instructions)		10% of sales price		110
42	Electric outboard motors		3% of sales price		42
114	Fishing tackle boxes		3% of sales price		114
44	Fishing reservoirs, berths/buoys, and moorings		11% of sales price		44

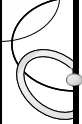
134

Form 720

If you did not file by 7/31, do so now.

Consider filing all late returns if your church had requirements in those years.

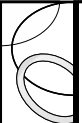
135



2025 CHURCH AND MINISTRY SEMINAR
 Presented by
 Monica J. Stern, CPA, PLLC

Handling Cash at Events and Stores

136

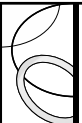


Handling Cash at Events and Stores

Controls over cash receipts at events or stores is vital.

- Concerts
- Thrift stores or gift shops
- Donation tables at events
- Merchandise tables at events
- Sporting events

137




Handling Cash at Events and Stores

Ways to improve internal controls:

- Two people involved in sales
 - Unrelated to each other
 - Not involved in accounting for transactions
- Use of a platform, like Square
 - Reports must be available online to the accounting department
 - Can accept both cash and credit card

138




Handling Cash at Events and Stores

Ways to improve internal controls:

- Require that all transactions be entered at the time of the transaction
 - Protects the individuals involved from being falsely accused
- Immediate deposit of cash
 - Receipt provided to accounting department
 - Cash should not be held for future expenses
- Timely reconciliation by accounting department of deposits to reports

139




Handling Cash at Events and Stores

Simply downloading transactions and posting without reconciliation is not adequate.

Investigate discrepancies immediately.

For ticket sales, consider using prenumbered tickets and reconciling the number sold to the sales amount or use a service like Eventbrite.

140

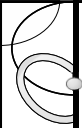


Handling Cash at Events and Stores

Do not tempt your neighbor!

Internal controls protect everyone involved.

141

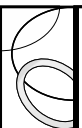


2025 CHURCH AND MINISTRY SEMINAR

Presented by
Monica J. Stern, CPA, PLLC

The Church Network

142



The Church Network

What is The Church Network?

- Inter-denominational professional association
- Strengthens and connects administrative church leaders – 1,400+ members
- Offers networking and continuing education
- Can become a Certified Church Administrator
- National Dues are \$225 annually
- Greater Phoenix Chapter has no annual dues

143




The Church Network – Heidi Zinn

Heidi was awarded the 2025 Marvin Myers Service Award by TCN National as a “rising star”.




144



The Church Network

Need more information?
<https://thechurchnetwork.com/>

Join the Greater Phoenix Chapter: QR code
or <https://forms.gle/NP4oEUNSGDb7bU2T6>



Join the Church Admin Community forum by emailing:
churchadmin+subscribe@groups.io
