

## The Church Treasurer - Volunteer or Employee?

### Guidelines & Considerations

There is a broad range of scenarios as relates to the responsibilities, skills, time-demands, and church needs for Seventh-day Adventist church treasurers. This position is often one of the most time-consuming positions in the church. How much time and energy should someone be expected to “contribute” without being compensated? Many churches find it challenging to determine if the position should be a volunteer or a paid position. More and more Adventist churches are realizing that with the heavy responsibilities the treasurer carries, it may not be reasonable to expect someone to be able to take the position without compensation. Paul said to Timothy “A worker deserves his pay” (1 Tim. 5:18 *The Message*).

As this topic is considered, it is important to understand the wishes of the treasurer. Consider the following:

- Do they want to volunteer?
- Do they have the time available to volunteer?
- Will their personal financial situation allow them to volunteer?
- Will they be offended if you want to make the position a paid position?
- Are they needing for the church to make it a paid position?

On the church side of things, here are seven key considerations to evaluate as to whether the position should be paid or volunteer:

#### 1. Financial Scope & Complexity

- **Paid:** If the church has complex finances (e.g., larger congregation, multiple bank accounts, payroll, credit/debit cards, lots of transactions), it may require a skilled and dedicated treasurer, making compensation more appropriate.
- **Volunteer:** Simpler finances (e.g., small congregation, few transactions) may be manageable for a committed volunteer.

#### 2. Time Commitment

- **Paid:** A role that demands many hours each week—especially with data entry, banking, paying bills, reporting, budgeting, and compliance tasks—these often justify compensation.
- **Volunteer:** If the workload is fairly minimal, less demanding, or more occasional, a volunteer may suffice.

#### 3. Required Expertise

- **Paid:** If the position needs some skills in accounting or finance, paying may help attract qualified individuals.
- **Volunteer:** If someone in the congregation already has this skill set and is willing to serve, the role may remain unpaid.

#### 4. Accountability and Reliability

- **Paid:** Compensation can increase accountability, attendance, and performance expectations.
- **Volunteer:** While volunteers can be reliable, there's often less leverage for ensuring deadlines or high performance.

#### 5. Church Budget Capacity

- **Paid:** A larger or financially stable church may afford to compensate a treasurer.
- **Volunteer:** A smaller or struggling church may need to prioritize funds elsewhere.

## 6. Legal and Tax Considerations

- **Paid:** Once a position is paid, employment laws apply. Churches must consider payroll taxes, documentation, and reporting (by using GCC Locally-Funded Payroll, all this will be handled).
- **Volunteer:** Easier administratively, but still requires clear guidelines and oversight to prevent mismanagement.

## 7. Congregational Culture

- Some churches place a strong emphasis on volunteer service and prefer roles like treasurer to remain volunteer-led to reflect the church community values.

Once the determination is made, if it will be a volunteer position, the rest of this document doesn't apply. If it is determined that the church treasury position will be a paid position, then the church must next assess whether the treasurer will be an employee or an independent contractor.

### The Treasurer will be an Employee (W-2) – if these apply (almost always):

- The church **controls how and when** the treasurer does their work (e.g., specific hours, onsite requirements).
- The treasurer uses the church's systems, tools, or software.
- The position is **ongoing** and part of the regular church operations.
- The treasurer must attend staff meetings or is treated like church staff.
- The treasurer is supervised or evaluated by church leadership.
- The church provides **training or direction** for the role.

### The Treasurer will be an Independent Contractor (1099-NEC) – if these apply (only rare exceptions):

- The treasurer **sets their own schedule** and works independently.
- They may provide similar services to other clients or churches.
- They use their own tools and accounting systems.
- The work is **project-based** or for a limited term.
- The church **only cares about the final product**, not how it's done.
- There's a formal contract for services.

The IRS uses a "**Common Law Test**" based on three categories:

1. **Behavioral Control** – Does the church control what and how the worker does the job?
2. **Financial Control** – Does the church control the economic aspects of the job (e.g., reimbursement, tools)?
3. **Type of Relationship** – Is the relationship long-term and central to the church's operation?

Generally, if the treasurer works like part of the staff (regular hours, internal processes), they are **an employee**.

- **When in doubt**, classify them as an **employee**—misclassification can lead to tax penalties.
- Use **GCC Locally-Funded Payroll Services** for all employees. GCC will handle payroll, withholdings, and reporting.
- Use **Form 1099-NEC** for independent contractors if they earn \$600 or more in a year.

**Note:** Always require an independent contractor to provide a COI showing they carry liability insurance before any work begins. This reduces the financial risk to the church for liability claims related to property damage, bodily injury, and legal defense costs. Also require a W-9 Form before making any payment that will put them at \$600 or more in a calendar year.

If you have further questions, please contact an auditor: Greg Leavitt: [gleavitt@gccsda.com](mailto:gleavitt@gccsda.com) or Linda McCabe: [lmccabe@gccsda.com](mailto:lmccabe@gccsda.com).

# Guidelines for Determining Pay for a Church Treasurer

## 1. Define the Role Clearly

Start with a detailed **job description** that outlines:

- Responsibilities (e.g., Jewel entry, banking, reporting, budgeting, compliance, etc.)
- Required qualifications
- Expected weekly/monthly hours
- Reporting structure (e.g., to pastor, board, finance committee)

A clear scope helps ensure fair and appropriate compensation.

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## 2. Determine Market Rate

Benchmark compensation using:

- Local nonprofit salary data
- Church-specific job boards
- Similar types of work in your area

**Typical ranges (for part-time roles in small to mid-size churches):**

- **\$15–\$25/hour** for general bookkeeping duties
- **\$25–\$50/hour** for CPAs or treasurers handling complex finance
- **\$250–\$1,000/month** for a flat rate (based on hours/responsibilities). Note that actual hours must be kept to verify minimum wage has been met and any overtime compensated appropriately.

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## 3. Estimate Time Commitment

Track or estimate how many hours per week or month the treasurer will actually work:

- Routine tasks (pay bills, deposits, Jewel entry)
- Monthly reporting
- Annual budget preparation
- Special projects (e.g., audits, meetings)

Multiply hours × hourly rate or develop an annual rate based on average workload. Divide this by 26 to get the per pay period pay amount (every 2 weeks).

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## 4. Align with Budget Capacity

- Make sure compensation fits within the **administrative or personnel budget**.

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## Employee Resources – Locally-Funded:

To calculate your cost for paying your treasurer salary and benefits, you can use the cost analysis tool online here: <https://locally-funded.gccsda.com/>

For a locally-Funded Employee Overview online, you can go here:

<https://www.gccsda.com/resources/32544>

More information is available at:

<https://www.gccsda.com/human-resources/140>

For more tutorials on IRS AND LABOR DEPT RELATED TOPICS, see section 6500 on the gccsda.org auditor webpage.

*This information has been brought to you by the Georgia-Cumberland Conference Audit Team  
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