

## Credit Card – System for Payment and Documentation

A church credit card adds 3 areas of complexity to church finance, but I will try to make it as simple and comprehensive as possible. (Do those two words even go together? 😊 )

These three areas are:

1. Monthly Payment of the statement balance
2. Posting the purchases and payments in Jewel
3. The management of receipts and other documentation

Since clarity, accuracy and simplicity are our goals, we need a system. The users of the card often consider it a convenience, but without a system - a process that you consistently follow, a church credit card can be a real headache for the treasurer.

1. A system is needed to help you remember to pay the bill, and how much to pay.
2. A system will help you keep track of which charges have been posted and which have not.
3. A system will enable you to be organized and efficient with all the paperwork.

### 1) Monthly payment of the statement balance

There are multiple ways to pay the monthly balance on the church credit card. By check, bank bill pay, online transfer or even automatic payment. (There is an advantage to paying online, since checks that are mailed can get lost, resulting in late fees and interest payments.) But whatever method you use, the more important question, from a system standpoint is, when are you going to pay it?

Let's say your payment is due on the 8<sup>th</sup> of every month. In January you pay it online on the due date. In February you forget and don't pay it until the 15<sup>th</sup>, resulting in interest and late fees. You are determined to not do that again, so you make the next payment right when you get the bill, on February 26. Now February has 2 payments and March will not have any, because the next payment is not due until April 10. This makes it hard to budget and difficult to track payments, and can make reconciling more difficult.

Consistency is the key. Pick a date and stick really close to it. Aim to have just one payment per month. If your payment due date is the 2<sup>nd</sup> of each month, you can pay it before the end of the previous month if you want, or wait until the 2<sup>nd</sup>, but whatever you do, make it consistent.

It is also really important how much you pay. Credit card statements are all different, and can be a real challenge to figure out. The goal is to consistently pay the entire statement balance each month, not the current balance, the pending charges or the minimum due. (Different cards use different terms so yours may not exactly match the terms I am using here.)

- The "statement balance" is the total of purchases made during the date range covered by the statement, minus any credits or returns. The purchases that make up the statement balance are listed on that statement.
- The "current balance" often includes more recent purchases that are not on the statement.

If your statement is confusing you, and you find yourself just pulling numbers off the page, please contact me for help. I can help you figure out how to read it.

I know some of you are not naturally systematic. I tend to be systematically challenged as well. But if you don't create a system and work it, clarity and accuracy will suffer and stress levels will rise. That is one reason why setting it up to be paid automatically can be a good idea. Systematize and automate, so you don't always feel like you are about to forget something. Because you probably are! 🙏 😊

## 2) Posting the purchases and payments in Jewel

There are two ways of setting up a credit card in Jewel. If you have one card and it is used occasionally, I would recommend posting the monthly payment as one check in Jewel and breaking down the individual accounts on the check stub. Like this:

**A Sample Church w/Parent \_**      **Checking**  
123 On Your Road  
Somewhere, USA

Date: 07/12/24

Pay to the Order of: 121      Credit Card      \$ 260.73

Exactly: Two hundred sixty and 73/100      Dollars

Memo: Payment for statement with 7/25/24 due date      Ima Treasurer  
Treasurer

| Account                      | Amount |
|------------------------------|--------|
| 8280      Custodial Expenses | 72.18  |
| 8520      Office Expense     | 32.21  |
| 8980      Local Evangelism   | 110.33 |
| 9220      Women's Ministries | 46.01  |

☒ Electronic Payment

Let's say your payment due date is July 12 and you make an electronic transfer to pay the bill. In Jewel, you will enter an electronic check, with the correct date and the correct amount. Then you will take all the receipts, sort them and calculate the totals so that you can post to each local account. (*Tutorial #4580 can help simplify this step*)

Posting the check date accurately is important. If paying by check, the Jewel check should be dated the exact date that the paper check was written. If making an online payment, the Jewel electronic check should reflect the exact date of the payment, as shown on the statement.

The memo line is important too. Use it to identify which statement you are paying. The most simple and consistent way I have found is to use the statement due date on the memo line. (see example above)

**NOTE:** If your church has multiple cards and multiple users, with many purchases each month, I would recommend setting up your credit card as its own Jewel bank account. Then you would post each purchase individually and reconcile the account each month. This significantly increases transparency, and you can even indicate on the memo line which card holder made the purchase, providing more accountability to the card holders.

If your church needs this method, I can help set up your system, as it is a bit different than a typical checking account. (*Tutorial #4540*)

## 3) The management of receipts and documentation

The "Credit Card Activity Report" is the star of this section. Every credit card holder should read and sign the "Credit/Debit Card Use Agreement" (*Tutorial #4520*) and should be required to use a "Credit Card Activity Report" (*Tutorial #4530*) every month to document their purchases. Original Receipts for all purchases should be documented on and stapled in date order to the Activity Report, and turned in to the treasurer within 7 days of the end of the statement period.

Set up a system and make it work. Card holders will need to know that exceptions will be rare. Be kind but firm. If they are asked by the board to sign the "Credit Card Use Agreement" upon receiving their card, they will have less leeway to claim ignorance or privilege.

If your church has obtained a corporate card, where the card holders receive their own copy of the statement directly from the credit card company, that statement should be part of the packet they turn in to you. They can use the statement to confirm that they have all their receipts, then they fill out the Credit Card Activity Report, attach the receipts, and give it to you within 7 days of the end of the statement period.

When you are paying the credit card bill and entering it into Jewel, you will compare the Activity Reports with the statement to verify that all the receipts are present, make sure the receipts are stapled securely, then staple all the Activity Reports to the Credit Card statement and file it in date order in the "Statements" file in your file box.

This should be done every month without fail, so that any fraudulent charges are quickly discovered, so they can be disputed and the money recovered.

Compare this to having no system. To having receipts handed to you from all sides at various times through the month, (often after you ask multiple times for them) and when the statement comes, it is up to you to sort them, find the ones that go with the current statement and figure out what they were for. Nope. System, people! 🤖 Your job is complicated enough without adding to it! **Their convenience should not exponentially increase your workload.**

You may be thinking that I am being too particular. After all, does it really matter when you pay, how much you pay, or the dates when you post? All I can say is that I have spent more time untangling credit card snarls than anything else other than Adventist Giving. I won't go into all the reasons why a strict system helps, but trust me, it does.

It is difficult to cover all facets of this topic, since every church is unique and each credit card has different characteristics. But hopefully this will help you see the potential for organization and system.

For more tutorials on CREDIT, DEBIT CARDS AND REVOLVING FUNDS, see section 4500 on the gccsda.org auditor webpage.

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