

INSTRUCTIONS FOR CIRCUIT ACCOUNTING

Table of Contents	
	Paragraphs
General Instructions	2-11
Bank Account.....	2
Funds Kept With the Branch Office	3-6
Normal Operating Expenditures	7
Target Balance	8
Resolutions.....	9
Electronic Funds Transfers Using JW.ORG	10
<i>Record of Electronic Funds Transfer (TO-62)</i>	11
Circuit Assembly.....	12-19
Security	12
Contribution Boxes	13
Receipts.....	14-15
<i>Circuit Assembly Financial Report (S-332)</i>	16-18
Assembly Surplus/(Deficit).....	19
Circuit Apartments	20-26
Auditing	27-28

1. These instructions and the principles provided in *Instructions for Congregation Accounting* (S-27) should be followed in caring for circuit accounts, using the *Accounts Sheet* (S-26). The assembly overseer is responsible for circuit accounts, and he or the assistant assembly overseer should approve all normal operating expenditures.

GENERAL INSTRUCTIONS

2. **Bank Account:** A circuit checking account should be opened in the name of the circuit or circuit section as an unincorporated association. The complete circuit or circuit section name should be used, such as “Jehovah’s Witnesses Circuit, New York #1-B.” The circuit should have an Employer Identification Number (EIN) from the Internal Revenue Service. Copies of any legal documents obtained for the purpose of establishing a bank account should be retained in the circuit file. Circuits should not use EINs issued to a congregation or to an individual; neither should circuits use bank accounts in the name of a congregation or an individual. Bank statements should be sent directly to the assembly overseer. He should review the statement for any irregularities before giving it to the accounts overseer. Two signatures should be on each check. However, more than two brothers should be authorized as check signers. The circuit overseer determines who the signers of the checks for the circuit will be, and he may wish to be one of the several signers. The assembly overseer should be one of those authorized to sign checks. The accounts overseer should not be one of those authorized to sign checks. If an ATM card is issued for the account, it must be a deposit-only card. No other ATM cards should be issued.

3. **Funds Kept With the Branch Office:** Circuits may also keep funds with the branch office until the funds are needed. Doing so makes such funds available for use in promoting Kingdom interests while the circuit is not using these funds. No interest is paid on such funds sent to the branch office.

4. A resolution must be passed by the circuit elders to begin keeping funds with the branch office, but subsequent action may be taken at the discretion of the assembly overseer and the accounts overseer. Such a resolution might state: “We resolve to send to the branch office any presently unneeded circuit funds. It is understood that whenever a need arises for these funds, the assembly overseer and the accounts overseer may request that they be returned.” A brother authorized to

transfer circuit funds can log in to jw.org, view the current balance, and request an amount to be returned.

5. To donate funds being kept with the branch office, a resolution must first be passed by the combined bodies of elders. Thereafter, a letter from the circuit overseer and assembly overseer should be sent to the Accounting Department at the branch office.

6. Transactions involving funds kept with the branch office are to be recorded in the “Other:_____” columns on the *Accounts Sheet* (S-26). However, if these columns are already in use for another bank account, then the “Other:_____” columns on an additional *Accounts Sheet* could be used to record the circuit account transactions. Circuit account statements are issued to circuits whenever contributions are being acknowledged or there are transactions involving funds kept with the branch office. The circuit overseer should forward these and any other financial statements received from the branch office to the assembly overseer, who will give them to the circuit accounts overseer. Any monthly activity and current balance will be shown on the statement. The statement balance is to be reconciled with the corresponding “Other_____ : /Ending Balance” figure in the “Accounts Sheet Reconciliation” box.

7. **Normal Operating Expenditures:** Normal operating expenditures include per-publisher contributions for use of an Assembly Hall, payments for other meeting facilities, payments for expenses related to a circuit apartment, reimbursement of the branch representative for his travel costs, and reimbursement of the circuit overseer for travel costs or other incidental expenses incurred in connection with a circuit assembly, an assigned convention, a Pioneer Service School, or moving to a new assignment. Such expenditures do not require a resolution. Instead, they can be approved by the assembly overseer or the assistant assembly overseer either by signing the invoice or by providing one of the signatures on the check. An itemized list of expenses, together with receipts, should be provided.

8. **Target Balance:** The assembly overseer should determine the amount of funds needed to cover operating expenses that must be paid before the start of the next assembly. Such expenses might include the costs associated with a circuit overseer’s residence, the anticipated travel cost of the branch representative, or the rental of a facility in connection with the next assembly. The amount of funds needed to cover these expenses is the circuit account’s target balance. Expenses that will be incurred during the next assembly, such as a per-publisher contribution that is made for the use of an Assembly Hall, should *not* be included in the target balance. Since circuits do not generally receive donations between assemblies, careful consideration should be given to the amount of funds that will be needed in the circuit account until the next assembly starts. At the end of each assembly, the target balance should be updated based on the anticipated expenses to be paid before the next assembly. If the total circuit funds at the end of the assembly exceed the target balance, the excess should be donated to the worldwide work. If at the end of the assembly there are insufficient funds to maintain the target balance and to cover the per-publisher amount for the use of an Assembly Hall, priority should be given to maintaining the target balance. There is no need for congregations in the circuit to fund any remaining deficit to cover the per-publisher amount prior to the next event.

9. **Resolutions:** Other than the normal operating expenditures outlined above, any decisions regarding circuit funds should be put in writing as resolutions adopted by the circuit elders. Each circuit or circuit section should have a standing resolution stating that at the conclusion of each assembly, funds in excess of the target balance will be donated to the worldwide work. All other resolutions should be for exact amounts and should be presented for approval each time circuit funds are to be dispensed. Circuit funds should not be used to subsidize housing for special pioneers. Money gifts to individuals should not be made from circuit funds. Neither should expenses for personal vehicles, life insurance premiums, or personal travel be considered.

10. **Electronic Funds Transfers Using JW.ORG:** If possible, the circuit should forward funds to the branch office by means of electronic funds transfer. To initiate use of the arrangement, the circuit or circuit section must send a completed and signed *Authorization Agreement for ACH Debit/Credit Transactions* (TO-60) to the Accounting Department at the branch office. Once the circuit receives an authorization letter from the branch office, the circuit may begin using jw.org to transfer funds. If the circuit or circuit section changes the bank account used for jw.org transactions, a revised *Authorization Agreement for ACH Debit/Credit Transactions* should be filled out and sent to the Accounting Department as soon as possible.

11. **Record of Electronic Funds Transfer (TO-62):** This form is used to record the electronic transfer of funds using jw.org. If the circuit has funds kept with the branch office, this form should be used to record sending and receiving funds. (See paragraphs 3-6.) Once the remittance details are recorded on the form, it should be approved and signed by the assembly overseer or another brother approved to sign checks for the circuit. Have the completed form on hand for reference when making the electronic transfer.

CIRCUIT ASSEMBLY

12. **Security:** The location of the Accounts Department should not be disclosed to the public, and no sign should be posted at the entrance to identify its location. The attendant overseer should arrange for two brothers to be posted at the entrance door at all times. The entry should be screened in such a manner that the activity in the Accounts Department is not visible to passersby. Additionally, at least two brothers from the Accounts Department should be present in the room whenever assembly funds are being handled.

13. **Contribution Boxes:** A responsible elder should be appointed to serve as captain of all functions related to the contribution boxes. This would include the number used, their location, and security. To avoid giving the impression that money is very important to us, several contribution boxes should not be placed in close proximity to each other. Each contribution box should simply be labeled "Contributions." A trustworthy, reliable sister or brother should be used to monitor any freestanding contribution box while it is in use. Funds should be collected from contribution boxes as the morning and afternoon sessions begin, using discretion based on the location of the boxes. The boxes may need to be emptied multiple times, depending on the circumstances. Contribution boxes should be available at the end of the day until most attendees have left the area of the box. When funds are collected from contribution boxes, two brothers from the Accounts Department should always be present. The funds should be taken to the Accounts Department in a discreet manner.

14. **Receipts:** When the funds are received by the Accounts Department, at least two individuals will work together at the counting table. As the money is counted, *Receipt* (CO-40) forms that have been personally prenumbered in ink by the accounts overseer are to be filled out in duplicate. One prenumbered receipt is to be given to the assembly overseer. The other is to be retained by the accounts overseer. If an error is later found in the original count, both copies of the *Receipt* form should be corrected and the accounts and assembly overseers should initial both copies. No one is to be permitted to take money off any counting table until it has been counted, verified, and recorded on the *Receipt* forms. No book bags, purses, or similar items are permitted around or under the counting tables when money is being counted and recorded on the *Receipt* forms. All *Receipt* forms are to be recorded in the "Receipts/In" column of the *Accounts Sheet* (S-26).

15. When funds are prepared for deposit, each deposit slip should reflect the sum total of a number of *Receipt* forms, rather than merely reflect the surplus money on hand. In this way, it will be easy to check errors when auditing circuit accounts. As deposits are made, the corresponding *Receipt* forms can be marked accordingly. Donations received in the form of cash or check should always be counted, receipted, recorded on the *Accounts Sheet*, and, if at all possible, deposited in the

bank or put in a secure place overnight. This reduces cause for suspicion or temptation. At the conclusion of the assembly, the *Receipt* forms retained by the accounts overseer should be attached to the corresponding month's *Accounts Sheet*.

16. ***Circuit Assembly Financial Report (S-332)***: In advance of the meeting with the elders at the circuit assembly, the assembly overseer, the assistant assembly overseer, and the accounts overseer should discuss the circuit's finances. Circuit expenses, such as those related to the assembly, the purchase of circuit equipment, the maintenance or minor repairs of a circuit overseer's residence, and the food, transportation, and office expenses incurred by the circuit overseer while serving in his theocratic assignments should be discussed. (See paragraphs 20-26.) The assembly overseer should take the initiative to inquire if the circuit overseer or branch representative would like to submit any expenses to the circuit.

17. At the time of the circuit elders' meeting, all should be informed that the circuit accounts were audited after the last assembly. After that, a portion of the *Circuit Assembly Financial Report* should be considered with the elders. Lines 1 through 3 should be reviewed to inform the elders of the circuit's financial standing as of the start of the assembly. Discuss line 4, explaining all of the anticipated expenses in connection with the assembly, including the normal operating expenses (see paragraph 7) and any payments to be approved by resolution (see paragraph 9). The elders should be given sufficient opportunity to ask questions and discuss any resolutions before votes are taken by a simple show of hands. Parliamentary procedures are not required in this situation. Once the majority approves a resolution, it should be dated, signed by the assembly overseer, and given to the accounts overseer for payment. Thereafter, the resolution will be placed in the circuit accounts records.

18. The financial report should be read to the audience during the afternoon session at the time the program calls for announcements. Express appreciation for the contributions made to assist in covering all of the expenses. The accounts overseer should complete the report at the conclusion of the assembly.

19. **Assembly Surplus/(Deficit)**: Ideally, each assembly is to pay the expenses it incurs, with surplus funds being deposited in the circuit account. If a deficit (see line 10 of the *Circuit Assembly Financial Report* [S-332]) should occur at the end of the assembly and circuit funds can cover the loss, there would be no need to write the congregations to make up the difference. However, if there are insufficient funds in the account to pay expenses for the last assembly or to meet the circuit account's target balance, the circuit overseer may direct that congregations be advised of the privilege to contribute.—See paragraph 8.

CIRCUIT APARTMENTS

20. In some metropolitan areas or where congregations are fairly close together, suitable and convenient accommodations may not be available in the homes of the brothers for the circuit overseer and his wife. In these areas the collective body of elders in the circuit may decide that it would be more advantageous for the circuit to provide one modest, reasonably-priced apartment for the use of the circuit overseer. It is usually best for such matters to be discussed by the circuit elders at a business meeting held during an assembly.

21. If after prayerfully considering the factors involved the collective body of elders in the circuit decides that a rental apartment for the circuit overseer is practical and cost effective, the branch office has no objection if the elders make such arrangements. Any maintenance or minor repairs that are not cared for by the property owner (as stipulated in the contract) are the responsibility of the circuit. All costs associated with a rented residence for the circuit overseer will be funded by the circuit.

22. The collective body of elders in the circuit may desire to purchase an apartment, build an apartment in conjunction with a new Kingdom Hall, renovate an existing apartment or empty space, or add an apartment at an existing facility for the use of the circuit overseer. This is a matter for the branch office to determine. Therefore, the elders should contact the Local Design/Construction Department (LDC) if they feel the purchase, construction, or renovation of an apartment is needed.

23. Where an existing apartment located on the same property as a Kingdom Hall or on another property owned by a congregation is provided for the use of the circuit overseer, the congregation (or Kingdom Hall Operating Committee, if applicable) is responsible for the routine maintenance and minor repairs in connection with the apartment. There is no need to have a separate operating committee for the apartment. The circuit will pay for all costs associated with the use and maintenance of such an apartment by contributing to the appropriate congregation or operating committee account. A written agreement should be prepared between the circuit and the congregation or operating committee involved so that all will understand their financial responsibilities. If you have a unique situation and need further direction, please contact the LDC.

24. Expenses related to a circuit apartment are considered normal operating expenses not requiring a resolution. If sufficient funds do not exist in the circuit account to care for expenses related to a circuit apartment, the congregations in the circuit may be asked to contribute an additional amount. While a specified amount may be suggested, it is the responsibility of each body of elders to discuss the matter and determine what contribution its congregation may be able to make.

25. Although basic furniture and permanent appliances may be provided as part of an apartment, it should not be necessary to purchase new furniture or appliances each time a different circuit overseer moves into an apartment. However, prior to the incoming circuit overseer's arrival, the assembly overseer or a brother designated by him should review the condition of the apartment, its furnishings, appliances, and items such as linens and tableware. Neither congregation funds nor circuit funds should be used to provide customized or personal furnishings.

26. It would not be proper for a circuit overseer to suggest or request that the circuit rent an apartment and thus put an unnecessary financial burden on brothers. Neither should he suggest major renovations to an existing apartment or pressure others to make changes to plans for a proposed apartment. If a circuit overseer chooses to make his own arrangements for accommodations such as by using a trailer, all expenses incurred in doing so must be cared for by the circuit overseer himself. This would include the purchase cost, insurance, maintenance, transportation, and so forth. Therefore, neither congregation funds nor circuit funds should be used for this purpose. Any exceptions to this must be approved by the branch office.

AUDITING

27. The circuit overseer will arrange for the circuit accounts to be audited following each circuit assembly. The *Circuit Accounts Audit Report* (S-333) is to be used for this purpose. The assembly overseer will give his copies of the *Receipt* (CO-40) forms to the brother assigned to audit the circuit accounts. The same person should not be used for consecutive audits. The audit should be performed without the assistance of any who worked in the Accounts Department at the last assembly. The accounts for a specific assembly should not be audited until the bank statement(s) listing all activity for that assembly has been received. When the audit has been completed, the *Receipt* forms provided by the assembly overseer may be destroyed.

28. The completed report will be returned to the circuit overseer, who will review it carefully and forward it to the assembly overseer. The assembly overseer will review it with the accounts overseer and ensure that any problems are rectified. Thereafter, it should be filed with the circuit accounts records.