

## INSTRUCTIONS FOR CIRCUIT ACCOUNTING

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1. These instructions and the principles provided in *Instructions for Congregation Accounting* (S-27) should be followed in caring for circuit accounts, using the *Hoja de cuentas* (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:** Each circuit will receive instructions from the branch office to open a bank account in the name of *Testigos Cristianos de Jehová*. 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 payment. However, more than two brothers should be authorized as check signers. The circuit overseer determines who the signers of the payments 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 payments. The accounts overseer should not be one of those authorized to sign checks. If a card is issued for the account, it must be a deposit-only card. No other 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 view the current balance, and send a message to the Accounting Department at the branch office requesting the desired 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. To deposit funds with the branch office, the amount should be recorded in the “Depósito en la sucursal” line of the “Resoluciones” option in the *Hoja de cuentas* application. The “Acuse de recibo de donaciones y otros fondos” will be available in the *Hoja de cuentas* application whenever contributions are received at the branch or there are transactions involving funds kept with the branch office. Any monthly activity and current balance will be shown on the “Acuse de recibo de donaciones y otros fondos”.

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 not covered by congregations in connection with a congregation visit, 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 payment order. An itemized list of expenses, together with vouchers, 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, generally at a meeting held on the day of the assembly. 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, such as to assist a congregation unable to cover the expenses associated with hosting a Pioneer Service School, 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. When resolutions are presented at a meeting of the circuit elders, the elders should be given sufficient opportunity to ask questions and discuss the matter 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.

11. **Forwarding funds to the branch using the *Hoja de cuentas* application:** The circuit should forward funds to the branch office following the steps outlined in the option “Cierre” of the *Hoja de cuentas* application.

12. **Remesa de contribuciones (S-20):** This form shows the funds that will be forwarded using the *Hoja de cuentas* application. The form also records the funds kept with the branch office. (See paragraphs 3-6.) It should be reviewed, approved and signed electronically by the assembly overseer or another brother approved to sign payments for the circuit. That step will close the month and allow the branch to charge the remittance amount upon the circuit bank account.

## CIRCUIT ASSEMBLY

13. **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 accounts overseer should arrange for two brothers to be posted at the entrance doors to all locations where money is collected or counted. 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.

14. **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. Although freestanding boxes should never block traffic, they should be placed inside the facility at strategic locations in the seating areas, in the corridors, and near entrances and exits. Freestanding boxes should be stored out of sight when not in use. 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.

15. Each contribution box should simply be labeled “Contributions.” Any freestanding boxes used should have a permanent unique number marked on the bottom (where it is not visible when the box is in use.) A trustworthy, reliable sister or brother should be used to monitor any freestanding contribution box while it is in use.

16. Funds should be collected from all 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. Freestanding contribution boxes should generally not be taken to the convention Accounts Department to be emptied. If possible, they should be emptied and the money bagged (not counted) in a private and secure location(s) in the presence of at least two brothers. For reasons of security and protection, at least two brothers should take the money to the convention Accounts Department in an unobtrusive way.

17. A few dependable brothers should be assigned to monitor freestanding contribution box locations regularly to see that boxes are properly watched and to look for counterfeit boxes. These brothers should be given a chart showing the location of all boxes and the names of the assigned contribution box watchers. They should deal very kindly with any contribution box watchers if direction is needed.

18. **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 “CONTRIBUCIONES > RECOGIDA DE CONTRIBUCIONES > GASTOS DE LA CONGREGACIÓN” option of the *Hoja de cuentas* application.

19. 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 *Hoja de cuentas*, 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 *Hoja de cuentas*. At least two brothers from the Accounts Department should be present when funds collected at the assembly are deposited.

20. ***Circuit Assembly Financial Report (S-332)***: In advance of 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 23-29.) 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.

21. 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.

22. **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 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**

23. 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 meeting held on the day of the assembly.

24. 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.

25. 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.

26. 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.

27. 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.

28. 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.

29. 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**

30. 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.

31. 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.