

INSTRUCTIONS FOR CIRCUIT ACCOUNTING

1. 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. Copies of these instructions should be kept by the circuit overseer, the assembly overseer, the assistant assembly overseer, and the accounts overseer of the circuit or circuit section. In addition, the following information unique to circuit accounting should be noted.

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 name should be used to open the account, such as “Jehovah’s Witnesses Circuit, New York #1-B.” The circuit should have an Employer Identification Number (EIN) from the Internal Revenue Service. This number is to be kept 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 to the mailing address of 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-on-deposit arrangement:** The funds-on-deposit arrangement is not a banking arrangement. Rather, it is an arrangement wherein circuits are encouraged to send excess, or presently unneeded, circuit funds to the branch office instead of setting up a savings account, money market bank account, or certificate of deposit. Doing so makes such funds available for use in promoting Kingdom interests while the circuit is not us-

ing 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 participating in the arrangement, 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 make wise use of funds dedicated to Kingdom interests by regularly sending to the branch office any excess 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 the jw.org Web site, view the current balance, and request an amount to be returned.

5. To **donate funds** already sent to the branch office, a resolution must first be passed by the combined bodies of elders. Thereafter, a letter signed by the circuit overseer and assembly overseer should be sent to the branch office, Attn: Treasurer’s Office.

6. Transactions involving funds entrusted to 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, such as a savings account, then the “Other: _____” columns on an additional *Accounts Sheet* would be needed to record the circuit account transactions. Circuit account statements are issued to circuits whenever contributions are being acknowledged or there are funds-on-deposit transactions. The circuit overseer is to forward these and any other financial statements received from the branch office to the circuit accounts overseer via the assembly 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 capita contributions for use of an Assembly Hall, payments for other meeting facilities, and reimbursement of the special assembly day guest speaker or traveling overseer for travel costs or other incidental expenses incurred in connection with a circuit

assembly, an assigned district convention, or a special assembly day or while teaching the 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. Resolutions: Other than the normal operating expenditures outlined above, any decisions with regard to funds that the circuit has on hand in its account should be put in writing as resolutions adopted by the elders of the circuit. These resolutions should be for exact amounts and should be presented for approval each time circuit funds are to be dispensed. It would be inappropriate to pass a resolution to donate an unspecified amount of leftover funds to the worldwide work, Kingdom Hall construction worldwide, or an Assembly Hall after the assembly expenses have been paid. It would likewise not be appropriate to make a standing resolution authorizing that a fixed amount be donated to the worldwide work, Kingdom Hall construction worldwide, or an Assembly Hall. Circuit funds should not be used to subsidize housing for special pioneers or to make donations to Regional Building Committees. 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.—See paragraphs 21-23.

9. Circuit accounting forms: Forms used for circuit accounting are available for download on the jw.org Web site. **Destroy older printings of forms when directed to do so by the branch office.**

10. Electronic funds transfers using the jw.org Web site: All circuits forwarding funds to the branch office are to do so by means of electronic funds transfer. To initiate use of the arrangement, all circuits or circuit sections must complete the *Authorization Agreement for ACH Debit/Credit Transactions* (TO-60) and send it to the branch office. Once the circuit receives an authorization letter from the branch office, the circuit may begin using the jw.org Web site to transfer funds. If the circuit or circuit section changes the bank account used for jw.org Web site trans-

actions, a revised *Authorization Agreement for ACH Debit/Credit Transactions* should be filled out and sent to the branch office as soon as possible.

11. Record of Electronic Funds Transfer (TO-62): This form is used to record the electronic transfer of funds using the jw.org Web site. Such funds include contributions to the worldwide work, Kingdom Hall construction worldwide, and the Traveling Overseer Assistance Arrangement. If the circuit has funds on deposit 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/SPECIAL ASSEMBLY DAY

12. Receipts: Contribution boxes should simply be labeled “Contributions.” When funds are collected from contribution boxes at circuit assemblies and special assembly days, two brothers from the Accounts Department should always be present. 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 circuit accounts overseer are to be filled out in duplicate by using an original and a **CARBON** copy that bear the same number to record the money. The carbon copy of the prenumbered receipt is to be given to the assembly overseer. The original 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. All *Receipt* forms are to be recorded in the “Receipts/In” column of the *Accounts Sheet* (S-26).

13. The funds in the Accounts Department are to be attended by at least two brothers at all times so as to avoid suspicion. When deposits are made up, 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. **Money received from transactions 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 originals of the *Receipt* forms should be attached to the corresponding month's *Accounts Sheet*.

14. ***Circuit Assembly/Special Assembly Day Financial Report (S-332)***: In advance of the meeting with the elders at the circuit assembly or the special assembly day, the assembly overseer, the assistant assembly overseer, and the accounts overseer should discuss the circuit's finances. Consideration can be given as to whether there are sufficient funds presently in the circuit account to recommend to the elders that donations be sent to the worldwide work, Kingdom Hall construction worldwide, a local Assembly Hall, and so forth. At that time, they should also discuss circuit expenses, such as those related to the assembly, the purchase of circuit equipment, the maintenance or renovation of a traveling overseer's residence, and the food, transportation, and office expenses incurred by the traveling overseer(s) while serving in his theocratic assignments. (See paragraphs 18 and 21-23.) The assembly overseer should take the initiative to inquire if the circuit overseer and district overseer or guest speaker would like to submit any expenses to the circuit.

15. 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/Special Assembly Day Financial Report* should be considered with the elders. Lines 1 and 2 should be reviewed to inform the elders of the circuit's financial standing as of the start of the assembly. When considering line 3, specifically outline what is proposed with regard to donations. Discuss line 6, 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 8). 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 file.

16. The financial report should be read to the audience on Sunday morning at circuit assemblies and before the final talk in the afternoon at special assembly days. If it is decided that no donations are to be made, lines 3 through 5 should be omitted. 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.

17. **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 12 of the *Circuit Assembly/Special Assembly Day 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 initial expenses for the next assembly, such as a deposit to secure the use of a facility, the circuit overseer may direct that congregations be advised of the privilege to contribute.

18. **Traveling overseer residence**: At times, a circuit may wish to assist a congregation(s) to offset the expense of maintaining or renovating a residence for the traveling overseer. It is usually best for such matters to be discussed by the circuit elders at the time of their business meeting in connection with an assembly. This allows for a more thorough discussion of all the factors involved. If sufficient funds do not exist in the circuit account to care for this expense, the elders may agree to ask the congregations in the circuit to contribute. 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. In the event that the amount is later adjusted, the collective elders would again need to discuss the matter and pass the required resolution. If the traveling overseer's residence is a Kingdom Hall apartment, the local congregation(s) owning the apartment and the circuit elders should work out between themselves what

expenses will be cared for and how they are to be handled. A written agreement should be prepared so that all will understand their financial responsibilities.

AUDITING

19. The circuit overseer will arrange for the circuit accounts to be audited following each circuit assembly and special assembly day. The *Circuit Accounts Audit Report* (S-333) is to be used for this purpose. The assembly overseer will give the carbon 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 the accounts servant. 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 carbon copies of the *Receipt* forms may be destroyed.

20. 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.

TRAVELING OVERSEER EXPENSES

21. **Fuel purchases:** Traveling overseers do not need to use their own funds to purchase fuel.

Instead, they are provided with a fuel card that bills these expenses to the branch office. Therefore, when an assembly overseer requests that a traveling overseer submit his expenses in conjunction with a circuit event, the traveling overseer should not provide receipts for nor be reimbursed for fuel purchased with the fuel card provided by the branch office.—See paragraph 23.

22. **Preventative vehicle maintenance and nonwarranty routine repairs:** Traveling overseers do not need to use their own funds for preventative vehicle maintenance or nonwarranty routine repairs (oil changes, tire rotations, headlight replacement, and so forth). Instead, vehicles will be placed on a maintenance program, and these expenses will be billed to the branch office. Traveling overseers should not be reimbursed for such expenses that have been cared for by the branch office.

23. **Reimbursing traveling overseers directly:** On rare occasions, the traveling overseer may still incur an out-of-pocket vehicle expense. For example, he might have to purchase gasoline at a station that does not accept his fuel card. For that expense, as well as for other out-of-pocket expenses such as food, the circuit may reimburse him directly. Since traveling overseers' expenses are viewed as recurring operating expenses, no resolution is needed to use circuit funds to pay for them.—See paragraph 7.