

Church Offering Envelope Retention

I recently was asked how long a church should keep their members' giving envelopes. "

RESPONSE

I found the following written by Richard R. Hammar. Richard Hammar is an attorney, CPA, and best-selling author specializing in legal and tax issues for churches and clergy. A graduate of Harvard Law School, he is the author of more than 100 books, including Pastor, Church & Law and the annual Church and Clergy Tax Guide. He also writes the Church Law & Tax Report and has contributed to numerous journals and publications

How Long Should Our Church Keep Offering Envelopes? One step can help limit the length of time to store these documents.

Richard R. Hammar 

Question: How long should our church keep offering envelopes?

Answer: Many churches use offering envelopes. They have a number of advantages, including the following: (1) They help the church connect cash contributions to individual donors; (2) they promote privacy in the collecting of contributions; (3) they give members the opportunity to designate specific programs or projects; (4) they provide members with a weekly reminder of the need to make contributions and honor pledges; and (5) they reduce the risk of offering counters pocketing loose bills. In the past, another reason offering envelopes were used was that they provided donors with a means of substantiating cash contributions of less than \$250. This no longer is the case.

In 2006, Congress amended the law to require that all cash contributions, regardless of amount, be substantiated with (1) either a bank record (such as a cancelled check) or a written communication from the charity, (2) showing the charity's name, date of the contribution, and the amount of the contribution. Offering envelopes will not satisfy these requirements, and cannot be used to substantiate a donor's cash contributions. But, as noted above, there are other reasons why your church may want to use them.

Church leaders often ask how long they must keep offering envelopes. If your church uses offering envelopes, then one option is to issue donors a periodic (i.e., quarterly, semi-annual, or annual) summary of contributions, and include in this summary a statement similar to the following: "Any documentation, including offering envelopes, that the church relied upon in preparing this summary will be disposed of within six months. Therefore, please review this summary carefully, and inform the church treasurer of any apparent discrepancies within six months of the date of this summary." Of course, you can change the six-month period to any other length of time that you desire. This statement will relieve the church of the responsibility of warehousing offering envelopes and other supporting documentation for long periods of time.