

Instructions for completing the Foursquare Monthly Church Report-Financial

General Information

- Any place the word “click” is used in this document, it refers to pressing the left button of the mouse one time, or producing a single left-click on your mouse device. The term “double-click” means to perform two clicks in rapid succession. Keys on your keyboard are noted using the [key] convention. Links on the screen that launch an action are placed in “quotes.”
- As you enter data for the Foursquare Monthly Church Report (FMCR) - Financial, two primary ways exist to maneuver the form. You may use the [tab] key to move sequentially through each line item, or use the mouse to hover over your desired line and click once to select it. Tabbing into the field or clicking twice in the field will highlight and select the field contents. You may use the [delete] or [backspace] key to clear the selected contents.
- To enter a number either:
 - tab into the box and enter the number; or,
 - place the cursor before the zero, click one time and enter the number, which will add a zero to the end of the number you enter.
- In certain browsers using the backspace key will cause you to navigate to the previous page, This may cause unsaved data entered in the current page to be lost requiring you to re-enter that data. To correct entries made in error, user are encouraged to utilize the “delete” key instead of the “backspace” key.
- Next to each line is an information icon button. When you hover over or click on the icon, a pop-up will appear displaying the information for the corresponding line item.

Donor Restricted Activity	
*01. Donor Restricted Offerings	<input type="text" value="0"/> ⓘ
*02. Donor Restricted Expense - Missions	<input type="text" value="0"/> ⓘ
*03. Restricted Expense-Other	<input type="text" value="0"/> ⓘ
Net Donor Restricted Activity	<input type="text" value="0"/>

More Info

Other restricted expenses may include: 1. Grant expenses 2. Spending from donor restricted funds other than building or missions fund.

Church Operating Activity



Foursquare Monthly Church Report-Financial

Following are instructions for entering your Foursquare Monthly Church Report-Financial data.

1. Locate your church through one of the various search mechanisms built into The Hub.
2. Once on the Church dashboard, click on the Monthly Church Report tab to see an initial view of the most recent 24 months of FMCRs.
3. Search for any links that read "Due." These are the periods for which an FMCR submission is still missing.
4. Click on the "Due" link in the Financial column, to the right of the month and year you wish to submit, and you will be taken to the instruction page for data entry.
5. Please read the instructions and then click the link in the bottom right corner labeled "Begin Financial FMCR "Begin Financial FMCR Financial FMCR" ."
6. The Foursquare Monthly Church Report-Financial entry page will appear in a new tab within your browser. Please note that the original page from which you chose the Financial Link is still available and has not been closed; typically, it is to the left of your current tab in your browser window.
7. After choosing "Begin Financial FMCR" , the Foursquare Monthly Church Report-Financial entry form will appear.
8. The name of the individual logged into The Hub should appear next to the preparer name
9. The Hub will automatically populate the selected month, year and church code for you. If the month or year at the top of the data entry form is different than you expect, this means you may not have chosen the correct period when clicking on the Financial link from the Monthly Church Reports tab. If you believe this is the case, close the current FMCR tab and start again at step three above.
10. All boxes are preset with 0.00. If there is a box for which you have no entry leave as is and move to the next line.

Overview

You will enter the financial Monthly Church Report on two pages.

- On the first page, please note the two main sections:
 - Donor Restricted Activity—separating donor-restricted funds in the financial statements differentiates restricted income from other financial resources available for church operating expenses, which is in accordance with IRS Publication 526.
 - Restricted activity includes:

- donations made to any special purpose funds (building fund, missions fund, benevolence fund, etc.) established by the church council;
- grant income received for a restricted purpose; and,
- income from a fundraiser for a restricted purpose.
- Church Operating Activity—tithable income, other non-restricted income and operating expenses
- On the second page, also note:
 - Aligned Business Activity—Not all activities conducted by a nonprofit are non-taxable. Unrelated business income activity may include church operated school or daycare, bookstore, coffee shop, thrift store, rental or other retail operation income. If the activity itself does not relate to the organization's exempt purpose of religious worship, the fact that the proceeds are used to fund the organization's exempt purpose does not qualify the activity as "related."
 - In most cases, you should account for these funds separately from church operating income by using a separate set of books for the aligned business, utilizing class tracking in the same set of books or using another fund accounting mechanism altogether.
 - You can find information to help you determine if these activities are subject to unrelated business income tax by reading the aligned business instructions located below.
 - Assets—the church will provide month-end balances of current cash and investment accounts. The properties department will use this information when evaluating a lease or loan request for board presentation. Information entered here along with the income and expenses presents an abbreviated look at the balance sheet and income statement of the church.

Entering Donor Restricted & Church Operating Activity

Donor Restricted Activity

1. Donor Restricted Offerings may be any of the following:
 - a. restricted donations made to any special purpose funds (building fund, missions fund, benevolence fund, etc.) established by the church council;
 - b. grant income received for a restricted purpose;
 - c. income from fundraisers (bake sale, car wash etc.) for a restricted purpose; or,
2. Churches have a legal responsibility to ensure that donor restricted gifts are only spent for the restricted purpose. Money designated by the council may be reallocated.

IMPORTANT NOTES: There is a difference between "restricted" and "designated" funds. Restricted offerings or gifts are monies given to special-purpose funds (building, benevolence, children's, etc.) established by the church council, while designated funds are monies that the council allocates from the general fund for a special purpose.

2. Donor Restricted Expense for Missions—These are Missions funds collected from donors where payments are forwarded to FMI or other missions organizations that were restricted by donors to the church missions fund. This would include payments made to support:
 - a. the FMI general fund;
 - b. FMI missionaries;
 - c. disaster relief;
 - d. direct support to other missions organizations; and,
 - e. payments for expenses associated with church short-term missions trips.
3. Restricted Expense-Other—Other restricted expenses may include:
 - a. grant expenses; and,
 - b. spending from donor restricted funds for building, benevolence and etcetera.

As you enter these figures, the Net Donor Restricted Activity is automatically updated. This is the calculated total of all donor-restricted activity.

Church Operating Activity

4. Tithes & Offerings Income is:
 - income not restricted by the donor;
 - bequests and special gifts not restricted by the donor; and,
 - all offerings collected in other services that are not restricted.

IMPORTANT NOTES: There is a difference between "unrestricted", "restricted" and "designated" funds:

- unrestricted funds are monies received that are not restricted by the donor for a specific fund or purpose (i.e. unrestricted tithes and offerings);
- restricted funds come from offerings or gifts given to special purpose funds (building, benevolence, children's, etc.) established by the church council; and,

- designated funds are monies that the council allocates from the general fund and designates for a special purpose (thus "designated funds") which are not legally restricted by the donor and the allocation can be changed.

Churches have a legal responsibility to ensure that donor restricted gifts are only spent for the restricted purpose. Money designated by the council may be reallocated.

5. Other General Fund Income is:
 - a. interest income from checking, savings, and investment accounts;
 - b. rental income from another Foursquare entity such as a church, school or daycare, all other rental income should be reported under the aligned business section.
 - c. income from the sale of CD's or books;
 - d. income derived from or received at fundraising events such as bake sales, dinners and car washes intended for an unrestricted purpose.

IMPORTANT NOTE: When donations are made in exchange for an item or service, this is considered a "quid pro quo" donation. In these cases, the donation credit should only be given for the amount that exceeds the fair market value of the goods or services received by the donor. Please consult your district office for further clarification.

As you enter the preceding figures, the field labeled Total Operating Income displays the total of all operating income. Verify the total church operating income amount displayed matches the total income amount from the net gain or (loss) from operations or profit/(loss) report used for your data entry.

6. Extension Tithe Expense—Per the Foursquare by-laws, this is 10% of your tithes and offerings. Donor restricted and other general fund income is not included in the calculation of the extension tithe.
7. Personnel Expense—All expenses related to common-law employees are considered personnel expenses. All of the following are examples:
 - a. all salaries, wages, ministers housing allowances, bonuses and love offerings to employees;
 - b. payroll taxes (amounts paid by the church for income taxes), FICA taxes (Social Security and Medicare);
 - c. personnel insurance—amounts paid by the church for employee health care, voluntary disability insurance, and/or life insurance;
 - d. retirement—the amount paid by the church directly into personnel retirement accounts including the Foursquare Retirement Fund 403b plan;

- e. other personnel expenses such as car allowances, employer contributions to a flexible spending account (but not the actual employee withholdings/contributions), health insurance expenses, medical expenses or dependent care expenses paid directly by the church; and,
 - f. disability and unemployment insurance for churches that opt into these programs. Churches are normally exempt. Please check with your state or district office to verify you are exempt.
8. Contract Labor Expense (1099—Contract Labor is non-employee compensation paid directly to outside contractors who are self-employed (not W-2 employees or ministers on staff at the church).

IMPORTANT NOTES: Churches are required to understand the labor standards that define independent contractors from W-2 (common-law) employees. The church must report annual compensation of \$600 or more paid to independent contractors for labor or services on IRS Form 1099-Misc. Churches are required to obtain an IRS form W-9 from independent contractors. Please consult your district office with any questions. Also, honorariums or love offerings paid to visiting ministers, missionaries, evangelists, and worship leaders are also considered non-employee compensation or "contract labor" and the rules above apply.

9. Facility Loan Payment Expense—Includes both principle and interest payment for any mortgages or property related loans (also known as "debt service"). For churches using the accrual basis of accounting, please note this report requires you to include the principle payment for FMCR purposes.
10. Facility Lease Payment Expense—Includes payments for leases of all real property (land, building, and attached fixtures).
11. Facility Overhead Expense— This category includes all operating expenses incurred to operate and maintain the facilities. Examples include property/liability insurance, property taxes, utilities, leased equipment, security, and maintenance.
12. Unrestricted Expense-Missions— These are **unrestricted general fund monies** (designated by the church council) sent to FMI, or other missions organizations, for:
- a. the FMI general fund;
 - b. FMI missionaries;
 - c. disaster relief;
 - d. direct support to other missions organizations; and,

- e. payments for expenses associated with church short-term missions trips.
13. Ministry Expense—These are expenses associated with ministry services, events, programs, evangelism, outreaches and holidays. Please include ministry expenses not included under the administrative category.
14. Administrative Expense—These are operating expenses other than facility overhead for ongoing administration. Examples would include:
- a. office supplies;
 - b. postage;
 - c. website expenses;
 - d. subscriptions (both online and printed);
 - e. software licenses;
 - f. advertising;
 - g. promotion; and,
 - h. other office related expenses.
15. Other Expenses—These include expenses not listed elsewhere on this form.

Total Operating Expense—the calculated total of all church operating expenses. Check the total church operating expense figure displayed to make certain it matches the total expense number from the net gain or (loss) from operations or profit/(loss) report used for data entry.

Next Page—After verifying the entries, choose “Next Page” at the top or bottom right of the screen to complete the report by entering the summary activity information. The first page of information will be automatically saved, but can be edited by choosing “Previous Page” button from the next screen.

Save—Choose save if you wish to save the information and return later. The message “Your data has been successfully saved,” will appear at the top of the screen.

Entering Summary Activities

Aligned Business Activity

- Does your church have any aligned business income? Aligned business income would include: A church-operated school or daycare, bookstore, coffee shop, thrift store, or other retail operation. Rental income from any outside entity or any income not related to the church’s exempt purpose. Call your district office with any questions.
 - If you answer “Yes” then follow the instructions below

- If you answer “No” then select “no” and leave the total income and expense lines as they are, skip this entire section and proceed to the emboldened Assets Section below.
- Does your church have ongoing rental income from any party other than a separate Foursquare Church/School/Daycare?
 - If you answer “Yes” you must answer this question:
 - Have you verified whether these activities are subject to unrelated business income tax? Unrelated business income (UBI) is income from a trade or business, regularly carried on that is not substantially related the church's exempt purpose. An exempt organization that has \$1,000 or more of gross income from an unrelated business must file Form 990-T. Unrelated Business Income Tax (UBIT) may apply to rental property when the property being rented is debt-financed such as a mortgage under the debt-financed income rules. Please call your district office with any questions.
 - If you answer “Yes” then move to the next question.
 - If you answer “No” then you might need some assistance in complying with applicable laws. Please contact your district office for assistance.
- Does your church operate a school or daycare?
 - Choose “Yes” if the school or daycare is operating under the church’ s Federal Identification Number or has its own Federal ID number, but is a subunit of Foursquare.
 - Choose “No” if a school or daycare uses space at the church, but the church is not responsible for the financial or oversight of the operations.
 - Choose “I don’ t know” if the church has a school or daycare in operation, but you are unsure if they are a subunit of Foursquare. Please contact your district office.
- Is this school or daycare registered as a sub-unit of Foursquare?
 - Yes
 - No—Please contact your district office
 - I don’ t know-please contact your district office.
- Does your church operate a bookstore, coffee shop, thrift store or other retail operation?
 - If you answer “Yes”

- Have you verified whether these activities are subject to unrelated business income tax?
 - Unrelated business income (UBI) is income from a trade or business, regularly carried on, that is not substantially related the church's exempt purpose. An exempt organization that has \$1,000 or more of gross income from an unrelated business must file Form 990-T.
- Income from business operations is not subject to unrelated business income tax if one of the following apply:
 - the church sells products/items/goods primarily for the convenience of church members (i.e.: A bookstore or coffee shop that is operated primarily for the convenience of church members);
 - the staff are all substantially volunteers (i.e.: a coffee shop run with all volunteers);
 - the inventory is donated (i.e.: thrift store); or,
 - the activity is not regularly carried on (i.e. the seasonal sale of Christmas trees).

IMPORTANT NOTE: If an activity itself does not contribute to the organization's exempt purpose (religious worship), the fact that proceeds are used to fund the organization's exempt purpose does not qualify the activity as "related." For Example, a retail clothing store being operated by the church where the proceeds are given to the church is still unrelated business income and subject to tax because the sales are not specifically related to religious worship. Please call your district office for any questions.

- Does your church sell items that are subject to state sales tax?
 - If you answered "Yes"
 - Is your church filing sales/use tax returns?
 - If you answered "Yes" continue to the next question.
 - If you answered "No" , if you are selling items subject to state sales tax, you should be filing a sales/use tax return. The rules for sales and use tax vary from state to state. Most retailers (even occasional sellers) should register to collect and pay sales or use tax. Please check with your district office for more information.
- Does your church operate another aligned business not mentioned in previous questions?

- If you answered “Yes”
 - Please describe all other aligned business activities.
 - Have you verified whether these activities are subject to unrelated business income tax? Unrelated business income (UBI) is income from a trade or business, regularly carried on, that is not substantially related the church's exempt purpose. An exempt organization that has \$1,000 or more of gross income from an unrelated business must file Form 990-T. Income from business operation is not subject to unrelated business income tax if one of the following apply:
 - the church sells products/items/goods primarily for the convenience of church members (i.e.: A bookstore or coffee shop that is operated primarily for the convenience of church members);
 - the staff are all substantially volunteers (i.e.: a coffee shop run with all volunteers);
 - the inventory is donated (i.e.: thrift store); or,
 - the activity is not regularly carried on

IMPORTANT NOTE: If an activity itself does not contribute to the organization's exempt purpose (religious worship), the fact that proceeds are used to fund the organization's exempt purpose does not qualify the activity as “related.” For Example, a retail clothing store being operated by the church where the proceeds are given to the church is still unrelated business income and subject to tax because the sales are not specifically related to religious worship. Please call your district office for any questions.

- Total income from aligned business—Enter the total of all aligned business income from all activities. If you have no aligned business income leave this field as is.
- Total expenses from aligned business—Enter the total of all aligned business expenses from all activities. If you have no aligned business expenses leave this field as is.

Assets Section

- Total Checking Account Balances—Using a statement of financial position or balance sheet from your accounting system, enter the total checking account balance for the same period ending date as the income and expense information. This is the total



balance of all checking accounts (including those used for aligned business) as of the month end.

- Total Savings Account Balances—Using a statement of financial position or balance sheet from your accounting system, enter the total savings account balance for the same period ending date as the income and expense information. Include the total balance of all bank savings, money market or other accessible cash (including those used for any aligned businesses). This field should not include the balances of IFLF savings accounts. If you do not have a savings account leave the line as is.
- Total Investment Account Balances—Include the balances of any church investment accounts including: brokerage accounts, un-matured certificates of deposit or other form of managed investments. If you do not have an investment account balance leave the line as is.
- IFLF Savings Balances—This figure represents the total balance of IFLF Savings accounts currently held in the Foursquare Loan Fund. Please call the Foursquare loan department with any questions.
- Book Value of Land & Property—These values are extracted from the asset schedule maintained by the Foursquare Accounting Department. You may view the listing of assets, cost and accumulated depreciation used to calculate this book value under the properties report.
- Authorized Approver Email—This field displays the email of the person authorized to approve this report. If this email address is incorrect, please contact your district office.

Report Completion

1. Previous Page—If you wish to make a change to the previous page information choose Previous Page from the top or bottom right hand corner.
2. Save—Choose “Save” if you wish to save the information entered and return later. The message “Your data has been successfully saved” will appear at the top of the screen. Choose full directory or Hi, your name to navigate off this page.
3. Review and Submit—If the form is complete, choose “Review Before Submitting” . There will still be an opportunity to make changes.
 - a. Review the entries for the church activity report. *To print this page, go to the file menu in your web browser and select the “print” menu option. Once submitted, there will not be another opportunity to print until the report has been approved.
4. Choose Next Page if all entries are correct and skip to step 7.

5. Choose edit current page from the top right hand corner to make changes. You will be redirected to the original church operating activity page to edit information. After editing choose next page, verify entries on the summary activity page.
 - a. If you need to make changes, choose edit current page from the top right corner.
 - b. Once you choose submit, you will not be able to make changes unless you un-approve the report.
6. Choose Submit—If all information from the summary activity page is correct, skip to step 9.
7. Choose edit current page from the top right hand corner to make changes. You will be redirected to the summary activity page to edit information.
 - a. Verify entries on the second page.
 - b. Choose submit, you will not be able to make changes after this unless you un-approve the report.
8. Choose submit for approval. An email notification will be sent to the authorized approver to review and approve the report in The Hub. If the approver is the same individual entering the report an email will not be generated and the submission will be immediately approved.
9. Upon submitting you will receive a page thanking you for submitting your Financial Foursquare Monthly Church Report.
10. Email Notification-After submitting the report for approval, you will receive an email acknowledging your Foursquare Monthly Church Report financial report was submitted.
11. Once the report has been approved, it will be available for reporting and printing.

FAQs

How do I print the approved report?

After the report has been approved, you may view and print the report by navigating back to the Monthly Church Reports tab that lists all of the FMCR submissions for the past 24 months. Select the link that says “View” located to the right of the FMCR for the month and year you wish to display. A Portable Document Format (PDF) version of the FMCR report will display automatically in a new tab.

How do I make changes after the report is submitted?

If you wish to make changes to an already submitted or approved report, navigate to the Monthly Church Report tab and choose the Missional report that you wish to edit by clicking on



the word “Submitted” or “Approved” in the Missional column to the right of the month and year you desire. Once you’ ve clicked the link, if the report has already been approved, you may choose the “Unapprove” button. After confirming you wish to unapprove the data, the form with your submitted entries will appear. You may edit the changes and resubmit the report. Once a report has been re-submitted, the report will need to be re-approved by the authorized approver. Please note that removing a report from “Approved” status also removes the data from FMCR reporting and will not be displayed in the dashboard or available for print until it has been approved again.