

WORKERS' COMPENSATION PAID STAFF AUDIT INSTRUCTIONS

PLEASE READ ALL OF THESE INSTRUCTIONS PRIOR TO COMPLETING THE AUDIT FORMS:

1. Please print as many copies of the audit form as necessary since the maximum number of employees to be listed on each page is three.
2. Fill in the information for all paid employees within the applicable quarter, listing each individually. Do not list the same person three times on the page or two times in one box.
3. Please check off the appropriate job description for each person. If the job description is not listed, please select "other" and provide a description. If a person has multiple duties, check off all job duties that are applicable.
4. Separate salary and housing allowance amounts, and provide the grand total on the bottom of the first sheet. The amount of salary and/or housing reported on the audit form should be the gross amount received for the quarter only. DO NOT list a weekly, monthly or annual amount on the form.
5. The person preparing the audit form must also include his or her name and a contact phone number in the event that additional information is needed by the auditor.
6. If employees work for both the church and school, please divide the earnings accordingly and list the employees on both the church's and school's audit forms.
7. Do not include on this form any person whose income is reported on Form 1099. These persons, if listed on the audit form, will be removed. The only exception is if the senior pastor was planning to receive a Form 1099 for that particular quarter.
8. If the senior pastor does not receive a salary, please do not fill out the paid staff form by putting "0" in the salary and housing allowance fields. Please see the instructions for filling out the volunteer staff form with the necessary information.
9. All salary amounts must total the figure listed on line 2 on the quarterly IRS 941 form. (IRS 941 is applicable if there is paid, non ministerial staff.) Please include a copy of the IRS 941 with the audit form. Do not include a quarterly state tax form in lieu of the IRS Form 941. Do include payroll service paperwork with payroll totals if a copy of the IRS 941 is not provided by the payroll service.
10. If line 2 on the IRS Form 941 does not match due to retirement contributions or other pre-tax issues, please provide a written explanation. If the church files an annual IRS 944, please write that on the audit form.
11. The deadline for submission of the audit form, together with IRS Form 941, is ten days after the end of the quarter, e.g., *July 10 for April 1—June 30 quarter.*
12. If the church or school uses a payroll service, the enclosed blue form must be filled out and returned along with the April-June quarter audit form. Please note: There are two forms on one sheet. Please send the top portion, retaining the bottom portion to use in case there is a change of payroll services during the term.
13. If the church or school would prefer to send the information on a prepared spreadsheet, please call Foursquare Insurance at 888-635-4234, ext. 4437, for specific instructions.
14. Faxed audit forms are not acceptable. The original forms must be mailed. *Do not fax and then mail.* Mail to: Foursquare Insurance Services Department, PO Box 26902, Los Angeles, CA 90026.

WORKERS' COMPENSATION VOLUNTEER AUDIT INSTRUCTIONS

NOTE: If your church is located in Illinois or Oregon, please do not complete any volunteer forms for any person other than the senior pastor. Illinois and Oregon law prohibits Workers' Compensation coverage for volunteers.

1. Please print as many copies of the form as necessary since a maximum of three people may be listed per page.
2. Please note: If the organization has only volunteer staff, including the senior pastor, there is no need to submit an IRS 941 to the Foursquare Insurance Department. It is only necessary when there is paid, non-ministerial staff.
3. Please mark off only one quarter per page. It is a quarterly report, not weekly, monthly or annual.
4. List all pastoral staff, including the senior pastor, if they do not receive wages or housing allowance. Do not list the same person three times on a page.
5. List the number of weeks volunteered in a quarter (13 weeks per quarter) and the number of hours volunteered in one week.
6. List all volunteers that would expect to be compensated if injured, e.g., maintenance, secretarial.
7. If the volunteer is a Sunday school teacher, musician, etc., and only volunteer on Sunday, a midweek service, or occasionally during the week, do not list him or her. He or she is covered under the activities policy in the event of an injury.
8. Please check the applicable job description for each person. If the job description is not listed, please select "other" and provide a written description. "Volunteer" is not a clear job description.
9. The person preparing the form must include his or her name and a contact phone number in the event that additional information is needed by the auditor.
10. The deadline for the submission of the audit forms is ten days after the end of the quarter, e.g., *July 10 for April 1—June 30 quarter.*
11. If you prefer, you may send the information on a prepared spreadsheet. Please call the Foursquare Insurance Department at 888-635-4234, Ext. 4437 for instructions.
12. Faxed audit forms are not acceptable. The original forms must be mailed. *Do not fax and then mail.* Mail to: Foursquare Insurance Services Department, PO Box 26902, Los Angeles, CA 90026.

WORKERS' COMPENSATION FREQUENTLY ASKED QUESTIONS

My church does not have employees. I am the only person on staff, and I do not receive a salary. Do I have to fill out the volunteer staff form?

Yes. The *Handbook for the Operation of Foursquare Churches*, Article 17.12.E.1, states: "Workers' Compensation coverage is required by Foursquare bylaws and must be provided for all employees, including the (senior) pastor, even if the pastor is the only church staff member and may not receive a salary. Housing allowance is considered salary in this situation."

I would like to send our audit in spreadsheet form. Am I able to do this?

You may send in a spreadsheet, but the Foursquare Insurance Services Department's audit form must be used as a cover sheet completing the necessary information at the top and bottom. The spreadsheet must include names of employees, job descriptions for each employee, and salary and/or housing amount for the quarter. Please separate the totaled salaries and housing at the bottom of each column; if pre-tax or retirement funds are taken out, the amounts must be listed on a separate column.

May I fax the audit form and IRS-941 rather than mail it in?

No. Faxed copies are hard to read. We require the original forms be mailed to: Foursquare Insurance Services Department PO Box 26902, Los Angeles, CA 90026.

We currently have an interim pastor that receives a 1099. Do we include them on the audit form?

No. Anyone who is paid with a 1099 is considered an "independent contractor." He or she is responsible for his or her own insurance.

Who should be listed as a volunteer?

If the volunteer only helps out during a church service or church-sponsored activity (such as a Sunday school teacher, council member, usher) it is **not** necessary to cover him or her. If he or she sustains an injury, he or she would be covered under the Activities insurance.

If he or she are volunteering time outside of a church service or church-sponsored activity, such as helping with clerical issues or janitorial help, then you might consider listing him or her for coverage.

We have a payroll service and do not receive a copy of the IRS-941. What do we do?

Send a copy of the payroll service Wage and Tax Register, which includes the gross earnings for the quarter.

We received a letter to send an IRS-944 instead of an IRS-941. Do we send a copy of a 941 anyway?

No, send us a copy of the letter of notification and make note on the audit form of this change.

**Additional audit forms are available at: www.foursquare.org/insurance.
Scroll down to Workers Compensation.**