

# Church Finance With a Mission

Chesapeake Conference Youth Leaders Convention-Master Guide Advanced Track

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# What are the goals of this course?

- ▶ Learn about the role of the church board in church finance processes
- ▶ Understand the relations between budgets and church mission
- ▶ Understand the importance of budgeting as a planning tool
- ▶ Learn some tips on how to create credible budgets



# So who is ultimately responsible for local church finances?

- ▶ Not the Pastor
- ▶ Not the Head Elder
- ▶ Not the Church Board Chairman
- ▶ Not the church treasurer
- ▶ It is the church board



# The Function of the Church Board

- ▶ Setting policy for the church
- ▶ Establishing, instituting, and supporting the mission and purpose of the local church
- ▶ Serving as fiscal agent; ensuring adequate resources and managing them
- ▶ Conducting periodic assessments and evaluations
- ▶ Planning evangelism for the church
- ▶ Acts in the best interest of the entire church, not just particular ministries



So how do you interact  
with your church board?



**It's all about building  
trust!**



“Trust is the church’s most important human resource. We live in an age that exhibits a crisis of confidence in leaders. Strategy, technique, innovation, technology, performance, and social media are important words for organizational success. It’s easy to become preoccupied with them. But they are ineffectual without trust. Where trust exists, other resources become available. Where trust is lacking, other resources will diminish.”

Lowell Cooper, *Adventist Review*, March 2020



# Ethically sound ways of operating

- ▶ Be accountable
- ▶ Make sure you get proper approval from your governing body
- ▶ Be aware of your organization's financial policy and legal responsibilities
- ▶ Understand your spending authority
- ▶ Always be open and “above board”
- ▶ As a board or team member, be willing to ask hard questions
- ▶ Ask how this action will look to someone on the outside
- ▶ Do what you say and say what you do
- ▶ When in doubt, seek counsel from someone on the “outside”
- ▶ Declare any conflicts of interest
- ▶ Practice the “Golden Rule”





# Goals of the Church Budget Process

- ▶ Provide a way in which to plan expenditures for a fiscal year.
- ▶ To help the ministries plan their programs for the year.
- ▶ Provide the Church Board with a tool to establish spending and program priorities.
- ▶ Provide a process to fund the programs of the church.
- ▶ Avoid having the ministries do their own fund raising to support day-to-day operations.



# Budgets and Mission

- ▶ Developing a budget is part of the planning process
- ▶ Budgeting helps show you if your ministry is aligned with the mission of the local church
- ▶ Participating in the budgeting process provides opportunities to work cooperatively with other ministries in the church



# Any questions?



# A Physics Lesson

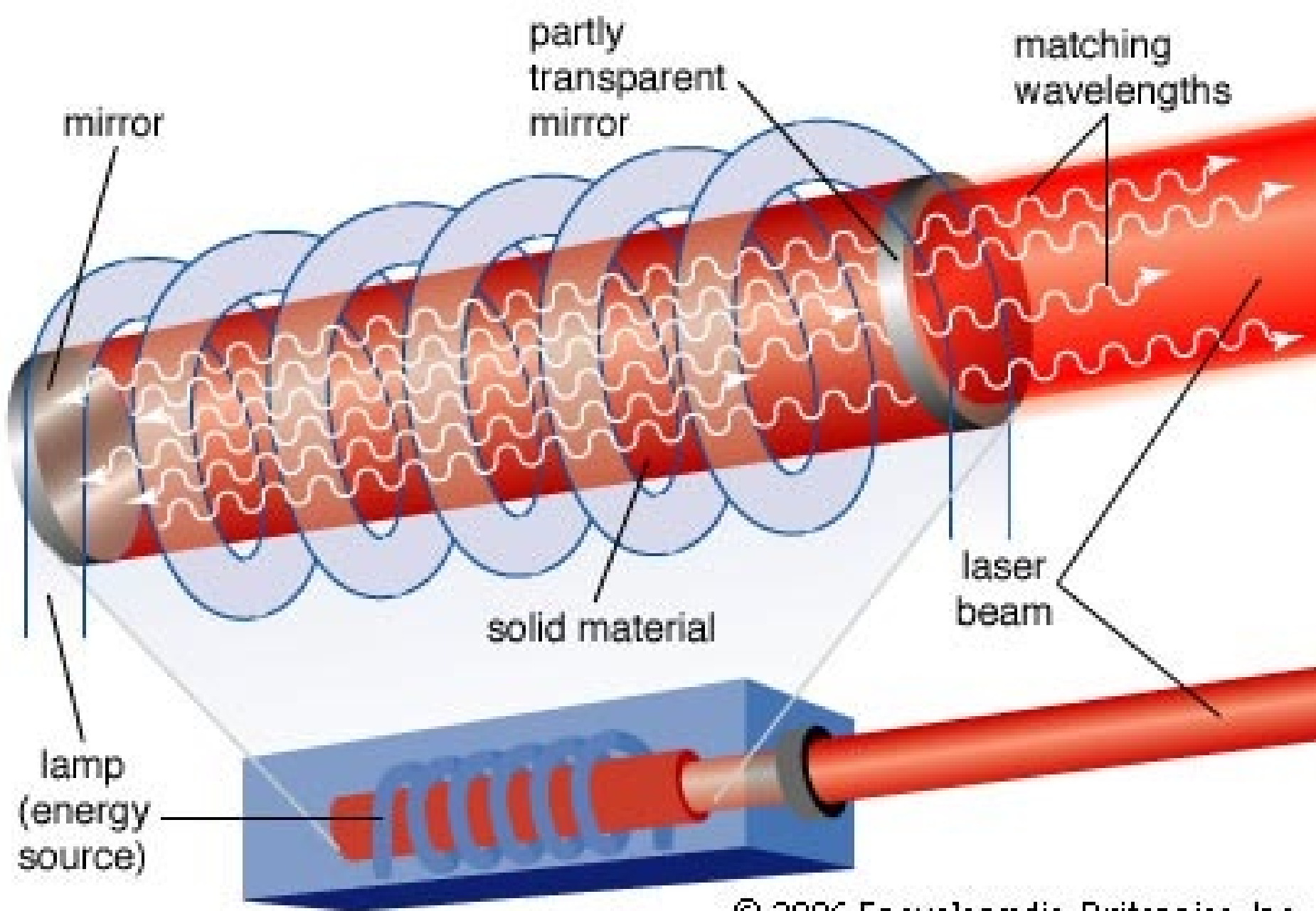
LASER



# A Physics Lesson

LASER = Light Amplification by Stimulated Emission of Radiation

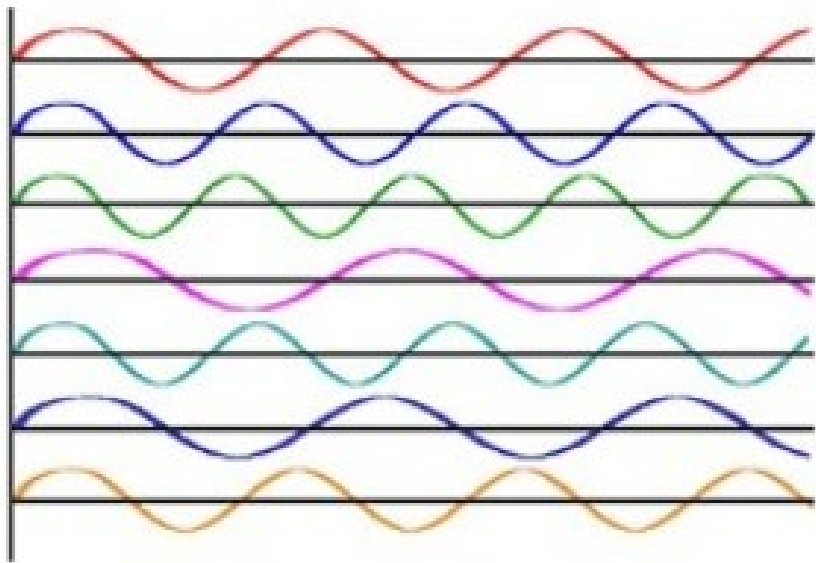




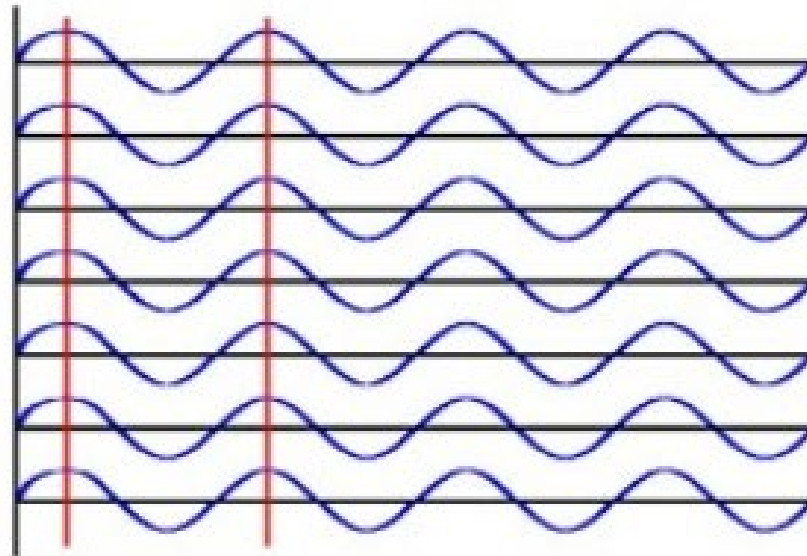
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# Coherence

**Coherence:**



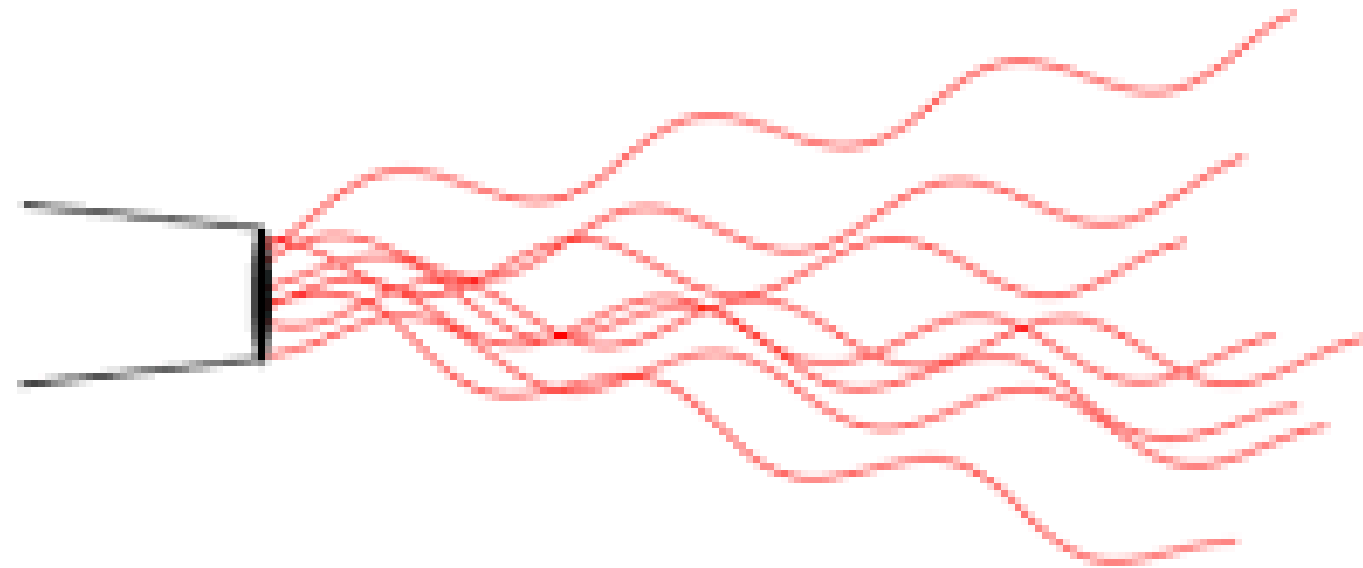
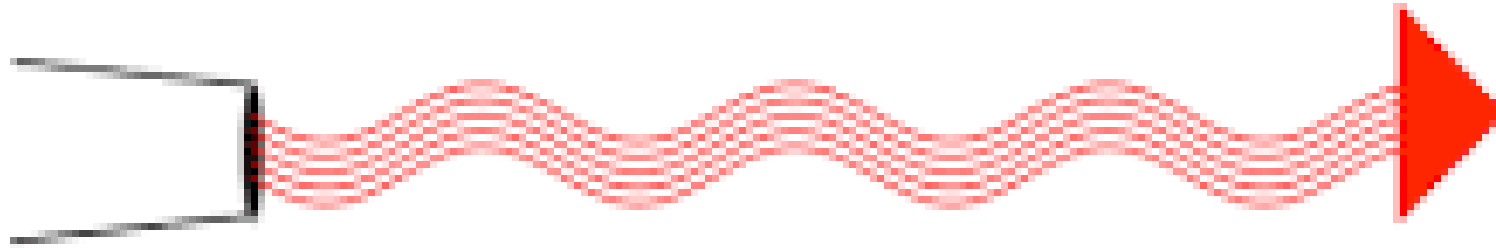
Incoherent light waves



Coherent light waves



# Coherent Laser Light



# Incoherent LED Light



# Two Key Properties of Laser Light

- ▶ Uni-directionality
- ▶ Coherence

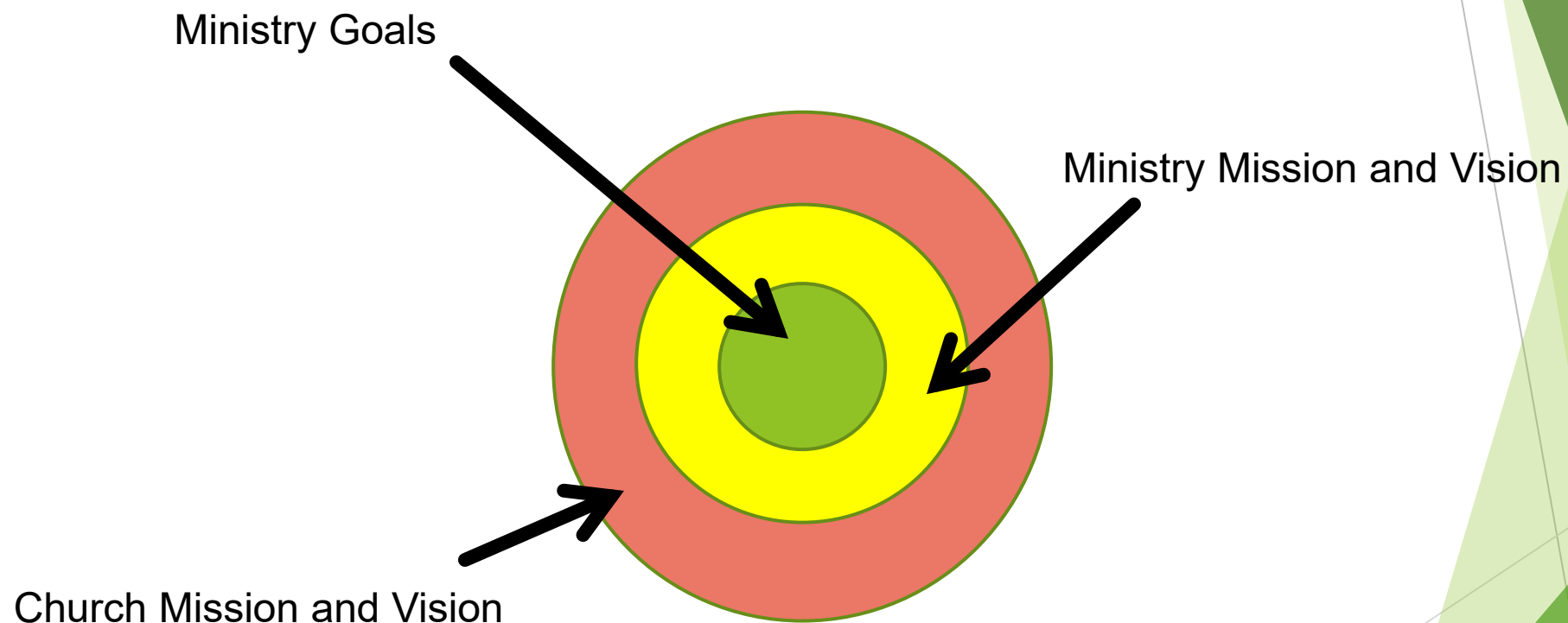


What provides the “directionality”  
and “coherence” in the church?

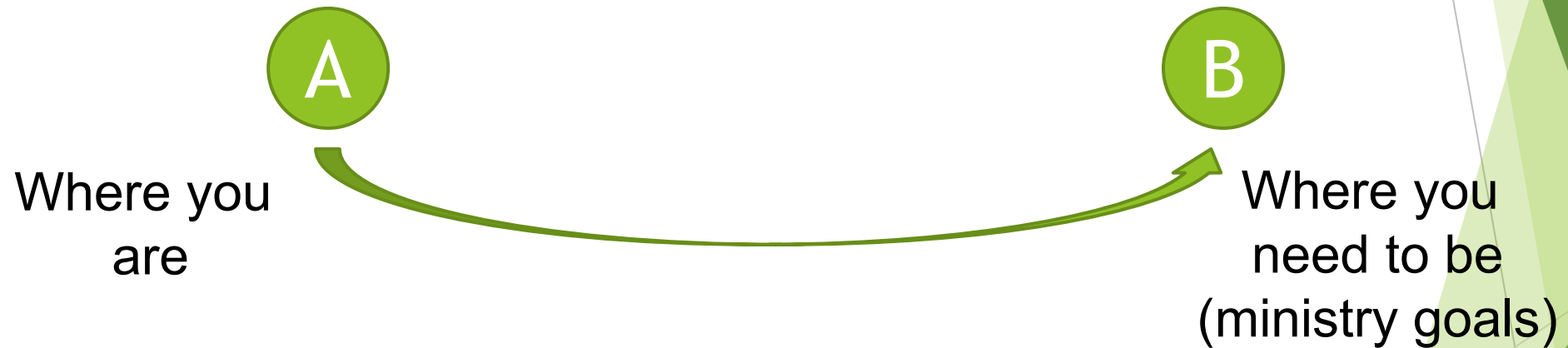
It is our mission and vision!



# Mission and Vision



# The Purpose of Planning: Getting From Here to There



# Any questions?



# The Order of Things

- ▶ Start with the Church Vision and Mission
  - ▶ Look at your ministry mission and vision
  - ▶ Develop your goals for the officer term
  - ▶ Define the activities/events/programs that will accomplish your goals
  - ▶ See how you can leverage resources across several ministries to accomplish your goals
  - ▶ Determine the resources needed to accomplish the goals (be realistic)
- 
- ▶ Build your ministry calendar
  - ▶ Plan the work and work the plan



Always ask the “why” question  
to our events/programs.



# Why Calendar Planning?

- ▶ It allows us to adequately prepare for events
- ▶ It allows for coordination among ministries (prevents conflicts)
- ▶ It enables better communication with the congregation and community about the events





# Questions to ask about your events

- ▶ Are there “natural” events that are sponsored by the ministry?
- ▶ How often do we plan events?
- ▶ What are natural fits for co-sponsoring events with other ministries?
- ▶ How can the leadership of these events be spread throughout the ministry team?
- ▶ How can these events be used to reach the community?



# Additional Thoughts

- ▶ Have a “Plan B” for outdoor events and events scheduled during the winter.
- ▶ Our ability and desire to plan is many times a reflection of our priorities.



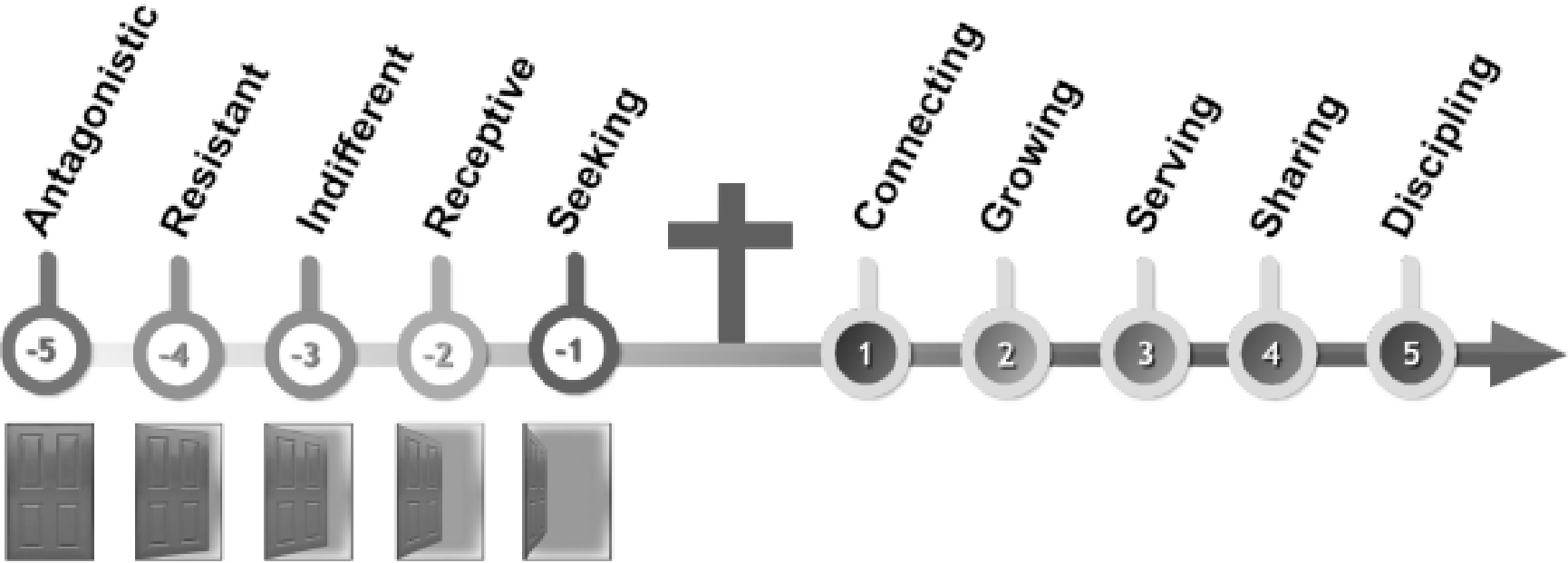
# Any questions?



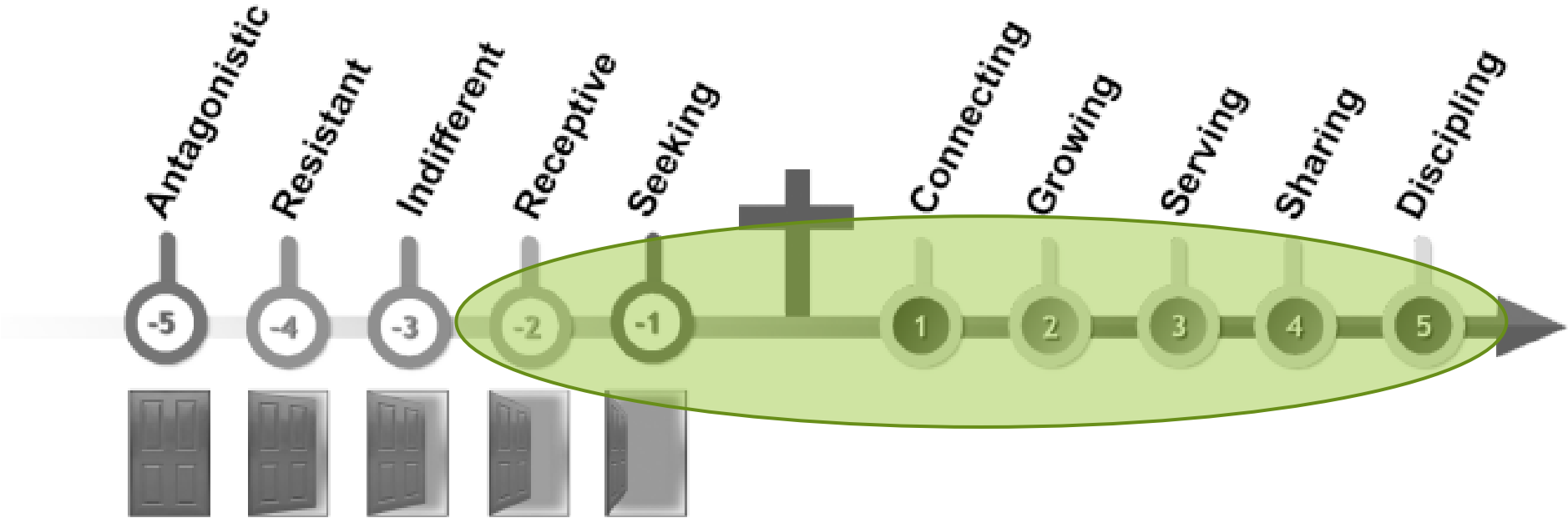
# Some Planning Aids



# Engel Diagram

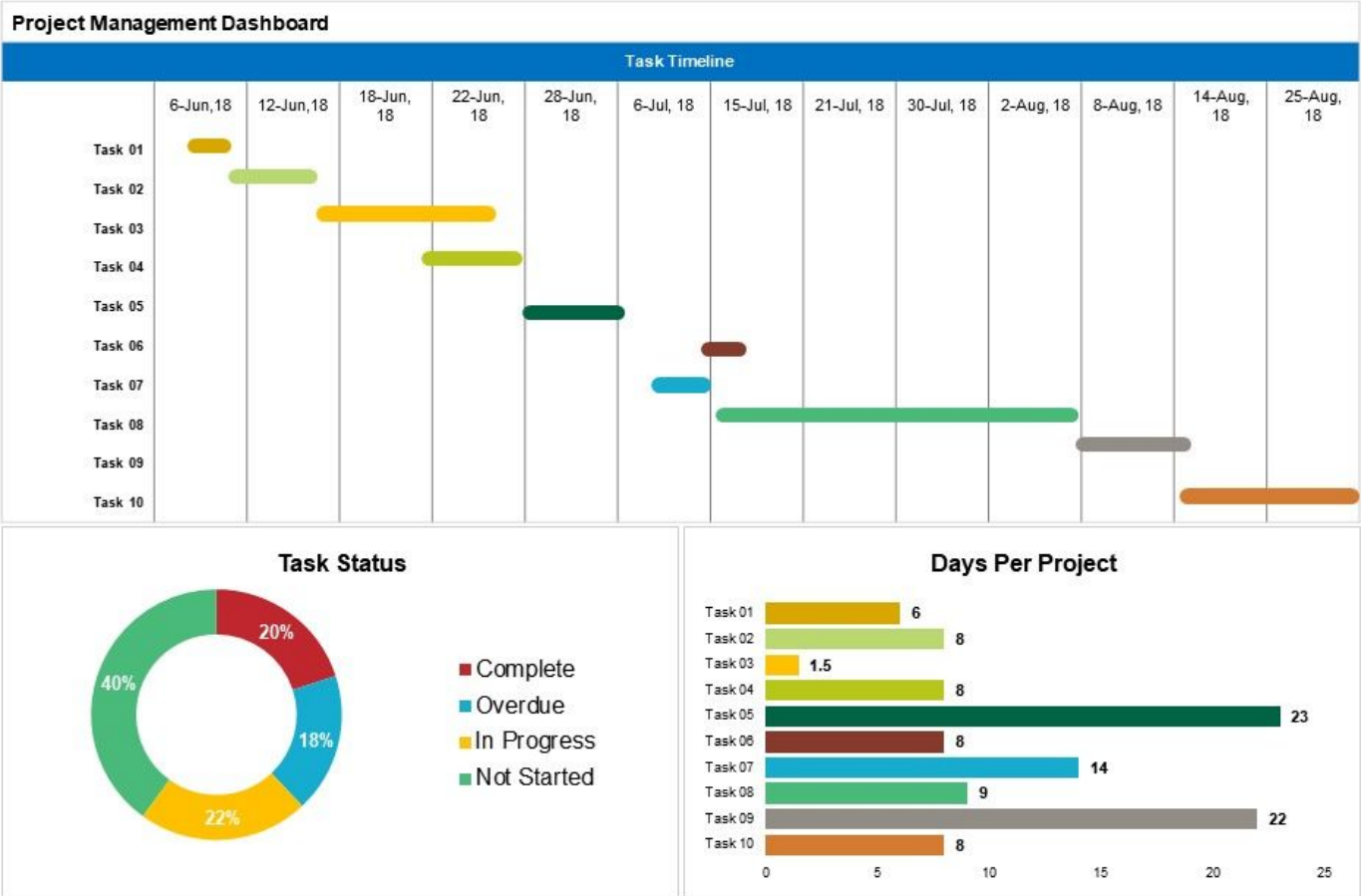


# Engel Diagram - Pathfinders



# Project Management View

## Project Management Task Timeline Days Per...



This graph/chart is linked to excel, and changes automatically based on data. Just left click on it and select "Edit Data".



# Any questions?





# Accounting



# Some thoughts on accounting

- ▶ There are many different variations of accounting systems
- ▶ No two churches do accounting in exactly the same way
- ▶ Take the time to understand the particular system you will be working within
- ▶ Separate operating accounts (yearly Pathfinder budget) from funding for large events (i.e. International Camporee) that require fundraising over several years
- ▶ Understand your church's policies on cash advances, requirements for reimbursements etc.



# Lets Budget!



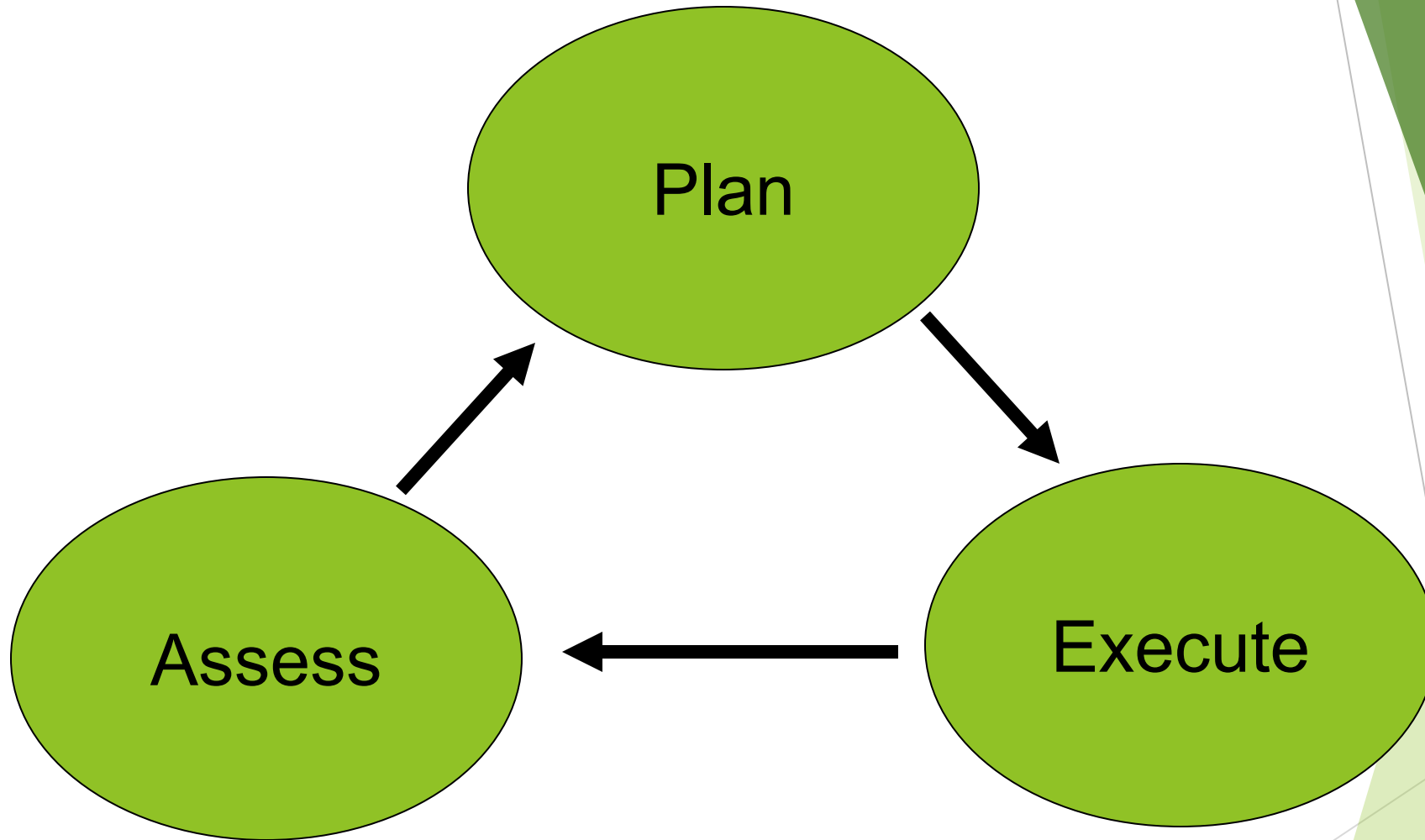
# Exercise - Develop a Budget

- ▶ A club with 25 Pathfinders and 8 staff
- ▶ Full participation in the conference events



# Things to Remember

- ▶ A budget is only a guide, final spending authority rests with the Church board. The board is ultimately responsible for how the church's funds are spent.
- ▶ Be realistic
- ▶ Sometimes un-anticipated things happen
  - Special opportunity
  - Something breaks
  - Income or expense situation changes
- ▶ Be flexible



# Any questions?

