Church Training Center

Cultivating Effective Leadership

Financial Management in Churches

Winterfest 2021

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Equipping Effective Church Leaders

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Equipping Effective Church Leaders

MISSION:

To equip and empower church leaders to be effective in areas of governance, mission, budgeting, finance, and administration.

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Topics To Cover

- Budgeting That Works
  - Mission Oriented
  - More Than Numbers
  - Complete, Clear, Accessible, and Timely
- Bookkeeping That Works
  - Based on GAAP
  - Clear Policies & Procedures
  - Trust in System vs People
  - Protects Resources and People

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Budgeting That Works
Invite participation through the sharing of your story.
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Budgeting That Works
Mission Oriented
More Than Numbers
Complete, Clear, Accessible and Timely
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The Invitation

- Stop Showing Off The Pipes!

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Budgeting That Works

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Budgeting That Works

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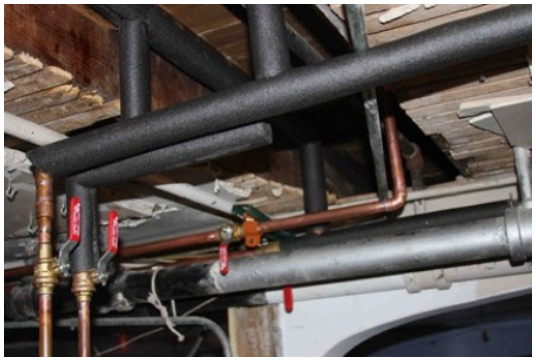
Budgeting That Works



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Amazing Church

2021 Budget

10/31/2020

	2019 Actual	2020 YTD	2021 PROPOSED
Income			
Pledges	87,350.00	80,070.00	95,000.00
Offering Place	3,724.00	3,029.00	3,200.00
Program Revenue	637.00	642.00	650.00
Gifts/Wills/Bequests	300.00	50.00	160.00
Interest Income	34.00	31.00	35.00
Rental Income	1,624.00	1,500.00	1,800.00
Other Operating Income	2,754.00	2,438.00	2,830.00
Total Income	$ 96,423.00	$ 87,760.00	$ 103,675.00
Expenses			
Salaries & Benefits	68,254.00	59,422.00	72,541.00
Property Insurance	5,742.00	5,927.00	6,100.00
Property Taxes	-	-	-
Other Program Expenses	1,950.00	1,864.00	1,964.00
Fees & Interest Exp	940.00	743.00	610.00
Services/Outsourcing	6,450.00	5,482.00	6,450.00
Worship Expenses	2,460.00	1,875.00	2,460.00
Building & Maintenance Exp	4,950.00	9,826.00	8,400.00
Other Operating Expenses	4,268.00	3,965.00	4,250.00
Donations/Gifts Other Entities	700.00	400.00	900.00
Total Expenses	95,714.00	89,504.00	103,675.00
Net Revenue	**709.00**	**(1,744.00)**	**0.00**

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Budgeting That Works

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Budgeting That Works

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Budgeting That Works

WHY – BE – DO

WHY are we here?	Our Mission
Who will we **BE**?	Our Values
What will we **DO**?	Our Action Plan

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Budgeting That Works

Self-Examination

- **Who do we serve?**
  - Be Specific.
- **Who are we NOT?**
  - We cannot be all things to all people.
  - Defining ourselves by naming the opposite.

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The Story

- What We Do That Matters!

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Budgeting That Works

Making the HOW meaningful

Tell – what we do that matters

Show – the lives that have been changed

Share – the testimonials and stories

Remind – the Special Events/Memories

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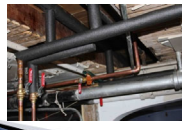
Budgeting That Works

Making the HOW meaningful

Stop talking to the brain!



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Budgeting That Works

Making the HOW meaningful

Start talking to the heart!

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The Delivery

- No More Glaze!

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Amazing Church Budget Presentation

Dynamic Worship

Worship that connects us to Jesus is the foundation of who we are as a congregation. We make worship dynamic through music, opportunities to participate, and digging deep into the scriptures. This coming year, we will three guest choirs and a new children lead service in the Spring.

$66,356

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Amazing Church Budget Presentation

Stellar Christian Education

We connect people to Jesus through the study of the Bible. Our Adult Study groups encourage fellowship as we learn together. Our Youth are very engaged and help provide leadership with our food ministry. Our Children are studying the life of Christ and learning how to apply the lessons to their lives.

$28,309

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Highlight Key Elements

2018 Youth Activities

- Food Pantry Goes to the park
- Thanksgiving Meal in Fellowship Hall for Needy Neighbors
- Winter Retreat
- Spring Baskets of Personal Care Distribution
- Summer Camp

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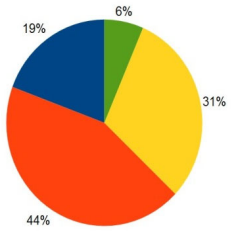
Give Them Pie



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Share Special Stories

Be Creative!

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Bookkeeping That Works

- Build A Trustworthy System that protects your resources and your people.

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Bookkeeping That Works

- Based on GAAP
- Clear Policies & Procedures
- Segregation of Duties
- Trust Systems vs. People
- Protect Resources & People

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Bookkeeping That Works

- GAAP =
  Generally Accepted Accounting Principals
- Too many churches try to simplify only to complicate.

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Bookkeeping That Works

- Create Clear Policies & Procedures
  - My Two Rules:
    - Follow The Money
    - Keep It Simple

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Bookkeeping That Works

Policy:

A policy is a guiding principle used to set direction in an congregation. It can be a course of action to guide and influence decisions. It should be used as a guide to decision making under a given set of circumstances within the framework of objectives, goals and management philosophies as determined by the church council.

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Bookkeeping That Works

Policy:

Like a "mini-mission statement"

- User
- Purpose
- Measures

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Bookkeeping That Works

Procedure:

A procedure is a particular way of accomplishing something. It should be designed as a series of steps to be followed as a consistent and repetitive approach or cycle to accomplish an end result. Once complete, you will have a set of established methods for conducting the business of your congregation, which will come in handy for training, process auditing, process improvement, or compliance initiatives.

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Bookkeeping That Works

The Difference:

A policy is a guiding principle used to set direction in an organization. A procedure is a series of steps to be followed as a consistent and repetitive approach to accomplish an end result. Together they are used to empower the people responsible for a process with the direction and consistency they need for successful process improvement.

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Bookkeeping That Works

The Difference:

Policies are meant to remain static: they are mission-oriented rules or terms that often describe what and why.

In contrast, procedures are narrow in focus. Procedures aim to describe how, when, and who of processes.

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Bookkeeping That Works

Trust The System!

- When we build solid policies and procedures, we can trust the system to protect us.
- We aren't reliant on trusting individuals.
- When we deviate from trusting the system, we invite issues.

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Bookkeeping That Works

Complaint: Woman embezzled more than $500K meant for local churches

Posted: Thu 7:44 AM, Feb 21, 2019 | Updated: Fri 1:43 PM, Feb 22, 2019

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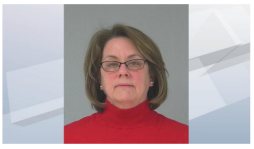
Bookkeeping That Works

ACTION NEWS 2 COVERAGE YOU CAN COUNT ON WBAY.com

Complaint: Woman embezzled more than $500K meant for local churches



"It was required that two executive board members sign checks for a conference. However, some members would sign blank checks if a donation was needed over a weekend. "They knew LaRue would often work from home over the weekends," reads the complaint. It was LaRue's duty to deliver the check to the treasurer of the church."

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Segregation of Duties

- primary internal controls intended to prevent or decrease the risk of errors, identify problems, and ensure corrective action is taken.

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Segregation of Duties

Segregation of Duties are primary internal controls intended to prevent or decrease the risk of errors, identify problems, and ensure corrective action is taken. This is accomplished by ensuring that no single individual has control over all phases of any business transaction. There are four general categories of duties:

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Segregation of Duties

There are four general categories of duties:

Authorization	Custody	Record Keeping	Reconciliation

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Authorization

- Who has authorization to approve expenses?
- Is this clearly defined for everyone in process?
- Is the established process requiring documentation of authorization?
- Is the established process followed?

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Custody

- Who has physical possession of checks?
- Are they signed out?
- Who has been given signature authority of checking and investment accounts?
- Who has keys/combination to the safe?
- PayPal, Online Contributions, Bill Pay…

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Record Keeping

- Who has access to the accounting system?
- Is the accounting system password protected?
- Who can audit it?

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Reconciliation

- Who performs the bank reconciliation for your bank and investment accounts?
- Who receives the bank statements?
- How do you reconcile what the counters provide the bookkeeper?

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Questions?
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