

## OVERSEEING CHURCH FINANCES: The Secret to Good Money Management in Church

Arthur DeKruyter, Christianity Today

*There are many techniques and practices that every church can employ to insure efficient and proper use of funds. In most cases they also happen to be techniques that engender trust.*  
—Arthur DeKruyter

Knowing the right ways to raise and spend money is a key task of anyone who helps manage a church. But there's an often-overlooked prerequisite to good money management: trust. A church doesn't need money as much as it needs trust. Without trust, a church will always have money problems. By addressing the trust issue, a church has taken a major step toward financial health.



About twelve years ago, a woman was tragically killed in this community. Having no church home, the family asked if Christ Church of Oak Brook would hold the services. Without hesitation, we did. Subsequently, the widower became intrigued by the church that was willing to help his family, to offer genuine comfort in their grief. He began attending our services.

He studied us carefully. He wanted to know how our ministries functioned, how we made decisions, how we handled money. He concluded that our ministry had integrity. He then decided that he wanted to support a church that helped the community like we had helped him. He has not yet become a member of our church, but he attends, and for the last twelve years he has donated to our church nearly as much as our largest giver.

When people trust the integrity of a ministry, they willingly give to it.

On the other hand, questions about trust can dry up giving. Not long ago, a woman in another congregation told me she was going to stop giving to her church, of which she is a charter member. She would still give to the denomination's missions, but never would she give another penny to that congregation. She didn't trust those making the

spending decisions. She felt the church budget had been used to underwrite the minister's pet causes, paying for his travels and donating to movements he supports. She assumed he had manipulated the budget-making process.

Obviously there are two sides to the issue, but the point is clear: when people don't trust the integrity of the leadership structure, finances will become an increasing problem.

Consequently, to address how we oversee church finances, the overarching principle is to build and maintain trust.

### **The Pastor's Personal Role**

The integrity of a church rests with the leader. That statement isn't new, but it has proven true time and again. Just as the character of a corporation is shaped by its leader, so the pastor's integrity bleeds through the whole congregation. As people see the way we, as ministers, handle our own and the church's money, this will determine whether they trust us and whether they will gladly give to the church.

I have found I can build trust, and a financially healthy congregation, if I adhere to a few principles.

- *Don't snub church finances.* Although some people question whether a minister should be concerned with finances, I don't see how a minister can avoid them. Ideally, I'd love to be free to do nothing but preach and pray and let others tend tables. But that isn't reality. Even in the Book of Acts, the apostles found themselves involved with finances—recognizing the tensions over benevolences, restructuring lines of authority, establishing deacons. Later, the apostle Paul not only taught about money, he also solicited gifts and delivered them to needy churches—all elements of financial management.

Today, every pastor has similar financial responsibilities. We teach Christian principles about money. We help decide where to invest the church's resources in ministry, both in the congregation and abroad. We interpret for the church—through sermons and newsletters—the financial state of the church. In short, we need to be aware of the church's financial situation.

- *Use abilities wisely.* Any of us ministers, no matter our abilities and talents, can oversee church finances effectively. But first we need to recognize our strengths and weaknesses and oversee accordingly.

For example, take two recent presidents of the United States. Jimmy Carter was a veritable walking encyclopedia; he was involved in all aspects of his administration. He knew the details, but his weakness was lack of delegation. He wanted to know so much of what was going on that it limited how much could happen.

Ronald Reagan, on the other hand, delegated everything. He was a great communicator and could effectively explain, in broad strokes, the goals of the nation. But if you asked him about details of the government or policy, he often didn't have the foggiest idea. He knew to whom he entrusted responsibility, but that was all.

Likewise, some ministers like to keep their hands on financial details. Some are better at delegating. Some can articulate the big picture; others revel in monthly reports. Some love to fiddle with numbers; others just want to see the bottom line. Some can make financial judgments with ease; others struggle to make money decisions. No matter what our natural inclination, we shouldn't disqualify ourselves from the financial aspects of ministry.

The pastor who is gifted in financial matters can engender trust through demonstrating competence. The pastor who has few gifts in financial matters can build trust, too, by seeking advice and delegating work intelligently to people of character. If we recognize our limitations and seek able help when necessary, then, when we speak about money, as we often must, the congregation will know that although we are not experts, we consult some before we open our mouths.

- *Model giving (They'll find out if you don't!).* I've known some ministers who are poor givers. They never tithe, much less go beyond it. They have their reasons: They believe the giving of themselves to the church is enough. In some cases, they feel their pay is so low they can't afford to tithe.

Even if I accept their reasons, their practice has a deadening effect on their ministry. It sabotages their efforts to teach stewardship.

Some naive souls imagine they can keep their level of giving from their congregations. This is supposed to be privileged information. But people have ways of finding out. What the minister contributes is hot news. Everybody wants to know: Does the pastor tithe? Does he give to the building-fund drive? How much? When other causes come up, is he generous or tight? Sooner or later, word gets out about what kind of giver the pastor is, and that sets the tone for ministry.

I knew one minister who preached marvelous sermons on giving. He was one of the key leaders of his denomination. But within his own congregation, a nucleus of his board knew his giving, or lack of it. And they resented it. "He's a marvelous preacher," one of them once commented to me, "but he doesn't give a nickel to the church. How can he expect us to give when he doesn't?"

He had undercut his ability to develop a giving congregation. Ministers who give significantly not only create a climate of giving, but their generosity also will build trust like nothing else can.

In addition to a personal role, we pastors also do well to take a professional role in overseeing church finances. Here are some of the ways I do that.

### **Review the Budget at the Earliest Stages**

How each church initiates the budget will differ, but at the beginning of the process, the pastor's role is crucial. Since I am one of the few involved in the overall operation of our church, I review the budget at its earliest stages.

In our church the department heads propose their budgets, and our business manager, our treasurer, and I see those proposals before they get to the full board. That way, I have a chance, for instance, to ask why the youth department wants significantly more than last year.

That doesn't mean I have dictatorial powers. The treasurer can disagree and talk with me before things go to the board. In addition, it is the full board that decides the final budget, as well as any disagreements the treasurer and I have.

Nonetheless, going over the budget ahead of time saves unnecessary wrangling at the board level. It also insures that all the departments, especially the unglamorous ones, get treated fairly in the budget process. So at this stage I usually sit down with the various departments and negotiate.

Once, for example, the education department desperately wanted some new equipment. Yet, because of our church's priorities, I asked them to hold back. The counseling department needed the funding that year. So the education people postponed their plan until we got the counseling department set up. A year later they came back and rightly asked, "Now is it our turn?"

Of course, such negotiation requires good relationships all around. But I have found if I get my department heads together and plead fairness, nobody will fight for his own skin at the expense of others. Each wants the church to rise as a whole.

The pastor who can monitor the budget at the earliest stages will limit political wrangling and encourage team play. And that will build trust naturally in the church.

### **Know Who Gives What Only When It's Critical**

Some ministers believe they should know exactly how much various individuals give to the church. They believe the checkbook is a barometer of a person's spirituality, and knowing a person's giving pattern is necessary for proper pastoral care. Other pastors don't want to know what their people give; they feel it's a private matter between the person and the Lord.

I come down in the middle on this issue. I do not need to know what everybody gives to the church. I assume they're all good givers until I have reason to believe otherwise. So I prefer not to know.

Except in certain instances. When I am looking for a trustee or someone to chair a building-fund drive, I will examine what the candidate has contributed to the church. If I am choosing the missions committee chairperson, I investigate how he or she donates to missions. I cannot expect people to follow someone who is not a giver, and I cannot expect people to give if the leaders of a giving program do not give, themselves.

So, I will examine people's giving, but only on rare occasions. It's like a reference, a character check. And even in these situations, I'm not after specific amounts. I just want to know if the person gives more than a token amount.

### **Obtain a Legitimate Audit**

Every church, large or small, needs to audit itself annually. It not only will protect the treasurer and keep the church out of legal trouble, it also will build trust.

The audit can be performed by someone outside the church. Or, if there is a good CPA in the church, he or she can be used. But even if a church has to spend money to do it, I think the church should get an audit. It will pay dividends in trust.

### **Make Money People Ministry Minded**

The finance people in a church are often powerful people who, deliberately or not, subvert the intention of the congregation. They often ask not, "What do we want to do as a church?" but "Can we afford it?" After all, it's their job to ask that question. But that question often wins board discussions hands down—and that is not right. This can foster distrust among the congregation if members feel that the financial people are dictating policy despite the will of the congregation.

One way to deal with this potential problem is to integrate the finance people and the ministry people. In our case, we've put our trustees and elders together. Our trustees are part of the elder board that oversees the ministry. A majority of the elders have committee responsibilities. The trustee elders are relieved of serving on other committees because of their work as trustees, but in every other way they're treated as part of the elder board.

Trustees do not report to the elder board; trustees are elders. The whole group is involved in decisions of the board. When they go back to planning finances—which remains their prerogative—they know exactly what's in the mind of the elders. They tend, then, to be ministry minded as well as financially concerned.

## **Train for Right Attitudes at the Right Time**

Naturally, it can be extremely hard for a board to manage money in a Christian way unless the pastor ingrains the principles of Christian stewardship within them. And that takes years of education, timely education.

For example, I don't preach on stewardship at the end of the year, or when we're having a fund-raising drive. I preach on it in the normal flow. If I teach people stewardship when the pressure isn't so great, when the time comes, they're used to practicing proper stewardship.

In addition, I work with the board far in advance to educate them about the church's stewardship of money and resources. We then set guidelines about the church accepting money and memorial gifts. Then, when someone comes with a gift or request, we simply review the adopted policy of the board.

If we've not adopted a policy on a financial matter that has come before the board, and if the board seems insistent on doing something I think is inappropriate, that is no time to get into an emotional battle. I let that decision go. But six months later, I bring up the subject and try to get a policy established.

Crisis is the wrong time to begin training. It's like the old Scotsman said: The time to put the shingles on the roof is not during the rain storm, when you need them, but in the sunshine, when you don't need them.

## **Assume a "We" Stance**

Some boards act like they are to make spending decisions and the congregation exists to pick up the tab. In some churches, board and congregation never jointly agree about the budget, let alone the identity and purpose of the church. Naturally, that leads to tension.

There is always some "us-them" tension in a church—the "us" being the leaders who decide how to spend money and therefore need to raise it, and the "them" being the congregation who subscribe the budget. You can't get away from that completely. But we prefer to stress the "we" aspects of church life: *we* are the church; *we* own the church; *we* operate the church; *we* are blessed by the church. Whenever we present anything, whether it's in the bulletin or from the pulpit, it's always "we." It is not what *you* have to do to raise *the church's* budget. It's what *we* need to do to raise our budget.

Consequently, we don't try to "sell" a budget to people. We present the budget. If the people don't like something in it, that's okay. It's their prerogative to vote it down and live without that service or ministry. The budget belongs to all of us.

## **Adopt Policies to Prevent Problems**

When policies are adopted and followed consistently, small groups or individuals cannot manipulate the system. That is the major cause of distrust between a congregation and board—that a few are dictating policy contrary to the will of the majority. Naturally, when boards cave in to special-interest seekers, the average parishioner becomes increasingly reluctant to give to the church—"Let the wealthy donors carry the whole thing." In the end, the wealthy person gets increasing power and also carries most of the financial responsibility, which is unhealthy for any institution. But consistent policies help prevent preferential treatment and help build trust.

For instance, I have had some of the largest donors in the church ask me if they could borrow some of the church's tables and chairs for a family gathering. Other people want to borrow the big pans or coffee urns from the church kitchen. Others have asked to use a church room to celebrate a twenty-fifth anniversary.

Because of the number of requests we receive, our policy is not to permit people to hold private parties here. Furthermore, we don't loan out anything—chairs, urns, microphones, nothing—other than for a church function.

But that policy is tested often. What do you do if a person who has donated more than the value of the whole kitchen wants to borrow a couple of large roasting pans? It's not easy, but I've had to say no. If you make exceptions for the privileged few, you've lost your trust in the eyes of everyone else.

The tough part is saying no the first time. Once you've made it stick, then everybody understands the policy, and they'll respect you for it.

The board, therefore, must establish and stick to its policies. I believe this principle applies to the small church, as well. Yes, the small church usually is run by relationships rather than priorities, but certain policies ought to be adhered to nonetheless. If not, we risk the long-range trust and thus the financial health of the church.

## **Meet Felt Needs to Pay for Unfelt Needs**

Every church budget contains items that respond to both felt and unfelt needs of the congregation. Sunday school material, choral music, and salaries are expenses that make a direct impact on the congregation. If they are not paid for, the congregation immediately senses a problem. Thus, there is adequate understanding and lobbying for such needs at budget time.

But no congregation can minister in the name of Christ without also budgeting for unfelt needs: choir and youth group trips, long-term repairs, the church library. These are the type of things congregations may object to, and, if the budget seems tight or if they are

angry about something else, these items can become the battleground that causes the entire budget to be disapproved.

I have found, however, that if we meet felt needs, people will support programs happily that do not meet felt needs.

Take the music budget, for example. No one questions the need for choir music. No one has ever objected to choir robes. Some, however, might question whether the choir should be subsidized to put on concerts outside the church. You can spend several thousand dollars on a concert that might attract only a few hundred people.

But a community concert makes an important statement to the community. And preparing for the challenge of special events improves the quality of the choir. Besides, it's good for morale, especially if you happen to have a lot of dedicated singers and musicians who like to do more than just sing hymns.

Nonetheless, some members may look at the music budget and ask why it's so high. But if we are meeting the musical needs, as well as other felt needs, of our congregation, their trust level will be higher. They know we are spending money wisely on areas that directly affect them. They then will logically assume we are spending it wisely on things that don't directly concern them. An explanation is always necessary, but there will be less tendency to question every penny when felt needs have been met.

### **Don't Do Fund Raising**

Commitment to the spiritual program must remain central if a congregation is to continue to give to the church. Because fund raisers tend to place the emphasis on the money raised rather than the ministry supported, we don't have them. Our policy is that our church ministries will be paid for by the budget. If we sense people don't want to support it in the budget, we cut it out. We do not turn around and sponsor large fund-raising programs in order to fund special projects or make up deficits.

Granted, pastors sometimes find themselves in churches where, as part of the tradition, there are strawberry sundae sales, or bake sales, or bazaars, or rummage sales. I confess I encouraged such in my first church, much to my regret.

I thought up countless schemes. I had a brother-in-law in the wholesale produce business, and I bought Michigan strawberries by the carload. We had practically everybody in town buy strawberries from us, and we made money. We organized steak fries, car washes, bake sales, and even hat sales.

But people began resenting this. They would be confronted at Bible studies and youth groups by people selling tickets or produce. The members, of course, often would buy out of a sense of loyalty. But they didn't need these things. So their resentment built

because they felt obligated to buy something they didn't want in order to support the church.

So, if a church has a tradition of fund raisers, it would be best to wean the congregation from them, slowly grafting those causes onto the church budget. And if people won't put them into the church budget, well, a church may want to evaluate if those are significant ministries.

Copyright © 2017 by Christianity Today