



A church's budget should reflect its mission and ministry goals. It should be aligned with a compelling vision for the congregation which is clearly and regularly communicated to every member. Each church is unique in terms of its ministry focus and its setting. As a result, there is no magic formula for developing a budget that is appropriate for each one. If a church has a vision for a large children's and youth ministry, they may have multiple staff focused on this area, with a larger percentage of their budget allocated for staff costs. A different church may be ready to build their first facility and have a larger percentage allocated to facility costs. A third church may have a passion for missions and devote a larger percentage of their budget to support missions and ministries outside their walls. All of these budgets would be very different from each other but appropriate for their congregation.

Here are some sample budgets for different churches.

>>If a church has debt for facility:

- 33% for staff costs
- 33% for ministry and missions
- 33% maximum for facility related costs

>>If a church has no debt:

- 40-60% for staff costs
- 30-50% for ministry and missions
- 10% for facility related costs (utilities etc)

>>The process for developing a budget will look something like this:

1. The church council or leadership team will define the vision for the church for the coming year. This is then communicated to the staff as well as all the commissions or committees responsible for carrying out the vision (e.g. Missions, Christian Formation, Music and Worship, Properties, Outreach).
2. Each of these groups will respond by listing all their initiatives for carrying out the vision, with dollar amounts attached.
3. The finance committee of the church will then accumulate all of this information, and write a unified budget for the church.
4. The budget will be reviewed and approved by the council or leadership team, and then presented to the congregation for approval.

In most churches, the annual stewardship campaign is done in concert with the presentation of the budget to the congregation. **Ideally, stewardship education should be a year-round emphasis in the life of the church.**

We do endorse **QuickBooks Pro** as a very useful tool for financial accounting in churches. It mirrors a lot of the features of Quicken which is widely used for personal finances and is a quality accounting system. The Department of Church Growth and Evangelism offers a template of accounts to operate on QuickBooks Pro to ease the setup of church accounts. The CGE Department also has a template to be used by the Financial Secretary that utilizes the receivable system to facilitate the recording of the tithes and offerings of the church. Accompanying that is a set of procedures intended to keep churches from being vulnerable for all kinds of problems. If a Covenant church wants the templates and procedures, they are available by request at no cost.

The Evangelical Covenant website contains a section entitled the "Church Financial Leader's Manual". If you go to <http://www.covchurch.org/cov/resources/church-leaders-financial-manual> you will find more information.



In any process of funding a ministry, or any non-profit endeavor, two tools are essential, the Annual Appeal and the Capital Campaign. Before a brief description of each of these is offered, a first consideration needs to be presented: Does the ministry you serve, as a paid staff member or as a volunteer, have a clearly stated vision of what it intends to do and an articulated sense of mission that both the leadership and the constituency understand and support? If not – go back to this step. Asking for money follows the agreement of a written, and frequently spoken, purpose and plan. Once this step has been taken people are ready to proceed. As a general rule, money follows vision. Most people will give more than they currently give when they are presented with a clear reason why their giving will be effective. More dollars for more of the same is not usually an effective message.

Let's assume the above is settled. The next step is the planning for an annual stewardship emphasis leading to written commitments by members and constituents of a congregation. Traditionally, these emphases are offered in the fall, resulting in the ability of a finance committee to make recommendations for the annual budget. Increasingly, many churches are separating the building of a budget from the concept of stewardship. Churches now are often dealing with budget issues in the fall but teaching on stewardship in January. The advantages of this approach are that the New Year brings fresh resolve in people's minds (credit card bills following Christmas spending likely have something to do with this!) to better manage their spending, saving, and giving. Either approach works, but the most important thing to remember is that talking about money and asking for a commitment in a way that fits your church culture is always better than saying and doing nothing. It's a proven fact – people give more when asked and those who respond are glad, not mad, to be encouraged to do that which makes them feel a part of the ministry and helps move them personally toward financial maturity.

The Capital Campaign is predicated on the need for new dollars to do something big within the life of a church. Usually, these efforts are toward land acquisition or the construction of new or enhanced facilities. Giving to a capital campaign is always considered "over and above" giving. The goal is not to cannibalize the annual budget, but to generate new dollars for ministry. In these campaigns, the congregation is challenged to give sacrificially, to be willing to spend less on something for a larger Kingdom purpose. A typical campaign asks for a three-year giving commitment. The effort usually involves a strong promotional and organizational emphasis. Often people become involved in the church who have never been active before. The committees that are formed wind up becoming fellowship groups. In the end, nothing is more exciting than the announcement of a successful result. If you want to know more about capital campaigns, the Covenant's own Don Fensterman will be happy to help.



If you are starting to lay the groundwork for the finances and administration of your church, or were just elected to a new position of responsibility in those areas, it's important to have clear job descriptions and policies. We have included in this kit sample job descriptions for the church treasurer and financial secretary, as well as the responsibilities of the stewardship committee and memorials committee.

These job descriptions and policies are intended to be tailored to the individual needs of your congregation, and should help inform those who may be elected to these roles, and protect the church and its leadership from bad financial practices.

It's important for a church to have a clear policy for accepting gifts, whether they are charitable contributions from members (monetary or other assets) or memorial gifts. We have included samples of these as well.

An excellent resource for your review is the Church Leaders Financial Manual on the Covenant website, found at www.covchurch.org/cov/resources/church-leaders-financial-manual.

There are many additional resources available at the Covenant Resource Center, resource.center@covchurch.org or 1-800-338-IDEA (4332).



We strongly recommend that every member of a congregation receives instruction in financial planning and also in estate planning. It is important that every individual and family is proficient in managing their finances, according to biblical principles, for their own spiritual growth as well as financial health. As your people free themselves from debt and learn sound ways to plan for their future, the financial resources available to the church for mission and ministry will also grow.

Many covenanters have benefited from the services of **Covenant Estate Planning** and **Covenant Trust Company**. They are able to provide a full range of financial services in a professional and confidential manner. You can learn more about them and their many resources at www.covenanttrust.com.

>>We also endorse three other financial planning programs. They are listed here for your review:

- Crown Ministries: www.crown.org
- Good \$ense: www.goodsenseministry.com
- Three Simple Rules: www.threerules.org

Treasurer Job Description

INTRODUCTION

The Treasurer position primarily is responsible to disburse all funds received into the church treasury in a responsible and organized manner with funds identified and bills paid when due, so that the ministry of the congregation can be effective.

PRESENTATION

Responsibilities of the Treasurer:

1. To disburse all money contributed to the local church budget, keeping accurate records of how money is spent.
2. To prepare accurate monthly financial reports indicating the financing well-being of the congregation.
3. To work according to the guidelines established by the Board or Council.
4. To participate in and report regularly to the Board or Council and appropriate Congregational Meetings.
5. To assure there are adequate records documenting the assets of the church for insurance and other purposes.
6. To make recommendations for the investment of excess funds (if any).
7. To insure that all church property is appropriately covered by insurance for casualty and liability losses.
8. To insure that all governmental taxes, reporting forms, and regulations are met on a timely basis.
9. To be accountable to the congregation through the Board or Council.

Financial Secretary Job Description

INTRODUCTION

The Financial Secretary position is primarily to receive the funds that come into the church treasury, record these funds, deposit these funds, and forward information about the deposit to the church treasurer so that it may be used to support the ministry of the congregation.

PRESENTATION

Responsibilities of the Financial Secretary:

1. To work according to the guidelines established by the Trustees (Board form of governance) or Council (Council form of governance).
2. To receive funds from whatever source, record them, and report them to the church treasurer and the Trustees/Council.
3. To collect offerings received during worship services at the conclusion of these programs, making certain that more than one person is involved in collecting and counting the money.
4. To insure money is deposited in a bank as soon as possible after it is received. All deposits should be made within three days of receipt.
5. To establish a procedure to collect and record money received through methods other than the regular offering, including money received through the mail.
6. To produce individual charitable gift receipt summaries of all donations received during a calendar year and mail within two weeks of the end of that year.
7. To report annually at the Annual Meeting of the congregation the total amounts pledged (if appropriate) and the total amounts received for the year.
8. To be accountable to the congregation through the church Council or Board.

Memorials Committee Job Description

INTRODUCTION

The task of a Memorials Committee is to establish policy, prepare an inventory of potential memorial projects, and supervise the reception and disbursement of all memorial gifts given to the church.

Establishing policy and procedures in advance can assist families in choosing items that best support priority church ministry projects and help redirect unneeded or undesirable gifts.

PRESENTATION

1. The church board or council should appoint a standing Memorials Committee. It would be helpful to have at least one committee member who is also a member of the church board in order to help facilitate good communication and coordination of their work.
2. The committee develops policy and prioritizes a list of items or projects which can be appropriately funded by memorial gifts.
3. The committee should regularly review and update the list and submit it to the church board annually for approval.
4. The committee can publicize the existence of this list of needs and opportunities members and friends of the church have to contribute to these needed items or projects. Projects can be in memory of a loved one who has died or in honor of a loved one who is still alive.
5. The committee should keep an accurate record of all memorial gift money received and distributed by the Memorials Committee through the church treasurer.
6. The committee will supervise the sending of thank-you notes for all memorial contributions.
7. The committee will consult with either the person who has donated the money or the next of kin to the one remembered, as appropriate, to determine how any unspecified memorial contribution should be used.
8. The committee will disburse memorial gift fund money at their discretion through the church treasurer.
9. Committees who receive a large amount of money to be disbursed for scholarships of capital projects over an extended period of time may want to consider establishing an interest-bearing Agency Investment Account through Covenant Trust Company to avoid having funds redirected through other emergency projects, which would violate the intentions of the donors.
10. The church should establish an alternating term for committee members that will provide limits on length of service while insuring continuity as new members are appointed.

For further information, contact Covenant Trust Company or Covenant Estate Planning Services at 800-483-2177.

Financial Management Committee Job Description

INTRODUCTION

The primary task of this group is to supervise and maintain all property belonging to the church so that the ministries of the congregation can be effective. These responsibilities include overseeing legal and insurance issues that enable the church to operate in a legal and responsible way.

PRESENTATION

Specific duties are often described in each congregation's constitution. Regular review of these provisions can help keep the board's responsibilities in focus. Here is a listing of tasks usually assigned to this group:

1. To oversee, care for, maintain, and supervise all church property.
2. To receive, record, properly receipt, and administer all gifts that are made to the congregation.
3. To insure that the incorporation of the congregation is in good standing.
4. To be responsible, in consultation with the pastor and church board , for all use of the church building and grounds.
5. To be responsible for adequate insurance coverage on all church property and to secure adequate liability coverage for church staff and volunteers.
6. To oversee preparation of and submit an annual budget request for property maintenance and improvement, as well as new property purchases, to the congregation for approval. Often this group also helps coordinate the process of preparing the overall church budget to support local church ministries and mission giving beyond the local congregation.
7. To make certain that all trust funds of the congregation are invested properly and that designated gifts are distributed appropriately.
8. To be accountable to the congregation through the administrative council or church board.
9. To recognize that the trustee's role has a spiritual component, in that a member's stewardship is a barometer of their spiritual commitment to Jesus Christ. This places the trustees, or properties committee, in a position of common concern with the deacons, who are responsible for the spiritual health and growth of each member.
10. To recognize that fund drives, offering envelopes, pledges, mortgages, building programs, and maintenance programs are all means by which the ministry goals of the congregation can be reached. Many churches have found it helpful to appoint a stewardship committee to serve throughout the year to assist in monitoring progress and help provide programs that can assist in cultivating members who are learning to be whole-life stewards.
11. To become knowledgeable in the area of reimbursement of church staff where a personnel committee is not assigned to oversee this task.
12. To insure that an annual audit of the church books takes place.

Major Gifts and Local Church Ministry

One area for thoughtful consideration in local church ministry is the solicitation of major gifts from individuals within the church family. These donations are large—in a capital campaign one gift is often 20% of the total raised. Churches have grown accustomed to receiving these amounts from individuals for specific programs, usually to buy land, build a building, and even to fund a blended program, such as construction of a new youth center for ministry in the local church and the addition of a staff member or more dollars to missions. Obviously, not all churches can do these types of programs, but for those who both can and do the results often exceed expectations. Without the larger donations in these campaigns, the total raised would likely be less than half of the typical receipts.

Where else can major gifts be appropriately solicited? Can we actually ask? Does this give too much power to one individual or to one family? All of these are relevant questions. None, however, should dissuade consideration of appropriately identifying large donors for specific ministry projects and having the right person or persons within a church ask them for a specific amount for a worthy project. We could all wish for more large capacity donors, but some churches, perhaps many, have people who have both the means and the desire to offer a substantial gift.

In thinking about this, it might be helpful to consider the mind of a person of means. Most don't want to control their own church. They have no desire to exert undue influence. Therefore, they prefer to "fly below the radar" in the local church setting. Meanwhile, they are constantly asked for money by other organizations, both secular and Christian, often giving to both. Most have never been presented with a carefully prepared proposal for ministry advancement in their own church. Most have never been asked what their personal passion is for advancing the Kingdom. And of this be certain—most will not be offended should the right people present the right plan for the right reasons for reaching more people with the Gospel. Are there people in your church you need to talk with?

Stewardship Committee in the local church

INTRODUCTION

The Stewardship Committee in the local church is to be for the purpose of educating the congregation in the Biblical principles of whole life stewardship and not merely the raising of money to meet budgets. Therefore the committee should be made up of those who are not primarily responsible for the financial management of the budget.

The following job description is suggested:

PRESENTATION

To serve Jesus Christ and minister in His church in the teaching and development of Christian stewardship to the members and constituents of the congregation.

Responsibilities:

1. Communicate that whole life stewardship is Time, Talent and Treasure.
2. Develop a year-round emphasis on Christian stewardship through various media for all ages.
3. Be informed of the Evangelical Covenant's Stewardship materials available to the local church.
4. Present opportunities for the application of Christian stewardship in the use of time, talent and treasure.
5. Provide an annual Estate Planning Seminar for the congregation.
6. Present a brief report of Committee activities and plans to meetings of the Church Council.

Authority:

This committee is given the authority to perform all duties set forth in this job description and to spend within the limits of the adopted budget of the congregation and according to the appropriate line items.

Accountability:

To the Church Council or Board at its regularly scheduled meetings. To the Congregation annually, and more often as is deemed necessary.

"Whatever you do, work at it with all your heart, as working for the Lord, not for men... It is the Lord Christ you are serving."—Colossians 3:23-24

THE STEWARDSHIP COMMITTEE

What it is and how it works:

The Bible clearly teaches that stewardship is a management task. Christian stewards are managers of the gifts God has entrusted to them. That's why the purpose of your church's stewardship committee and the focus of its programs should be to develop well-managed Christian lives. To be effective in this task, the stewardship committee itself must be well-organized and disciplined. Toward this end, let's consider some basic prerequisites for membership on an effective stewardship committee.

Stewardship Committee Members Are:

1. Mature in their personal commitment to Christ and practicing stewards of their time, talents, treasure, and testimonies.

2. Deeply committed to the mission of the church and regular in attendance at worship.
3. Committed to being aware of how the dollars and cents of your budget are a vital part of fulfilling Christ's mission.
4. Eager and open to sharing their testimonies with others, yet humble in their attitude toward themselves.
5. Able to work with others and open to God's direction for their lives.
6. Finally...At least one (usually the chairperson) is a member of the Church Board. Each member's term of office is staggered in orderly rotation for continuity of service.

The Committee's Responsibilities:

1. Its primary responsibility is to study and grow in its understanding of Biblical stewardship so it can help members see the relationship between whole-life stewardship and the life of discipleship.
2. This committee will function best as a separate committee, not as part of other committees (Finance or Trustee). It should report to the Church Board.
3. It is not a "task force," but a fully-formed, free-standing committee which meets regularly (at least once every month).
4. Works to help members understand how the budget is the "mission statement" for the church.
5. The committee plans a year-round stewardship program in support of the church mission statement.
6. The committee helps personalize giving (through newsletters, etc.) so people can see and pray for what their gifts are doing.
7. It analyzes present and past trends in giving so it can advise the board and church members on stewardship matters.
8. It helps people become better acquainted with their spiritual gifts and helps them invest those gifts in the local church ministry.
9. The committee promotes the stewardship of accumulated resources through wills and bequests and provides guidelines for receiving major gifts such as stocks.
10. It works with other committees, task forces and organizations in the congregation to help plan and coordinate the stewardship education program for all ages.

A KEY SERVICE TO YOUR CONGREGATION

The stewardship committee serves your congregation. It does that best when it has a sense of the congregation's mission. If your church family does not have a mission statement, developing one should be a priority. Your congregation's constitution, as well as denominational materials, will help in making this statement.

Finally, since the Word of God is the foundation for the entire stewardship program, committee members are also to become familiar with the Biblical basis of stewardship. A portion of each regular committee meeting should be devoted to the study of God's Word. This will help ensure that your budget is more than just "line item." It is also a tool for new and ongoing outreach.

Church leaders have found time and again that alive, active churches usually have strong, well-defined, highly-committed stewardship committees- committees that understand their responsibilities are ongoing...that budgets, commitment cards, etc. are only part of local stewardship education.