

What Are the Best Tips for Church Financial Management?

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Part of church financial management is making sure there is enough money in the budget to cover basic operation costs.



A church business administrator should oversee the financial management of the church.



Some churches work with financial management advisors who can help the institution make better financial decisions.



Good church financial management typically involves the development of sound financial processes and procedures, hiring or appointing someone who is skilled at [money management](#) to oversee church funds, and adhering to denominational and congregational policies regarding financial transparency. In addition, churches should work to develop financial strategies that encourage church members to responsibly donate money to the congregation. In most cases, it is not a good idea for a church to leave finances in the hands of the [pastor](#), as this can result in tensions and accusations of conflict of interest. In many cases, bonding church financial officers can be a way to protect the church against financial mismanagement.

Religious congregations may have different structures, which can greatly affect church financial management policies. In general, however, a financially healthy church will incorporate both transparency and accountability in its policies. Practically speaking, this means not entrusting clergy with church financial management, but instead appointing a financial committee and perhaps a church treasurer who is accountable to this committee. Some churches may also hire an outside [accountant](#) to reconcile the church's books each year. Large denominations may have their own church financial management policies and may provide various [financial management tools](#) to individual congregations to help prevent financial difficulties and possible scandal.

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Churches are often responsible for coordinating ongoing fundraising activities. These activities may include urging congregants to pledge certain amounts of support to the church every year. Ongoing fundraising may also be a way for a church to maintain a positive [cash flow](#). It is typically a good idea for individual church committees and groups, such as women's clubs and youth [ministries](#), to participate in the church's policy of full financial disclosure in all of their financial dealings.

It is typically wise for a church to select trusted members to serve on a financial committee that is accountable to both the church's governing board as well as the church's parent denomination, assuming that the church has a parent denomination. Members of this committee should ideally be familiar with financial, accounting, and business matters. This does not preclude, however hiring outside assistance with finances or using third-party services to regularly review the church's books to prevent accounting errors. Some denominations may require a church treasurer or the staff member in charge of handling money or overseeing church financial management to be bonded against financial fraud or theft of church funds. Even without this requirement, bonding church financial officers may still be a sound practice, particularly in churches that collect large amounts of money during the year.

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There are consultants that work only with churches to get their finances in order. They understand the unique needs and circumstances of a church while also understanding the broader landscape of the economy.

For churches that find themselves in financial trouble or are looking to grow in a responsible way, dealing with a consultant can be more cost effective than hiring more staff.

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Church financial management is more important than ever, especially as the size of churches continues to grow and the range of services that they offer gets wider and wider. It was easy back in the day to manage the finances of a little church with a congregation of 100. But mega churches these days have campus sized complexes that offer activities and services all day, every day.

Most bigger churches will have a dedicated financial staff as large as some corporations. There will be accountants, lawyers and real estate experts. Churches are increasingly engaged with every part of finance and this takes careful, educated and dedicated management.

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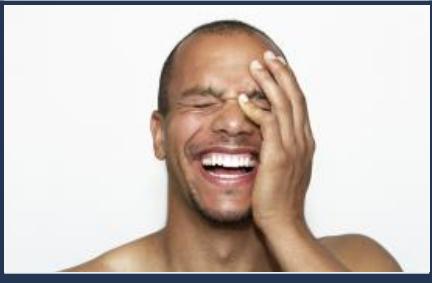
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