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## 5 golden rules of church financial management

by [Keith Hamilton](#)Share [f](#) [t](#) [g+](#)

Corruption scandals seem to be a daily occurrence. Corruption in America has become so commonplace that many Americans are now assuming even some of the most trusted institutions are corrupt. The church is not lost in this growing lack of trust in the American society. The church must take an active role to overcome this common feeling among nonbelievers and church members. In today's culture, the church cannot afford to be reactive, but the church must be proactive in managing its finances above reproach.

The following golden rules should exist in a fellowship to help counterbalance today's culture of mistrust regarding the management of church finances:

### **Individuals managing the church's finances should first be respected as spiritual leaders and then as financial leaders.**

Often, churches ask individuals to serve in these trusted leadership roles because of their positions of leadership in the community and business world. However, their spiritual maturity should be considered first and foremost before asking them to help manage the church's finances. Questions should be asked about their personal devotional life and witnessing efforts. Also, a leader should be called by God to serve in these important leadership roles. The future direction of the church often falls on these individuals who manage the church's finances.

### **The church's money must be managed with the highest integrity possible.**

There should be not even a hint that the church finances are not being managed above reproach. For instance, the church should adopt a policy that any purchases over a certain dollar amount must be placed up for competitive bidding. For instance, the church should not award its insurance coverage to a particular company just because the agent is a member of the church. The church member who is an agent should welcome competitive bidding as an opportunity to show how he is helping his church. The "good ole boy" system does not have a place in today's church. With lack of integrity almost not existent in the marketplace, the church needs to stand fast in managing its finances with integrity.

### **If requested, detailed financial reports showing the church's total income and expenditures must be compiled and available for inspection by church members.**

Creating detailed financial reports can be difficult. How much information is too much information? Detailed financial reports are a balancing act. While the church staff's compensation might need to be kept confidential for various reasons, the other aspects of a church's finances should be made available to church members who would like this information. Detailed financial reports can be made available through an annual financial review or on a monthly basis to interested church members. It does not seem to matter how often the detailed financial reports are made available, but it is important that they are accessible.

### **Financial checks and balances must exist in the receiving, counting, depositing, disbursing, recording, and reporting of the church's income and expenditures.**

The church treasurer should not be involved in the receiving, counting, and depositing of church funds. Traditionally, the role of the church treasurer is to disburse, record, and report how the church is managing its funds. Also, the same person should not be the only one involved in the receiving,

counting, and depositing the church’s funds week after week. If possible, the church should create a rotation system of unrelated individuals to serve in the receiving and counting of its income.

## The church, not the staff, deacons, or a committee, must be given the final voice in managing financial matters.

While daily church financial management might be delegated to various staff members or church organizations, these individuals must always remember they are responsible to the church in financial matters. The church should never delegate total responsibility of the management of financial matters to a select group of individuals. It has been said that absolute power corrupts absolutely. Everyone needs accountability in financial management.

In managing the church’s finances, financial leaders must always remember that the church assets are God’s resources and the finances must be managed so that God is honored in this important aspect of His work. The world is looking for “things” to trust. How will God’s church measure up?

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