Your Church Is Fiscally Healthy If...

- You pay all current expenses on time, including staff salaries and benefits, utilities, insurance, taxes, office and janitorial supplies, regular repair and maintenance, apportionments and educational materials.

- You have adequate funds for emergencies, such as salary or honoraria for a substitute pastor (if your pastor suffers a short-term illness or disability), uninsured repairs or equipment failures.

- You keep sufficient undesignated reserves for new and emerging ministries or projects.

- Your giving campaign is effective and ongoing. Does your church have a year-round stewardship strategy? Do you continually urge members to commit time, talents and money?

- Your membership supports missions beyond the local church. Does your congregation support missions in your community? Do you contribute to church-related mission projects beyond your regular apportioned giving?

Your Church Is Fiscally Unhealthy If...

- You have a low ratio between fixed costs and the number of “giving units” (individuals or households that contribute regularly). Every congregation has certain fixed costs or current expenses. Great or small, these bills must be paid. Increasing costs, plus stagnant or declining receipts, equal less money for mission. The giving curve becomes less predictable and more volatile as the membership decreases.

- You have inadequate emergency reserves. A fiscally unstable congregation can be temporarily crippled by costly, unexpected emergencies (i.e., the air conditioning malfunctions in July and must be replaced). If your church lacks sufficient reserves, your ministries are at greater risk.
Restore Your Church’s Financial Health

The first steps on the road to fiscal vitality are to:

- **Implement effective stewardship campaigns.** The finance committee and other leaders should cooperate in developing a long-range, effective stewardship program. Training is available from your district, annual conference or churchwide agencies.

- **Lead by example.** Draft some of your best and most consistent givers to serve on your finance committee, along with beginner and intermediate givers (those just starting to give regularly and those on their way to consistent tithing). Consider a time of personal testimony during worship where a cross section of members witness about God’s work in their lives and explain why financial stewardship is an important response to God’s love.

- **Stabilize expenses.** Analyze your expenses and determine a budget that makes the best use of your resources. Cutting back is not always the best answer, but regular analysis will help determine your best course. Members are more likely to give when they see their contributions used wisely and creatively for ministry.

- **Educate your members.** Get the word out about your money in Christian mission. Make education an integral part of your overall stewardship program.

- **Communicate your successes and your goals.** Regular articles in your church newsletter, notes in the bulletin, announcements and celebratory prayers during worship are effective ways to keep your congregation informed about the wonderful ways their money is used. Ask a tech-savvy person in your congregation to design a Web page showing how church dollars change lives for the better around the world. Information about churchwide ministries is available at www.umc.org and umcgiving.org.

- **Issue regular financial reports.** The treasurer or finance committee should make regular, timely and easy-to-understand reports on income versus expenses.

- **Budget to fulfill your congregation’s goals and calling.** At its best, a church’s budget reflects the congregation’s goals. People will support programs in which they have a stake. Urge your finance committee to talk with church members about their ideas and goals for your ministries. Encourage members to think big. A day-care ministry? Adopting and supporting a United Methodist missionary? Building a youth center? Your church budget should reflect those shared goals.

- **Build sufficient financial reserves.** Act now. Establish reserve accounts for purchasing, repairing or replacing big-ticket items, such as heating and cooling units, a roof, plumbing or electrical systems, computers and furniture. (Make sure such items are sufficiently insured.) Trustees should plan and create a tentative schedule for replacing capital items. Example: your church recently installed a new furnace for $10,000. You heard this unit should last about 25 years before it will have to be replaced. A forward-looking financial plan should include giving a certain amount each year, so that 25 years from now, the congregation will have enough money set aside to purchase a new furnace. Anticipate that the cost will inflate at 3 percent per year. In 25 years, replacing the furnace would cost about $20,000. To cover that, the church needs to put in reserves about $560 per year.
Your trustees should list all major costs they anticipate and estimate when the cost will come due. They can estimate the cost of replacement in future dollars. These will become line items in the annual budget.

- **Involve more members in financial concerns.** Recruit teams to count each Sunday’s receipts, and let the teams rotate every other month. People who understand the expenses versus weekly receipts will become more aware of the need for consistent giving, and they will encourage other members to dig deeper. Involving more people is not always easy, but it is better for the financial health of your congregation.

- **Consider drastic options.** Pastors’ salary, pension and benefits represent a significant portion of your church expenses. Depending on the size and pastoral needs of your church, you could cut costs by having a student or a retired or part-time pastor, but consult your district superintendent and bishop first. Another option is to join another congregation and become a two-point “charge” (congregations that share clergy and related costs). As part of a multi-church charge, you still cover expenses for your building and grounds, but you will have more money for other things.

Finally, consider uniting with another church to become one congregation. This is a viable option if:

- the membership of one or both churches is declining;
- you already have a relationship with the other church; and
- you are willing to pool leadership and financial and human resources and to merge histories and traditions.

Again, you cannot make such a decision without consultation with and approval by your district superintendent and bishop.

**Here’s to Your Good Health!**

Your church may have implemented some of these ideas. As with any planning or budgeting process, you must decide what best meets your church’s unique needs.

Every church, however, can benefit from ongoing efforts to improve its financial health. Doing annual checkups is important.

Financially fit congregations spend extra time and energy in planning and analyzing their budget and giving programs.

Strong churches always work to cultivate and encourage givers.

Do not assume people have enough information, experience and understanding of the ministry of giving. Even the best stewardship programs have room for improvement, but developing good habits can start you on the path of fiscal well-being.

—David B. Aubuchon is the former treasurer of the East Ohio Annual Conference. This article ran in the September 1999 issue of Interpreter magazine and was adapted for this use.

Illustrations by Tim Foley
DO YOU WANT TO LEARN MORE?
HERE ARE SOME ADDITIONAL RESOURCES:

- General Board of Discipleship Center for Christian Stewardship  [http://www.gbod.org/stewardship/](http://www.gbod.org/stewardship/)


Also available are resources from United Methodist Communications. Order online at umcgiving.org/store; e-mail  [csc@umcom.org](mailto:csc@umcom.org); call toll free (888) 346-3862.

- “The people of The United Methodist Church” connectional giving handbook (Product #84200209)

- “Together we can” connectional giving poster/brochure (#420809)

- “Who we are” (formerly “United Methodists Are”) brochure (#420709)

- Materials to support United Methodism’s apportioned funds, churchwide Special Sundays with offerings and The Advance

Be sure to check out [www.umcgiving.org](http://www.umcgiving.org), especially “Mission Moments and More” and a wealth of other stories!