

CHURCH BUDGET CHECKLIST

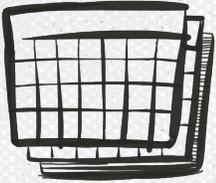
Church budgets are crucial for stewardship, accountability, planning, and evaluation. What are some key issues for church leaders dealing with church budgets? These are ten of the most critical issues.

1  **MAKE CERTAIN YOU HAVE A COMPETENT LEADER AND BACKUP MANAGING THE BUDGET**

Almost all churches have members who are capable of managing the church budget. Some churches outsource the work to someone outside the church. The key is to have someone competent and available.

6  **PASTORS AND CHURCH STAFF NEED TO KNOW THE BASICS OF CHURCH BUDGETS**

They don't have to be experts or CPAs, but they should be able to understand the essence of a report.

2  **DECIDE ON THE BEST FISCAL YEAR**

We prefer calendar years for simplicity and clarity. Some churches have fiscal years that end at other points. Remember, you can change your fiscal year at any point.

7  **CHURCHES SHOULD UTILIZE DEBT WITH CAUTION**

Some advisors recommend never going into debt. While we don't hold such a rigid position, we do believe debt can be highly problematic for a church. Every dollar that goes to interest or principle could be going to ministry.

3  **USE BUDGETING/ FINANCIAL SOFTWARE**

Don't do a manual budget. Church financial software is widely available and affordable. We prefer QuickBooks or one that is integrated into your church management software, but there are many other good choices available.

8  **THERE ARE 3 MAIN CATEGORIES IN A CHURCH BUDGET: PERSONNEL, FACILITIES, MINISTRY**

It is important for church leaders to make certain the first two categories do not grow at the expense of ministry. Leaders should always be seeking ways to do more ministry funding.

4  **NAME YOUR ACCOUNTS WITH CLARITY**

There is no need to call an account "fixed asset - real estate" when you can simply say "church building." Also, put your accounts and budget in a readable format.

9  **BUDGET RATIOS CAN BE HELPFUL, BUT THEY CAN ALSO BE MISLEADING**

For example some experts warn that personnel cost should not exceed 50 percent of the total budget. But if the church has no indebtedness, it may be fine to spend more on personnel costs. The key, of course, is to make certain there is healthy funding for ministry.

5  **PROVIDE REPORTS TO YOUR LEADERSHIP OR CONGREGATION ON A DEPENDABLE SCHEDULE**

We recommend making quarterly reports available, though some congregations provide them every month.

10  **THE THREE KEYS TO A GOOD BUDGET ARE COMPETENCY, INTEGRITY, AND ACCOUNTABILITY.**

A church budget without all three of these traits is deficient at best, and deceitful and fraudulent at worst.