

## **Four Reasons for Your Church's Written Financial Policy**

Every church operates with a set of financial practices. When weekly donations are counted, accounts managed or memorial gifts received, financial leaders steward funds according to established church practices.

Financial practices, outlined in written financial policy, guide church members in intentional, consistent care of God's resources.

Here are four compelling reasons for your church's written financial policy:

**Insure Culture of Trust and Integrity.** Church financial policies establish stewardship practices that honor God and care for the gifts of faithful givers. Those who financially support ministry trust that their donations are managed responsibly. Written financial policy offers clarity when financial decisions arise and lessens the likelihood of conflict over financial issues. Written policy sets expectations for integrity concerning financial matters of the church.

**Guide for Financial Decisions.** A church's financial policy offers a consistent roadmap for financial decisions. How will a church receive gifts and bequests? Who holds the church credit card(s) and what are the spending limits? Is the church in compliance with federal and state nonprofit regulations? What is the standard policy for reimbursements? With a written financial policy, financial officers can turn to established church guidelines for answers to questions like these.

**Honor Emerging Leaders.** As current church financial leaders retire and new leaders take their place, a church's written financial policy becomes their guide. Written policy is a gift that allows new leaders to serve with confidence.

**Required by Discipline.** *The Book of Discipline of The United Methodist Church 2016* states, "The committee on finance shall establish written financial policies to document the internal controls of the local church." (Par. 258.4.c) The *Discipline* also suggests that the policy be monitored for compliance and updated annually.

### **What If Your Church Does Not Have a Written Policy?**

Your Committee on Finance or your Leadership Team can begin by considering what financial procedures and controls should be documented. Areas for a written policy may include: Counting practices, deposit and disbursement procedures, recordkeeping, credit card use, use of designated and memorial gifts, gift acceptance, responsibilities of financial officers, financial reporting, EFT and online donation accounting, and document retention.

Your policy writing team can take the opportunity to review and/or establish the church's financial controls that ensure good stewardship.

You will find many financial policy examples and templates online. Begin by reviewing the *Book of Discipline* [guidelines for committees on finance](#) for initial policies and practices. Publications like Bonnie Marden's *Church Finances of Missional Leaders* and *Ministry and Money* by Janet and Philip Jamieson contain guides for financial policies. To establish or update policies for endowments and receiving gifts the United Methodist Foundation of Michigan offers [templates and assistance](#). Contact [Rev. Dr. Sherry Parker-Lewis](#) for more information.

A church's written financial policy may seem like a burdensome layer of administrative work, especially with a congregation's primary goal to proclaim the good news of Jesus Christ in word and service. Consider, however, that a written financial policy serves as a strong, trusted foundation from which a church can live out the Gospel.