

Church Finance Questions for the Newly Appointed Pastor

The first months of a newly appointed pastor are filled with “getting acquainted” activities. Pastors work to memorize names. They also become familiar with church systems, from worship planning to leadership structure to outreach programming. Church finance is also an essential focus area for pastoral leaders. While seeking understanding of the church’s financial policies, budget and giving practices may not seem like a pressing need, pastors can learn about a church’s values, ministry and faith practices through a review of church finances.

What are the questions that a pastor may ask and what information might church leaders provide to assist a pastor in understanding their church’s finances?

Monthly Treasurer Reports – The pastor should have access to and review treasurer reports for at least the last 12 months. The reports should include a summary of monthly and year-to-date income and expenditures. The summary may also include a comparison to the annual budget. Ideally, reports will also include a budget and a balance sheet of all church accounts and assets. Newly appointed pastors can review the reports with financial leaders and learn about recent capital improvement spending, anticipated project costs, investments and outstanding debt.

Giving Information – The pastor and the finance secretary can work together to understanding giving patterns. A pastor can request to see giving records, and the finance secretary can answer questions about annual and recent trends. How has the pandemic effected giving? What is the average giving per month over the last 5 to 10 years? Are there months when the church experiences more/less income? What is the average age of all givers? What is the average age of the top 10% of givers? What percentage of congregation members give electronically? Does the church receive contributions through stocks, Required Minimum Distributions or other gifts? How often are congregation members offered giving statements? If there is an annual pledge campaign, what percentage of givers make a financial commitment?

Financial Policies – Churches have written financial policies and, sometimes, unwritten practices. Asking questions about policies, can help a newly appointed pastor understand the strengths and growth areas of a church’s financial practices. Pastors should request and review building use policies, endowment by-laws, memorial garden by-laws, wedding policies and any other documents connected to church finances. Pastors may also ask about weekly counting practices and the steps taken to ensure that cash is not left in the church building. Are the church officer names on church accounts and investments up-to-date? If the church has a credit card, what are the policies and limits for credit card use? How are credit card bills reconciled? What form is used for reimbursement of church expenses and who approves reimbursements?

Faithful Generosity – A newly appointed pastor should also ask church leaders about past and current stewardship/generosity initiatives. Is there an annual stewardship campaign? If so, review the content and outcome of the last few years of the campaign. Has there been a recent capital campaign or is one planned? Is there an annual plan for encouraging a culture of generosity? Does the church offer a personal finance course or studies in faithful generosity? When was the last stewardship sermon? How and how often does the church celebrate the generosity of the congregation? How is planned/legacy giving promoted and celebrated?

Effective pastoral leaders seek to understand church finances and encourage best practices and faithful generosity. Church leaders, desiring a trusting relationship with their new pastor and a strong financial future for the ministry of their church, serve in partnership.

If you would like more information about any of the topics mentioned above, contact [Rev. Dr. Sherry Parker-Lewis](#), Sr. Director of Church Relations at the United Methodist Foundation of Michigan.