

FINANCIAL ROADMAPS IN CHURCH LIFE

In today's economic turbulent times, leading a Church can be likened to taking a road trip into a new part of the country using a GPS or a road map. Using a simple comparison here are some key pointers that will assist us reaching our destination in a refreshed and strong position.

1. Map out the trip by entering the destination

Financial, management and strategic planning are essential. Financial, staff and capital expenditure budgets are key foundational pillars and become the road map for the Church to guide it to its destination. Globally, many Churches overlook the importance of budgeting for the Churches journey and discover on route that there are "unforeseen" difficulties.

2. Regularly check reference points along the way.

The voice that we "love to hate" on our GPS gives us updates as we progress along the journey. When we deviate from the required route it screeches at us "recalculating". As we progress through the financial year we must regularly check the progress against the planned budgets. The facts of the financial reports should not be ignored but combined with the wisdom of the Eldership or Board. There are times we must "recalculate" income and spending to avoid early termination of the Churches journey. At a minimum smaller Church Boards should meet quarterly, larger Churches monthly.

3. Don't drive by the rear vision mirror

Many Church Boards spend time focusing only on the past financial results. While this is important, past results only disclose where the Church has already been. In driving our cars we spend more time looking forward than looking out the rear vision mirror, and the same principle applies in leading the Church. In unpredictable or uncertain times it is especially important to regularly look forward and project the future revenue and spending patterns and making adjustments to suit conditions ahead of time.

4. Check for blind spots

Recently we have observed an increasing number of Churches who have built trading revenue into their operations to support daily Church costs such as wages and program costs. While the entrepreneurial approach is to be applauded, this approach does contain significant risk. In our reviews we often find that Church staff do not have the expertise to run a business (e.g. coffee shop or design business) and within time the Church begins to subsidise the business, not the other way around. It is important that the true costs of running these businesses are known and provided for before committing these funds to support regular Church costs. Strategically it is better to commit these intended surpluses to discretionary projects as opposed to fixed committed costs such as wages.

5. Know the road regulations

In the eyes of many State and Federal Authorities, Churches and charities are viewed as another industry segment. As such we have regulations over employment, health and safety, taxation and building or facility management. It is important that we know what these regulations are. Recently we have encountered Churches that overlooked regulations over superannuation remittances, building permits, facility use and fire regulations that resulted in significant financial penalties or a restriction on use. The road trip of life is always more secure if we know the "rules of the road".

6. Stop and ask for instructions

Yes, there are times even the GPS doesn't make sense! Recently while in Brisbane it instructed me to do a U turn on a main road with a solid concrete barrier. As Church leaders we are privileged to be surrounded by other Churches, denominational and movement offices and independent specialists who can assist us when we entered unknown or unfamiliar territory.

In closing, while we are in uncertain economic times that contain additional risk, the faithfulness of God on one side and the consistent vision, good governance and due diligence on the other, the local Church can emerge secure and strong.

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