



MISSION FORWARD

ACCOUNTING STRATEGIES

YOUR CALLING MATTERS. FAITHFUL STEWARDSHIP IS YOUR CALLING IN ACTION.

LET YOUR FINANCES ADVANCE YOUR ***MISSION FORWARD***.

CHURCH FINANCIAL HEALTH GUIDE

A PRACTICAL CHECKLIST FOR CHURCH LEADERS

INTRODUCTION

Churches often face unclear financial reports, budget surprises, and practices that don't inspire trust. This guide gives you a clear checklist to help strengthen financial health and build donor confidence.

1. GOVERNANCE & ACCOUNTABILITY

- Establish clear financial policies
 - Maintain transparency with leadership and congregation
 - Ensure checks and balances in approval processes
 - Provide board oversight with regular reporting
 - Document and communicate financial decisions
- Why this matters: Builds trust, protects against mistakes, and models faithfulness.

2. BUDGETING & STEWARDSHIP

- Align budgets with mission and vision
 - Create realistic annual budgets
 - Forecast cash flow 12–18 months ahead
 - Monitor restricted vs. unrestricted funds
 - Regularly review budget vs. actuals with leadership
- Why this matters: Keeps the church proactive, not reactive.

3. GIVING & DONOR CARE

- Provide regular donor statements
 - Share impact stories connected to giving
 - Send quick thank-yous and acknowledgments
 - Offer multiple giving platforms (online, mobile, text)
 - Build trust through consistent communication
- Why this matters: Builds a culture of gratitude and generosity.

4. COMPLIANCE & RISK MANAGEMENT

- Stay current with payroll and tax filings
 - Maintain adequate insurance coverage
 - Track and honor donor restrictions
 - Follow legal and nonprofit regulations
 - Retain proper financial and personnel records
 - Conduct audits or financial reviews
 - Consider ECFA standards for accountability
- Why this matters: Protects the church legally, financially, and spiritually.

5. FINANCIAL HEALTH INDICATORS

- Maintain operating reserves (3–6 months recommended)
 - Monitor debt levels and repayment plans
 - Track giving trends and donor engagement
 - Evaluate expenses by ministry function
 - Measure ministry impact alongside financial data
- Why this matters: Gives leaders a dashboard of health and alignment.

6. BENCHMARK ACCOUNTING PRACTICES

- Complete monthly reconciliations
 - Close books monthly with timely reports
 - Conduct quarterly financial reviews
 - Separate funds clearly in accounting system
 - Provide clean and understandable reports
 - Align finances with strategic goals
- Why this matters: Creates clarity and confidence so leaders can focus on mission.

CLOSING ENCOURAGEMENT

Healthy finances are not just about money—they are about mission. By following these practices, your church can steward resources faithfully, build trust with donors, and keep ministry focused on God’s calling.

“Be sure you know the condition of your flocks, give careful attention to your herds.” – Proverbs 27:23