

# Giving & Finances Assessment Pack



VISION & GOALS



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<b>Assessments</b>	PAGE
THE 4 FACES OF STEWARDSHIP <i>by Fred Smith</i> .....	2
5 MYTHS ABOUT GIVING <i>by Jay Pankratz</i> .....	3
GROWING GENEROUS GIVERS <i>by Jay Pankratz</i> .....	4
A TIGHTER SHIP <i>by Richard L. Bergstrom</i> .....	5
A MODEL TO FOLLOW <i>by Gary Fenton</i> .....	6
FISCALLY FIT <i>by James D. Berkley</i> .....	7

This Assessment Pack from BuildingChurchLeaders.com is a collection of tools to use with your leadership team. Each tool has been designed to help you and your team measure some dimension of ministry.

Here’s how to use your Building Church Leaders assessments with your board, committees, or staff:

- 1) Print and photocopy the assessment tool you’d like to use (you have permission to photocopy for church or educational use)
- 2) Hand it to your team to complete
- 3) Lead a discussion based on the team’s answers.

For more assessment packs, complete training themes, or other training tools for church leadership, see our website at [www.BuildingChurchLeaders.com](http://www.BuildingChurchLeaders.com).

# The 4 Faces of Stewardship

*Our responsibility goes beyond money.*

Mark 4:21–25; 1 Corinthians 15:58

*I have four things to say about stewardship, and only one of them has to do with dollars. Not that I mind talking about money. I think the organized church is not always honest on the subject.*

**1. We are stewards of relationships.** The early church was not famous for how it grew, nor for its balanced budget. It was known for the way people loved one another.

The church is more like a family than a business. The relation is more important than the production. We get into trouble if we start borrowing the language of figures from business and measuring the church with it. Instead, we have to use terms like “healthy,” “unhealthy,” “improving,” “deteriorating,” and “spiritual.” As part of that stewardship, we owe each other encouragement.

*As a steward of relationships, I am doing:*  Well  Fairly well  Not too well

**2. We are stewards of a special identity.** The pastor of the Moscow Baptist Church once explained to me, “We have some people who come but aren’t ready yet to take on the identity of a Christian.” I must accept the fact that I am a Christian and behave like one. True Christians have a stewardship of identity within them; they are pilgrims, sojourners, citizens of heaven on their way home. That makes them participants, not observers. I wonder if the Lord will someday say to us observers, “I never really knew you; I only met you while you were observing my participants.”

*As a steward of a Christian identity, I am doing:*  Well  Fairly well  Not too well

**3. We are stewards of our gifts.** We talk a lot about talents and sometimes not that much about spiritual gifts. But I am convinced that gifts are what the Spirit uses. I believe gifts are simply talents that have been unctoned by the spirit. Since all of us have at least one talent, we all have a potential gift. Stewardship of gifts is not a trivial matter. We must take them seriously.

*As a steward of gifts, I am doing:*  Well  Fairly well  Not too well

**4. We are stewards of money.** All I know about giving can be put into three points: (1) Those who legalistically give a tithe never really enjoy it. Those who give out of love enjoy it and are not worried about figuring on the net or gross, or even more. (2) Giving is the only drain plug I know for greed. Giving is the way to drain greed out of the soul. (3) God is interested not in our money but our maturity. Some people try to substitute service for giving, while others give to avoid serving. Neither one works; both are required for Christian maturity.

*As a steward of money, I am doing:*  Well  Fairly well  Not too well

—FRED SMITH

## Discuss

1. Be honest: in which area of stewardship are you doing the best? In which would you most like to grow?
2. How well are we doing as a church in each area? What is one action that would help us grow?
3. What motivates people to be good stewards (one example: 1 Cor. 15:58)?

## 5 Myths about Giving

*What people really think when you ask for money.*

2 Corinthians 8:1–5; 2 Corinthians 9:10–12

	<i>How much I've believed this?</i>		
	<i>Not at all</i>	<i>Somewhat</i>	<i>Mostly</i>
<b>Myth 1: People don't want to give.</b> In a survey, we found that most people in our church were not pleased with their giving—they wanted to give more. But they feel they have too many bills and need practical help. That means we need to teach everything from plastic surgery (cut up the credit cards) to appendectomies (remove unnecessary expenses) so people can get their financial lives in order.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Myth 2: If we help people, they will generously give back to the church.</b> I have learned that the people who give the most, complain the least; while those who give the least, complain the most. People become more faithful when they are asked to give and serve. Unless we teach biblical giving, people become increasingly self-centered.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Myth 3: When the economy is down, we can't expect people to give.</b> When our church was considering embarking on a multimillion-dollar building program, our economy was in a downhill slide with high unemployment. Many members warned we should hold off until the economy changed. Most were employed, though, committed to their church, and willing to sacrifice. So we went ahead with the project. After completing the building, we were debt-free in less than three years—even though family incomes in our area are below the state average. If we expect nothing, people live down to our expectations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Myth 4: All we need to do is teach the Bible and pray.</b> I once sat in a performance review with a dedicated leader whose ministry had financial problems. When asked about that, he said that if we accurately teach the Bible and pray, God will always supply our financial needs, so he had no strategy to encourage giving. Prayer is important, but many times God's way of providing involves work and planning (Matt. 25:14–30).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Myth 5: If we urge people to give, they'll get angry.</b> When I first proposed a giving strategy, a key leader was tenaciously opposed. "If we pressure people to give, they'll get irritated and offerings will go down," he said. "You're right," I responded. "That's why we will teach biblical giving with the same boldness and lack of pressure with which we teach prayer and purity." A few people complained, just as they do when we talk about other areas of discipleship, but most responded positively, and offerings increased more than 20 percent.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

—JAY PANKRATZ

### Discuss

1. Which of the above beliefs is most prevalent in our church? What could we do to help people see it differently?
2. What characterized the church of Macedonia (2 Cor. 8: 1–5)? How can we cultivate this behavior at our church?

# Growing Generous Givers

10 rules for cultivating an unselfish church.

Luke 6:38; 2 Corinthians 8:7

Try to see your church from the perspective of a newcomer and then rate it according to these 7 characteristics:

	<i>How are we doing?</i>		
	<i>Fair</i>	<i>Good</i>	<i>Excellent</i>
<b>1. Plan ahead.</b> To be effective, we must prepare our resource development strategy as carefully as we plan our music program or any other program in our church.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>2. Emphasize discipleship.</b> “I never preach on giving or ask for money,” I once told a fellow pastor. “Do you teach your people to study the Bible or pray?” he asked. “Of course,” I said. “If you taught your people to give, would they receive more or less blessing from God?” I realized I was hurting my people, so I committed to teach all of God’s Word, including giving. Since then, God has brought our people to new maturity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>3. Bathe in prayer.</b> When we pray, God softens hearts, changes lives, clarifies priorities, and opens checkbooks.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>4. Identify specific goals.</b> We “wish list” new projects to undertake with increased giving. If offerings exceed the budget, we pursue wish-list items, so people know their increased giving makes a difference.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>5. Get commitments.</b> Commitment cards help people clarify and cement their decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>6. Involve people in service.</b> Seventy percent of offerings come from those who serve. During our stewardship emphasis, we teach the stewardship of time and talents. We ask everyone to fill out a ministry service commitment for the coming year.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>7. Build trust.</b> People are more generous when they see they can trust the church leaders to not overspend, and to get maximum ministry value out of the budget.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>8. Model generosity.</b> Even when financial records are confidential, people discern the leaders’ levels of giving. The church will not rise above the leaders’ examples.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>9. Be positive.</b> Years ago I emphasized God’s judgment on those who were not generous. I found negative messages produce more irritation than maturation. Now I teach the benefits of giving.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>10. Spell out sacrifice—and point out the reward.</b> Instead of calling our stewardship emphasis “faith promise giving,” I refer to it as “faith sacrifice investment.” The only way most people will be able to fulfill their giving promises is by sacrificing a current expense. Every dollar we earn will be invested somewhere—food, entertainment, the stock market. Our offerings are an eternal investment in people who will be with God forever.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

—JAY PANKRATZ

## Discuss

1. Which of the above ideas do we need to implement first or improve upon the most?
2. How can we foster excellence in the “grace of giving” (2 Cor. 8:7)?
3. What is one measurable goal we could set to improve giving? What steps would help us reach that goal?

# A Tighter Ship

*11 questions to ensure financial integrity.*

Proverbs 11:1; Acts 8:9-25

*After our church suffered embezzlement, we developed questions to help churches evaluate their financial procedures. For each question, answer “Yes,” “No,” or “Need to Find Out.”*

- 1. Do we count and record offerings immediately after they are received?** Every moment they sit uncounted leaves them open to theft.
- 2. Are offerings always stored in a secure or well-supervised area?**
- 3. Do we count our cash and checks twice for accuracy?** To err in addition is human. But the more we check our work, the more we avoid careless mistakes.
- 4. Do we place offerings in lockbags (money bags provided by the bank requiring a key to open) after counting?**
- 5. Do we place the lockbags in a safe or a night depository until the bank opens?**
- 6. Do we strictly limit who has access to the safe?**
- 7. Do we change the safe combination when someone is no longer authorized to use it?**
- 8. Do we make sure the same person is not involved in more than one financial procedure (collecting funds, counting funds, recording the giving, authorizing expenditures, writing the checks, auditing the account)?** The more access a person has to the various procedures, the greater the ability to misuse funds.
- 9. Are any persons authorized to write checks against church funds held responsible through an accounting/auditing system?**
- 10. Do we provide the bank with annual updates of persons authorized to sign checks against any account associated with the church?** Some banks are, surprisingly, not strict about who signs checks for a church.
- 11. Do we issue annual receipts for giving?** This is another way to determine that what comes in has, in fact, been accounted for.

—RICHARD L. BERGSTROM

## Discuss

1. Can we answer yes to all of the above questions? If not, is our system for handling money better? Why or why not?
2. How adequate is our accounting and/or church management software? Is it time for an upgrade?
3. Have we considered outsourcing some of the financial work? What are the advantages/disadvantages to this?

# A Model to Follow

*4 ways churches manage their money.*

Galatians 6:6–10; Acts 2:42–47

*Here are 4 models of financial management used in churches:*

**1. The family-business church: love of thrift.** Many smaller communities operate on family-owned business economies. This is especially true in agricultural areas.

In the family-owned business culture, the pastor of a local church is often viewed as the business manager of the church, expected to know the cost of every item the church purchases. Here, "sound business principles" means the pastor is knowledgeable about financial details.

**2. The entrepreneurial church: risk takers.** Often this spirit is found in towns where prominent individuals have started their first business. In contrast to family-owned businesses, many of which are inherited, the businesses of entrepreneurs, started from scratch, strive for success.

Translated into church language, financial risk taking is seen as evidence of spirituality. Such people may think the pastor who refuses to risk lacks faith. The entrepreneur is willing to lose money if he feels the potential for gain is worth the risk. In entrepreneurial churches, financial plans are constantly being revised.

**3. The corporate church: competitors for approval.** Generally, people in corporations have specialized views on money; some are trained to create new money through sales and user fees; others are trained to save money by financial control. Few people in a corporation are trained to see the big picture.

Since senior management—the big-picture people—have to say no to many department requests, they are the most resented in the company. On the other hand, those who are trained to become specialists often have difficulty becoming big-picture people.

In a church of this culture, the pastor may be seen as the big-picture person, the one to whom members must bring their specific interests for evaluation and blessing. Although a church in a corporate community may be committee driven, many of the key members will probably assume their special interests ultimately need the pastor's blessing to be implemented.

Also, most corporations have a clearly defined chain of command for making decisions, spending money, and allocating resources. Some points on the chain are perfunctory stops, although corporate workers know they must make every stop.

**4. The mixed-economy church: working together.** Many churches have members from more than one of the above categories. This creates its own set of problems. Churches with a highly diverse membership, and thus with highly diverse financial standards, may need to include interpretation as a regular agenda item at the annual leadership retreat.

—GARY FENTON

## Discuss

1. What model does our church fit? Is it working for the type of congregation we have?
2. What reactions would we face if we switched models?
3. Could we increase income by changing our financial strategy? Why or why not?

# Fiscally Fit

*4 ways to assess our church's financial strength.*

2 Corinthians 9:1-9; Matthew 6:1-4

*Here are some vital signs of churches that are fiscally fit:*

**1. Total annual income.** Church consultant Lyle Schaller provides a simple benchmark for annual contributions: “A useful beginning point is to multiply the average worship attendance times \$1,000.” If our church has 125 attendees on an average Sunday, and annual giving is \$125,000, we’re in the ballpark.

Another way to look at it is to multiply \$20 per head in worship for any given week. If my church averages 200 in attendance, it should receive about \$4,000 a week. Of course such figures need to be adjusted for churches in particularly wealthy or poverty-stricken areas, for especially small or large churches, etc.

**2. Income history.** “I always look at consistency from year to year,” says Grace Nicholaou of Ministry Business Services. “Is the church meeting its budget? Is it consistently ending the year in the black? Can it pay its bills?” Trained financial eyes look at the trends: Is income rising or falling? For how long? Why?

Ratios provide another benchmark. A 1989 study established a series of benchmark ratios for large churches. The median church:

- ◆ Held 6 percent of its total assets in cash.
- ◆ Received 89 percent of its annual income through donations.
- ◆ Operated on a thin line, receiving in income only 1 percent more than it spent in the year.
- ◆ Owed an amount equal to 41 percent of its total assets.

**3. Sources of income.** Where does church money come from—that is, besides God? One way to look at it is to break down the sources of income by age of the givers. Is most of the money coming from the silver-haired crowd? What percentage of contributions derive from the mid-adult age range of 30–55? Do they contribute more than their share or less?

Another is by size of gift. Do a few generous people underwrite a substantial part of the church’s finances? Or is the burden spread more evenly across a number of smaller givers? By charting the number of donors in a series of giving brackets, we can see how a church’s income is derived.

**4. Division of expenditures.** Sharp financial minds look at church expenditures along with income. How much of the church budget should be dedicated to the total cost of having a pastor and staff? “No more than 50 percent in the typical church,” advises Lyle Schaller. “In the small church it may go up to 55 or 60 percent, and in the large church it should be closer to 40 percent.”

—JAMES D. BERKLEY

## Discuss

1. How does our church stack up to these criteria? Are there any concerns about budget allocations?
2. How much of our budget should be given to benevolences?
3. Have our personnel costs grown in relation to the community’s cost of living? Why or why not?