

Finances: What You Need to Know

Resources Section

**“For where your treasure is,
there your heart is also.”**

Luke 12:34



Purpose

To help participants quickly understand the basic financial situation of their parish, and gain understanding of relationships and parish health.

Theological Understanding

“For where your treasure is, there your heart will be also.” (Luke 12:34, see also Matthew 6:21)

Where parishes spend money directly relates to their understanding of mission and ministry. As a new clergyperson in a parish, looking quickly at the financial situation can help discern a key piece of the parish's identity. A cleric's comfort level with financial issues can aid in ministry.

As Jesus asked people many times and in various ways to consider their use of financial resources, so, too, parishes must examine their financial situation, and new clergy should be acquainted with this important aspect of parish life.

Special Instructions

This module uses parish budget and finance material. In advance, ask participants to bring with them examples of:

- financial reports given to vestry
- the parish budget
- the most recent two audits

You should become familiar with diocesan policies related to finances and bring copies of relevant canons and policies. You may want to invite the diocesan financial officer to attend the session to help respond to questions.

If you are presenting this module to a mixed clergy/lay group encourage participants to come in teams and structure your small group discussions around these teams. It would be particularly helpful if members of the finance committee,

the treasurer, and/or wardens could be a part of this discussion with the new clergyperson.

Related Modules

Church Size and Its Implications
Habits, Norms and Expectations
Power, Authority and Influence
Role Clarity

Bibliography

Bauer, Gerald W. Congregational Endowment Funds: Empowering the Vision of God's Coming Kingdom. Bethesda, MD, the Alban Institute, 2001 – this paper provides useful questions for congregational leaders to consider when dealing with endowment funds; download as a PDF file from Alban (www.alban.org – under Publishing, click on Find a Book, Video, or Download and search by author's name).

Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America. Manual of Business Methods in Church Affairs; New York, NY, 2009 – this downloadable manual contains all you need to know about parish finances in the Episcopal Church, including a complete reprinting of Title 1, Canon 7, and is up-dated periodically. To download, go to www.episcopalchurch.org and search by title or under Who We Are, click on Finance Office. A Spanish-language version is also available.

Mead, Loren B. Endowed Congregations: Pros and Cons. Bethesda, MD, The Alban Institute, 2001 – this paper lays out the reasons why a parish might want to (or not want to) consider setting up an endowment; download as a PDF file from the Alban web site (www.alban.org – go to Find a Book, Video or Download under Publishing and browse under the author's name).

Siciliano, Gene, Finance for Non-financial Managers, New York, McGraw-Hill, 2003 – written by a CPA, this is a readable introduction to financial reports, what is in them and how to read them.

Other Resources

Consortium of Endowed Episcopal Parishes – this membership network offers training and other resources to assist endowed parishes in their stewardship of their resources; information at www.endowedparishes.org.

General Outline of Session

1. Opening prayer and meditation (suggested reading Matthew 6:19-21 or Luke 12:31-34)
2. Check-in
3. Introduction of topic (PowerPoint 1-2; Talking Points)
4. Exploration and discussion of resistance to "money talk" (PowerPoint 3; Talking Points)
5. Checklist overview, Parish Accounts (PowerPoint 4-5; Talking Points; Handout 1; optional small group discussion in congregational teams; general discussion)
6. Checklist Income and Expenses (PowerPoint 6 – 8; Talking Points; small group discussion of categories in own parish budgets or sharing in large group)
7. Large group sharing, if applicable
8. Checklist Investment/Endowments, Discretionary Funds (PowerPoint 9 – 10; Talking Points)
9. Checklist Audit (PowerPoint 11; Talking Points; small group discussion of audits of own congregation or sharing in large group)
10. Large group sharing of questions and observations
11. Resource manual for business practices (PowerPoint 12 -13; Talking Points)
12. Vestry reports (PowerPoint 14; Talking Points; Handout 3; discussion of Vestry report examples from own parishes or sharing in large group)
13. Large group sharing of questions and observations, capturing of "best practices"
14. Additional discussion (PowerPoint 15; Talking Points)
15. Summary (PowerPoint 16; Talking Points)
16. Wrap up and closing prayer

Finances: What You Need to Know Handout 1

Worksheet –BANK and/or BROKERAGE ACCOUNTS

Account Name/ Account Number	Type of Account (Checking/Savings/etc.)	Financial Institution/ Contact Name	Current Balance	Who has signature authority?

Finances: What You Need to Know Handout 2

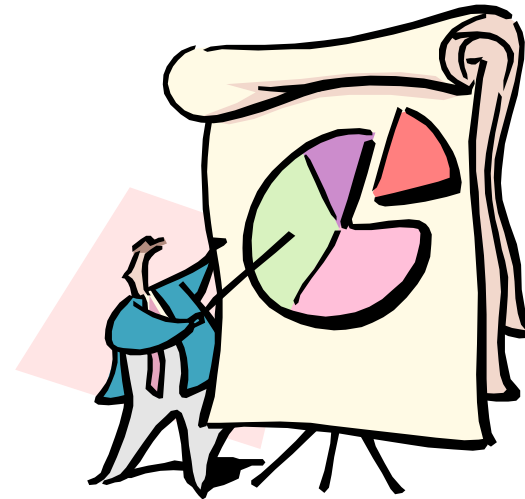
Sample Budget Categories

Expenses

- Worship & Music
- Christian Formation
- Outreach
- (other programs)
- Membership
- Advertising
- Diocesan ministry support (assessment, apportionment, etc.)
- Personnel – Laity
- Personnel – Clergy
- Office Administration
- Facilities/Buildings

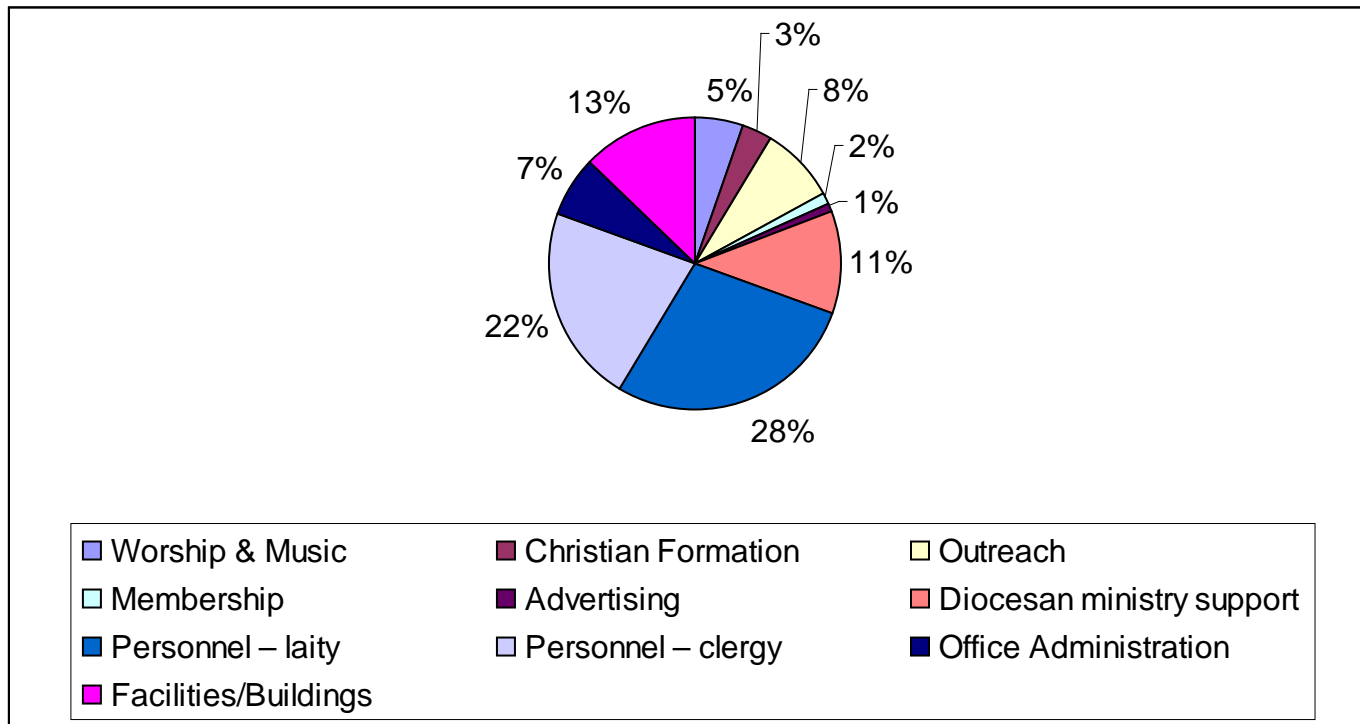
Income

- Pledges
- Other gifts
- Special offerings
- Investments
- Endowments
- Used from Reserve/Savings



Finances: What You Need to Know Handout 3

Sample Vestry End-of-Year Report Summary – Expenses, page 1



Parish Finances: What You Need to Know Handout 3

Sample Vestry End-of-Year Report Summary – Expenses, page 2

Worship & Music	\$23,560
Christian Formation	\$14,984
Outreach	\$37,485
Membership	\$6,783
Advertising	\$3,876
Diocesan ministry support	\$50,677
Personnel – Laity	\$125,290
Personnel – Clergy	\$99,233
Office Administration	\$29,784
Facilities/Buildings	\$57,523
Total	\$449,195

Note: *A similar report can be done for Income.*