Center for faith & giving

36 Church Finance Questions Every Congregation Should Answer

If generosity is to flourish, trust must come first.

One of the most effective ways to build that trust is through **clear, transparent church financial policies and practices.** When congregations understand how money is handled, decisions are made, and accountability is maintained, people in them are more likely to give with confidence.

Effective policy builds trust, and trust creates conditions for generosity to grow.

To help assess your congregation's financial transparency and stewardship practices, here are **36 essential questions your church should be able to answer about money** from *Passing the Plate: Why American Christians Don't Give Away More Money* by Michael O. Emerson and Christian Smith.

MONEY HANDLING

- [ ] Who is authorized to count money and record amounts?

- [ ] How are those persons chosen?

- [ ] Who has access to information about donors?

- [ ] How are giving pattern changes reported and to whom?

FINANCIAL REPORTS

- [ ] Who (and how often) reports financial activity and who receives and reviews those reports?
- [ ] Are the reports transparent (meaning available to all constituents and easy to read and interpret)?

BUDGETING

- [ ] Who builds the budget?
- [ ] How are those people chosen?
- [ ] Are they stakeholders in the outcome?
- [ ] Can any staff member vote on the personnel portion of the budget? (If so, what are the implications and rationale for that?)
- [ ] How is the final budget adopted and by whom?
- [ ] Is the budget a target/estimate or is it “fixed in stone”?
- [ ] Is there a process for appeal or amendment to the budget and who can propose such action?
- [ ] Who responds to the request with final authority?

STAFF COMPENSATION

- [ ] What written policies are in place regarding salaries and benefits?

- [ ] How are they determined and how is staff evaluated? (Does job performance play a role in determining salary, and or benefit increases/decreases?)

- [ ] Is a COLA a part of the financial package and to what index is it tied?

AUDITING

- [ ] Are ALL accounts audited?

- [ ] How often and by whom?

- [ ] Who receives the audit report and what do they do with it?

GIFTS POLICY

- [ ] What policy is in place to receive bequests or other large undesignated gifts?

- [ ] Who decides how such a gift will be utilized in the church's life and mission?

- [ ] Are people encouraged to make such gifts?

- [ ] What policy governs the receipt of real property gifts and or securities?

- [ ] What policy gives the church ultimate discretion to accept a gift or not?

- [ ] For gifts of a non-financial nature, is there a policy to govern the "retirement" of these gifts once they become no longer usable, worn out, or need replacement?

OTHER POLICIES

- [ ] What policy governs the investment of monies in savings or reserves?
- [ ] Is there a limit to what can be held in reserve before other action is required?
- [ ] How often are constituents made aware of their record of giving?
- [ ] If the organization is unable to meet all of its fiduciary responsibilities at any given time, who determines what bills get paid on time and what obligations do not get met?
- [ ] Does the church or organization reflect the principle of the tithe relative to mission beyond the local operating needs?
- [ ] If the church should become no longer financially viable, how are its assets to be distributed?
- [ ] Does the church have adequate insurance, especially against theft via fraud, fiduciary malfeasance, or embezzlement?

LEADERSHIP

- [ ] What plan is in place for developing future leaders in this area?
- [ ] Are those who lead in the area of stewardship and finance leaders in giving?
- [ ] Is every member of the governing body contributing at some level financially?