

Snapshot of Church Finances

Question	Your answer	Benchmark answer	Your satisfaction level
What percentage of operating income comes from current giving?		Anything less than 80 percent runs the risk of weakening the congregation's sense of ownership and responsibility.	Low 1----2----3----4----5 High
What percentage of operating income comes from building rentals?		If this is more than 20%, does the congregation believe there is something more "profitable" to do with their building than to have a church there?	Low 1----2----3----4----5 High
What percentage of operating income comes from endowments or other invested funds?		If this is more than 20 percent, it raises the question whether the vision could be enlarged so that it requires both investment income and current gifts.	Low 1----2----3----4----5 High
What percentage of operating income is dedicated to staff compensation, including clergy?		In a small church, this is apt to approach 60%. In a large one, it should be closer to 40%.	Low 1----2----3----4----5 High
What percentage of operating income is dedicated to debt service payments?		Over 25% is usually too high.	Low 1----2----3----4----5 High
What percentage of operating income is dedicated to all building-related costs?		If this is over 30 percent of the total budget, the congregation is apt to feel "house poor."	Low 1----2----3----4----5 High
What percentage of the congregation's budget is dedicated to projects that primarily benefit non-members?		Do not include the congregation's share of denominational operating costs. Some congregations set a goal of 10% or more for activities and donations that benefit others.	Low 1----2----3----4----5 High
How much operating cash is on hand, as a multiple of monthly operating expenses?		Three months' expenses is a good minimum for a family or congregation.	Low 1----2----3----4----5 High
Are your congregation's records audited by an objective outsider at least once every two years?		Short of a professional audit by an accountant, this can be done by a task force of members who are not involved in financial management, or by swapping audit teams with another congregation.	Low 1----2----3----4----5 High

As you think about the items you rated low, what goal would you set for your congregation? Name three concrete actions you could take to move toward raising your satisfaction.

Goal #1: _____

Action	Who needs to be involved?
_____	_____
_____	_____
_____	_____

Goal #2: _____

Action	Who needs to be involved?
_____	_____
_____	_____
_____	_____

This snapshot can be used in a variety of ways. Here are some ideas:

1. As part of an orientation for new governing board members, have them fill out the snapshot using a recent annual report.
2. The whole governing board can fill the snapshot out each year, setting new goals each year.
3. The results of the snapshot can become part of the board's instructions to an auditor or audit committee, who then will advise about how to improve particular aspects of the church's financial picture.