



Setting the Stage for Good Stewardship

➔ Practical Ways to Make the Most of Your Resources

Good stewardship is a primary ingredient for success. The key principle is that if you are not wise with what you have, you will not be given more. This is why it is important for every church to make the most of its resources.

Two of the most valuable resources that each church possesses are money and time. However, many churches struggle to manage these resources efficiently. There are many areas where funds are misspent, preventing churches from getting the most for their money. Churches also have many slow and tedious processes that cause staff to waste time that could be better spent doing other things to propel the ministry forward.

This paper offers you practical ways to avoid these pitfalls and get the most out of your resources. By making some changes, you can save money and time and apply it toward the growth of your church.

Knowing how to use money more efficiently is one of the biggest challenges in the church. This paper will show you ways to provide those who create your church budget with more information so they can make wiser budget decisions. Practical suggestions will also be made for how to reduce unnecessary spending and raise more money within your congregation.

Using staff time wisely is also a struggle for many churches. There are many routine responsibilities causing staff to waste time that could be used to propel the ministry in other areas. This paper will provide ways for you to enable your staff to accomplish more in less time.

By implementing the ideas in this paper, you can soar to new heights in management. As a result, you will be able to operate more efficiently and thus be more effective as a church.



➔ Knowing More Can Save You Money

English philosopher Sir Francis Bacon once wrote, "Knowledge is power." When it comes to decision-making, having more information enables you to make choices that will set you up for success. This is why it is so important to have methods for gathering a wealth of information that your budget committee can process when laying out the financial plan for the next year in the life of your church.

While not all data management systems interface with a financial package, there are systems that can interface between your contribution and financial programs and offer you a better look at

your church's complete financial picture. Helen McCrady, church administrator for Old South Church in Boston, Mass., says:

"When reporting to the minister and the stewardship committee, it is now so easy to look at this year and compare it to last year. We're in our budget process right now and trying to predict our congregational contributions this year. Having the ability to track information in this way helps us to know what trends to expect."

Not having interface capability creates a disconnection between the posting of contributions and the accounting system. This means that deposit information has to be re-entered and the audit trail is not as clearly defined. It can also be difficult to pull together different reports that may not share the same format, making it nearly impossible to get the complete picture.

However, by using one system, a variety of reports can be generated according to what decision makers want to know as they decide how to care for the congregation's current needs and try to do new things in the upcoming year. Reports and graphs can also be generated, and giving trends can be examined, helping the church predict future contributions as it plans the budget.

There are other things that you can do as well to get more information for your budget committee. Consider having each department head prepare a proposed ministry plan for the upcoming fiscal year. These plans can be presented to the committee and used to make budget decisions to benefit each individual ministry and the church as a whole.

In *The Church Leader's Answer Book*, Phyllis Ten Elshof, editor of books and Bibles for the Resources Department of Christianity Today International, writes:

Begin the budget process each year with a zero-based budget. This discourages sacred-cow causes that tend to carry from year to year without question. It also encourages measuring every budget request against the current vision and goals of the church.



With detailed plans, the committee can give each area exactly what it needs, freeing up funds that can be used to do new things or to eliminate debt.

Another way to make the most of your contributions is to commit to setting the annual budget within 3 percent to 5 percent of the previous year. Using the information that you gather from your ministry departments, you can identify a target budget, revise the ministry plan, and budget for each department collectively to meet the target budget.

➔ Cut Down on Spending

A penny saved is a penny earned. And for your church, a penny saved is a penny that can contribute to church growth. Your church relies on the faithful giving of your members, and you want to make the most of every dollar.

The mission of your church is to meet needs, and with more available capital, you can meet more needs. Dutch Franz offers these tips on saving money in the following areas in his article “10 Money-Saving Steps to a Healthier Church” on churchbusiness.com:

- Facility maintenance - Look for ways to reduce facility operation expenses. For instance, use timers on your thermostats and schedule room temperatures to correspond with times of usage. This way, your heat and air conditioning will not be running needlessly when members are not in the rooms.
- Staff salaries - Consider limiting the number of staff so you can have flexibility to meet the needs of your current staff. Think also about investing in technology and training, making sure that your staff is computer literate. This can allow you to eliminate secretarial positions. Have a department head, another professional minister working alongside the department head, and an administrative assistant who provides support for the ministers.
- Computer equipment needs - Look into standardizing your software and hardware. This will reduce the unit cost of your purchases. It will also reduce the cost of training your staff to use these tools and will save you money on technical support.

Another way to save money is by keeping better track of fixed assets and the cost of replacing those assets. “Our auditors used to keep track of all of our assets and I started keeping track of them,” says Rose Murray, director of finance and administration at First Evangelical Free Church, Manchester, Mo. She adds:

“The advantages are that you have a complete inventory list and you can assign a room to an asset so you know where that asset is located, and, also, if we ever had a fire or for insurance purposes, it’s nice to know what you have so you can run a report and say, ‘Here’s what I have.’”

By using a central inventory system for managing your organization's equipment, you can track specific asset details from acquisition to depreciation to maintenance. This software can be used for:

- Planning
- Documenting insurance claims
- Supporting good stewardship of plans and property

This way, you can make wise decisions with your church property.

➔ Drop Your Line Where the Fish Are

The secret of great fishermen is that they know the best places to go fishing. They use experience, instinct and the latest technology to focus their efforts in the right places. When it comes to “fishing” for money, what you need are tools to help you know where and how to “fish.”

There are many integrated software systems available that allow churches to gain helpful insight for raising new contributions within their congregations. With a central database that tracks giving information, you will be able to answer questions such as:

- Who is giving and at what levels?
- When are the peak months for giving and when do offerings fall off?
- What other participation trends can we identify that will help us increase giving?

If your ministry is like most organizations, the 80/20 rule applies – 80 percent of the contributions are coming from 20 percent of your members. If this rule applies to your ministry, you could use the information provided by the database to help you make decisions about how to approach the 20 percent who give generously and the 80 percent who do not.



For instance, once you identify the 20 percent who give the majority of your ministry’s money, you could reach out to them with opportunities for even greater participation. In *The Habits of Highly Effective Churches*, George Barna writes that effective churches “are effective in raising funds partly because they are aware of what motivates people to financially support a ministry.” A church management system that allows you to see what a member’s interests are could give you insight into where the member might give.

There are also ways to motivate the other 80 percent of your congregation. One way is by appealing to them to support the ministries in which they are specifically involved. Having access to data with one system can also allow you to track each member’s participation in the church and know how to appeal to them.

Consider offering financial training and counseling for members as well. Many people do not give like they should because of debt or lack of understanding about giving. Some pastors choose to give four or five stewardship sermons a year to educate and challenge their congregations. Barna notes:

“The pastors of these [highly effective] churches typically deliver one or more sermons every year that are specifically about tithing, giving, or financial stewardship. However, they do not abandon the concept of stewardship at that point. Many other sermons and messages include allusions to stewardship principles — both financial and non-monetary stewardship.”



Another advantage of using one of the many integrated software solutions is that you can provide your members with the opportunity to give online or set up an automatic bank draft. This can strengthen giving through the months of the year when giving is usually low because members are out of town. By making it more convenient to give, you could see a large increase in the consistency of giving within your congregation.

➔ Accomplishing More in Less Time

Time is one of your most precious resources, so you want to make sure that your staff can accomplish things faster and more efficiently in order to set their efforts on other things that will advance the vision of the church. There are many things you can do to make this happen.

For instance, using one church management system to handle finances can save your staff loads of time, allowing them to do each of the following with one program:

- Track spending by project and manage multiple checking accounts and funds
- Create budget reports
- Produce income and expense statements and balance sheets
- Coordinate the way your employees pay bills and issue 1099s
- Centrally process your outgoing funds, print checks, and store vendor information
- Keep track of your invoices
- Handle the special needs of churches and pastors, from housing allowances to insurance by accommodating multiple cost centers so pay is charged to appropriate areas and by customizing for additions and deductions
- Create unlimited revenue centers and connect income to specific accounts

Using one of the many modern database solutions available to store and track the giving information of each of your members can increase efficiency. Imagine the advantages of being able to do the following:

- Allocate funds to particular needs or accounts automatically and track where all of your gifts are going rather than having a staff member do it manually.
- Allow staff to retrieve information, analyze it, answer giving inquiries faster, and generate reports easily.
- Enable donors to earmark a percentage of their donation for a particular fund or project on an ongoing basis. For example, the donor may write one check but opt to have 10 percent of each weekly donation go to support a missionary with 90 percent going to the general budget fund.

Using a software solution that has online applications also offers many ways to help your staff save time. For instance:

- Members can go online and review their giving records themselves, looking at where they stand on their pledged amounts in order to determine if they are giving what they promised.
- Volunteers can assist your staff by keying in from home the visitor cards gathered during the worship services so the staff does not have to do it.
- Volunteers can also help your staff with hospital and shut-in visits, doing the visits and then going online and entering the information from the visit.

Another task that can slow down your staff is entering check data. Many software packages offer scanners that allow you to simply scan a check, and the member's file will be opened and the information recorded. Josh Lofton, financial secretary at Carmel Baptist Church in Matthews, N.C., used a check scanner to enter giving data. "You just fly through it," he says. He adds:

"As I'm posting contributions, I'm able to check the amounts periodically with the total recap function and bring that up whenever I need to very quickly to make sure that I'm on point with the numbers that I've calculated. Also, if I need to look up a member name, that's also very quick."

These packages will also help you to print contribution statements and mailers faster, as well as year-end tax report forms and pledge cards.



Many databases also allow you to save time while complying with all IRS requirements without difficulty. For instance, the IRS requires that you notify your donors of their donations for the year on a quarterly basis. Many systems require you to use administrative time and resources to print out quarterly statements, stuff them into envelopes, spend money on postage and mail them out. But with an automated system, you can save time by scheduling automatic e-mails to be sent to each donor with a link to access an online version of the same statement.

Automated systems also help with managing quid pro quo gifts. According to the IRS, if a donor makes a contribution in exchange for goods or services, only the amount above the fair market value of the goods or services is deductible. In other words, if a donor contributes \$100 for a missions dinner worth \$40 a plate, he can deduct only the \$60 difference, and the church must give him a written disclosure statement. Automated systems produce these statements easily and integrate that information with your quarterly contribution statements.

➔ The Sooner You Make Changes, the Better

By making some changes and using the proper tools, your church can be a model of good stewardship and operate more efficiently than ever before. Let's look again at the major areas that your church should focus on as you seek to use money and time wisely.

- Acquire tools that will help you provide as much information as possible to the decision makers who plan your financial budget. With more information about your church's ministries and financial situation, they can construct an efficient budget.
- Take steps to eliminate unnecessary spending. There are things that your church can do right now to cut down on the cost of operation, providing funds that can help your church do new things and reduce debt more quickly.
- Use tools that will enable your members to give more. There are databases that can give you a comprehensive look at the ministry involvement of your members and their giving history. You can use this information to help you make decisions on how to stimulate more giving among those who give regularly and those who do not. You can also use software to enable members to give online.
- Empower your staff to handle tasks more quickly. Software tools are available that will help them communicate easier with members regarding giving. There are also tools that will streamline the processes of entering check data and fulfilling IRS requirements.



As your church learns to operate more efficiently, you will be amazed at what you can accomplish with the valuable resources that were available all along but were simply being misused. By applying these solutions, you will be able to pursue good stewardship as a church and create new growth opportunities.

To get more information about how ACS Technologies can help you manage your contributions more efficiently and accomplish your vision, please visit www.acstechnologies.com or call toll-free 800-736-7425.

➔ More About ACS Technologies

ACS Technologies is a leading provider of information management solutions for churches, schools, and other faith-based organizations. Founded in 1978, ACS Technologies serves over 22,000 organizations worldwide. From church management software to forms and supplies to professional Web sites and consulting, we offer six product and service suites in order to meet our clients' varied needs.

Since 1978, ACS Technologies has developed outstanding software products designed specifically for faith-based organizations, focusing on the special needs you address every day. We've designed our products to work together, integrating them to increase efficiency and reduce redundancies for your benefit. Our mission is simple, and our vision is focused – we empower our client partners with specially designed software solutions.

Works Cited

Barna, George. *The Habits of Highly Effective Churches: Being Strategic in Your God Given Ministry*. Ventura: Gospel Light, 2001.

Franz, Dutch. "10 Money Saving Steps to a Healthier Church." *Church Business* 9 April 2007. 1 Feb. 1999
http://www.churchbusiness.com/articles/641/641_921doll.html.

Ten Elshof, Phyllis. "Building a Better Budget." *The Church Leader's Answer Book: A Reference Guide for Effective Ministry*. Carol Stream: Tyndale House, 2006.

 **Contact information**

ACS Technologies
180 Dunbarton Drive
Florence, SC 29501

800.736.7425
solutions@acstechnologies.com
acstechnologies.com

Works Cited

Barna, George. *The Habits of Highly Effective Churches: Being Strategic in Your God Given Ministry*. Ventura: Gospel Light, 2001.

Franz, Dutch. "10 Money Saving Steps to a Healthier Church." *Church Business* 9 April 2007. 1 Feb. 1999
http://www.churchbusiness.com/articles/641/641_921doll.html.

Ten Elshof, Phyllis. "Building a Better Budget." *The Church Leader's Answer Book: A Reference Guide for Effective Ministry*. Carol Stream: Tyndale House, 2006.