

Proverbs 10:22

*The blessing of the Lord
makes a person rich, and
he adds no sorrow with it.*

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*It's Not About the
Numbers?*

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*Numbers
tell a Story*

Matthew 6:21 (NLT)

Wherever your
treasure is, there
the desires of your
heart will also be.

3

*Numbers
tell a Story*

*“The First
responsibility of a
leader is to
define reality”*

Max DePree

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*Numbers
tell a Story*

Do Things With Excellence:

- *Going the Extra Mile*
- *Being Intentional*
- *Honors God and Inspires People*

Proverbs 22:1; 17:18

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*Numbers
tell a Story*

Teach Tithing

- *Needs vs Vision*
- *Sermon Series*
- *Teach Biblical Principles on Personal Finances*

Financial Peace University (FPU)

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*Numbers
tell a Story*

Exemplify Tithing

- *Personally*
- *As a Church*

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*Proactive
vs
Reactive*

Prepare an Annual Budget

- *Shows Vision*
- *Shows Intentionality*
- *Assures greater Vision is shared by all church Ministries*

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*Adopt
Policies*
Proverbs 3:35

Fraud Triangle:

- *Rationalization*
- *Pressure*
- *Opportunity*

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*Adopt
Policies*
Proverbs 3:35

- *Protects the Church*
- *Protects the Ministry*
- *Accountability and Transparency*
- *Document*

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*Segregation
of Duties*

No One Person should be control of:

- *Receiving*
- *Recording*
- *Spending*
- *Reconciling*
- *Approving*

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*Manage
Debt*
Proverbs 22:7
Romans 13:8

Debt = Bondage

Debt Cripples

*Avoid It
Eliminate It*

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God owns it All
 Psalms 24:1

We are responsible for His resources
 1 Corinthians 4:2

If we manage well, we will be blessed
 Matt. 25:21

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The Blessing of God are related to our Decision

Decisions are based on what we Value

God blesses Obedience to what HE Values

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ECFA Survey Financial Survey on Healthy Churches

Source: ECFA Church Financial Survey 1.0

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The 10 factors most closely correlated with "Church Health"

Source: ECFA Church Financial Survey 1.0

Numbers tell the story

1. Senior leaders very focused on measuring impact
2. Board very focused on measuring impact
3. Growth in lives impacted
4. Financial performance
5. Growth in volunteer involvement
6. Finance effectiveness
7. Agreement that "measurements cause us to change our programs"
8. Growth in revenue
9. Board Finance Committee understanding of financial reports
10. Number of staff

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The 10 factors most closely correlated with "Finance Effectiveness"

Source: ECFA Church Financial Survey 1.0

(The Story behind the Numbers)

1. Effective internal controls
2. Effective financial policies
3. Effective budgeting process
4. Effective financial reporting
5. Financial performance
6. "We have strong controls."
7. Separation of duties policy
8. Annual formal review of audit procedures
9. Board very focused on measuring impact
10. Church is very healthy

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SURVEY QUESTION: "Of your current church budget, please indicate approximately what % goes to each of the following categories."

	ECFA SURVEY EXEMPLARS	ECFA SURVEY OTHERS	C.T.'s CHURCH LAY & TAX GROUP
Salaries/Wages (incl. base salaries, benefits, and reimbursements)	45.0%	48.5%	47.0%
Ministries and Support	13.7%	10.8%	9.0%
Building (mortgage, rent, or lease)	9.5%	7.3%	7.0%
Utilities (water, electric, heat, phone, internet, security)	4.1%	6.4%	7.0%
Maintenance/Cleaning (buildings, grounds)	3.6%	4.1%	5.0%
International Mission Support	6.4%	6.0%	5.0%
Domestic Mission Support	4.9%	3.4%	4.0%
Office/Administration (postage, equip, supplies)	3.6%	3.6%	4.0%
Property/Liability Insurance	1.9%	2.5%	3.0%
Denominational Contributions/Fees	2.3%	2.9%	3.0%
Cash Reserves	2.2%	1.5%	2.0%
Debt (excluding mortgage)	0.1%	0.7%	1.0%
Travel (conferences, denominational events)	1.6%	1.1%	1.0%
Other	1.1%	1.2%	1.0%
	100.0%	100.0%	*99.0%

*Due to rounding, responses do not add up to 100%

Source: ECFA Church Financial Survey 1.0

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“Exemplar churches” spend less of their money on themselves (staff and benefits)—and they spend much less on overhead, such as utilities, insurance and debt service.

Source: PCAA Church Financial Survey 19

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Cash Reserves

3 to 6 months of operating cash expenses plus current liabilities

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Liabilities Ratio

Total Liabilities should not exceed 2.0 to 2.5 times unrestricted net assets

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Debt to Value

Debt should not exceed more than 70% of the current market value of the underlying property

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Debt to Cash Flow

Annual service payments should not exceed 10% to a maximum of 15% -20% of annual cash operating expenses

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