Pastor’s Financial Calendar

A Financial Fitness Calendar For Pastors & Churches

Most parish clergy at some point in their career find themselves responsible for managing the church’s budget. In fact, they may be responsible for raising most of the funds the church needs to operate. There might be oversight of investments, capital expenditures, and building campaigns. Many pastors find it difficult to contain costs for maintenance, staff salaries and benefits, debt service and debt eradication. Very few ministers have a background or sufficient experience in the financial world to quickly understand their options when facing financial decisions.

One major responsibility of a pastor is creating and sustaining a healthy fiscal environment for congregational mission. What is often overlooked, however, is the need for the pastor to be healthy in their personal financial life as well. A healthy pastor is essential to a healthy church.

Every church is slightly different in governance structure and annual cycles, but basic financial practices in managing both the church’s finances and the pastor’s finances can prevent most financial catastrophes.

Some foundational values and benchmarks behind this approach are:

- A balanced budget, for both the church and the pastor’s family, includes saving, investing, and emergency funds.
- Record-keeping does not need to be overly complex, but financial statements should provide straightforward answers. For example, are we on budget? What are our reserves? What is our cash flow situation?
- Know what are acceptable levels of debt, insurance coverage, investment returns, and savings goals.
- Build in plenty of information sharing and accountability.
- The pastor is ultimately responsible for the church’s financial disposition. It is therefore crucial the pastor knows all there is to know about income flows, including stewardship practices of the members, all the funds that operate independent of the church (like Sunday School classes with their own accounts), adjacent operations (such as a separate corporation that manages the church cemetery), and so on. The pastor does not need to have direct control over all these factors; he or she neither should fear such knowledge.
- The church should have adequate insurance protection for property and liability. A current personnel policy manual protects workers, volunteers and the church as a whole. Frequent review of facilities for safety and security are essential. Employees should be compensated equitably and as generously as possible.
- Certain “vital signs” of the church’s financial health are checked regularly:
  - Weekly: giving, other income, expenses, cash flow
  - Monthly: anticipated income and expenses
  - Quarterly: investment performance, seasonal expenses, progress on annual goals
  - Annually: legal documents, policy manuals, insurance coverage, staff benefits, stewardship plans
In personal financial matters, the pastor should strive to maintain common benchmarks:

- Emergency funds between 3-6 months’ nondiscretionary expenses.
- Retirement savings of at least 13% of salary, with an average annual return of at least 8%.
- Current legacy documents such as a Will, Durable Power of Attorney, and Advanced Medical Directive.
- Saving several thousand dollars per year per child for education funding.
- Life insurance between 10 and 16-times annual salary.
- Adequate risk protection for healthcare, disability, property and liability. Add an umbrella policy.
- Housing costs between 28% and 36% of gross income.
- Set aside adequate funds for income taxes, but not much more than is needed.

Use the following checklists and schedules as starting points to customize a financial calendar for your church and your personal finances.
### Churchwide Financial Fitness Calendar

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<tr>
<th>Month</th>
<th>Activities</th>
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| January | • Review quarterly reports on budget, balance sheet, investments, seasonal expenses.  
         | • Anticipated income & expenses for next month |
| February| • Annual review of church’s legal documents  
          | • Anticipated income & expenses for next month |
| March   | • Annual review of church’s insurance policies  
          | • Anticipated income & expenses for next month |
| April   | • Review quarterly reports on budget, balance sheet, investments, seasonal expenses.  
          | • Anticipated income & expenses for next month |
| May     | • Annual review of church’s personnel policies  
          | • Anticipated income & expenses for next month |
| June    | • Annual review of church policies for volunteers  
          | • Anticipated income & expenses for next month |
| July    | • Review quarterly reports on budget, balance sheet, investments, seasonal expenses.  
          | • Anticipated income & expenses for next month |
| August  | • Anticipated income & expenses for next month |
| September | Anticipated income & expenses for next month |
| October | • Review staff benefits  
         | • Review quarterly reports on budget, balance sheet, investments, seasonal expenses.  
         | • Anticipated income & expenses for next month |
| November| • Annual stewardship plan finalized  
          | • Anticipated income & expenses for next month |
| December| • Anticipated income & expenses for next month |
## Clergy Financial Fitness Calendar

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<th>Month</th>
<th>Tasks</th>
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| **January** | - Review last quarter’s family budget, investments, and annual summaries of net worth  
- Quickly reduce holiday debt  
- Quarterly estimated federal income tax payment due on the 15<sup>th</sup> |
| **February** | - Annual review of family legal documents: Will, Durable Power of Attorney, Advanced Medical Directive  
- Gather tax documents |
| **March** | - Annual review of insurance coverages |
| **April** | - Review last quarter’s family budget, investments  
- Quarterly estimated federal income tax payment due on the 15<sup>th</sup> |
| **May** | - Annual review of college education funding |
| **June** | - Annual review of debt eradication plans  
- Quarterly estimated federal income tax payment due on the 15<sup>th</sup> |
| **July** | - Review last quarter’s family budget and investments  
- Annual review of emergency funds |
| **August** | - Annual review of retirement funding |
| **September** | - Quarterly estimated federal income tax payment due on the 15<sup>th</sup> |
| **October** | - Review last quarter’s family budget, investments  
- Set plans to reduce debt and increase savings in next year’s budget |
| **November** | - Declare Clergy Housing Allowance amount for next year in time for January payroll  
- Open enrollment & adjustments period for many healthcare plans |
| **December** | - If receiving a raise next year, increase your voluntary retirement contribution as much as possible  
- Complete next year’s family budget |
Pastor’s Financial Calendar Action Guide

Summary:

Building on the principle that a healthy pastor is essential to a healthy church, this module focuses on developing the health and skills of the new minister to build a foundation for healthy financial practices.

Focus:

The module is designed to provide the new minister with a big picture view of the church’s budget process and how to read and review church financial reports. Provisions are given in the section on additional comments for assisting the new minister with personal financial matters.

Introducing the Module: (Approximately 10 Minutes)

• Inform the group that the next meeting will include giving attention to the subject of the Pastor’s Financial Calendar.
• Provide a copy of the essay for each member of the Minister Support Committee and the new minister.
• Share the Summary Statement and the Focus (listed above) with the group.
• Prepare ahead of time and hand out to the committee members and the new minister:
  1. A copy of the church’s financial policies
  2. A copy of the church’s budget and stewardship calendar. Include in this the basic cycle, timing, and elements of the budgeting cycle for the church. For example, when does the planning begin for developing the annual budget requests? Who receives these requests and how does the building of the budget proposal take place? Who is responsible for this? What is the timetable for this process? Follow this through for all aspects of the budget including recommendations, to whom, and approval.
• The following assignments should be stated and a handout copy given to the group members:

  Assignment for the Minister Support Committee and the new minister:
  1. Read through and become familiar with the policies and the process of budgeting
  2. Make a list of any questions that you have regarding these materials

Engaging the Module: (Approximately 40 Minutes)

Phase 1
Ask for and address any questions or impressions that individuals have regarding the church’s financial policies.

• Provide answers and clarifications as you are able and prepared to give.
• If questions remain unanswered, identify who and how these can be followed up with outside of the meeting.

Phase 2
Turn your attention to the church budget and stewardship calendar. Taking the time to review this with the new minister will be very valuable and helpful in equipping him or her to the expectations and
operations of the church’s budgeting process. The new minister will certainly learn about the church’s budget process as he or she navigates through the process during the year. However, the value this module offers is to gain in understanding how this works prior to the whole process, and to learn what the assumptions are beforehand.

- Address the questions that individuals may have.
- Be sure and use the experience and expertise that is among the group.
- Provide the new minister with as complete as possible picture of the full process of church budgeting.
- Identify how and where the new minister has responsibilities with the budgeting process.

**Phase 3**
Review a monthly church financial report with the new minister.
- Go over how to read this report
- Identify the information that is given on the report and why this matters
- Go over what comparison the church makes with the monthly report, based on what quarter of the budget year it is from
- Indicate what to look for, and kinds of questions that might emerge

**Additional Comments**

It is recommended that someone be assigned to continue work with the individual throughout his or her two years and to cover the following:
1. Establish a timeline and schedule to develop and acquire the goals and documents identified in the article in the section on personal financial matters
2. Mentor him or her through the process of establishing these goals and getting these documents completed
3. Checking in at 6 month intervals regarding personal budgeting progress
4. Be available to interpret, explain, and instruct as questions arise with the church’s budgeting and financial processes

If the church is involved, or will soon become involved, in a capital campaign consider asking for and having the new minister to sit in on these committee meetings to observe. The opportunity to observe one of these processes could be of great value to the new minister and his or her future ministry. Whoever is chair of the campaign committee might consider being available for the new minister periodically to debrief and reflect on the campaign process at various intervals.
Member Support Committee Assignment

For your preparation for the next meeting use the handouts of the church’s financial materials given to you and do the following:

1. Read through and become familiar with the policies and the process of budgeting

2. Make a list of any questions that you have regarding these materials
New Minister Assignment

For your preparation for the next meeting use the handouts of the church’s financial materials given to you and do the following:

1. Read through and become familiar with the policies and the process of budgeting

2. Make a list of any questions that you have regarding these materials