



Finance Committee Orientation  
Mike Wondel | mwondel@mumf.org

**Who is on a Finance Committee?** It depends on church structure and governance policy.

*Some people who might be at the table include: Chairperson, Pastor(s), Council Chair, Lay Leader, Financial Secretary (Income), Treasurer (Expenses), PPR Chair, Trustee Chair, Stewardship/Generosity, Endowment Chair, Memorial Chair*

**What is the purpose of the Finance Committee?** *The committee on finance shall give stewardship of financial resources as their priority throughout the year.*

- 1) **Stewardship begins with generosity (giving).** *Most important, and usually gets the least amount of focus.*
- 2) **Stewardship also involves spending and management of funds (spending).** *Typically, the least flexibility, and yet receives the most focus.*
- 3) **Stewardship establishes and administers healthy financial systems,** including: counting, recording giving, recognition of gifts, payments, accounting, investments, budgets, credit/loans, etc.
- 4) **Cultivating a healthy theology of finances.** *Finances are a spiritual issue, and church leaders overseeing finances are to help create, cultivate and demonstrate a healthy theology of finances as they provide stewardship.*

**What are some financial policies churches might have/need depending on church size and structure?**

- Budget
- Spending Limits
- Credit Card and Store Credit
- Conflict of Interest
- Endowment and Memorials
- Benevolence
- Large Gift Policy
- Signatures on Accounts



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### What are some of the best practices regarding financial systems?

- **Counting Policy:** Two people unrelated. Money is counted or secured before leaving the ministry. Documenting electronic and mailed donations.
- **Distribution Policy:** Preparer different than signature (more than one person). Who enters/reports spending. Who is the second set of eyes.
- W-9's (for 1099) must be given to every vendor.
- **Payroll and Withholdings** (often this is most effectively done through contract) - Note Clergy have a dual-categorization and their taxes are different than everyone else..
- **Reimbursements:** Verified with receipts and outline conflict policy.
- **Recognition** (thank you and statements). Pastors need to have access to individual giving unless someone else is consistently reviewing this for pastoral care needs and income projections.
- **Track income and expenses** over time to review trends. Measure quarterly giving.
- **Identify long(er) term goals** regarding reserve/emergency funds, designated funds, investments and major gifts.

### Mike's List of Most Important things:

- Align the Finances to the Mission (not the other way around).  
Question: If your budget/spending is a spiritual statement, what does it communicate about your mission?
- Focus on spiritual dynamics rather than only functional/technical items.  
Question: What is a short faith statement which could guide your role in church finances?
- IF someone is unwilling to be supervised, they are not eligible to be involved. The finance committee should be the one to hold this accountability, not only the pastor.  
Question: Are there people who are not following financial boundaries? What potential problems could that create?
- Communicate honestly, transparently, as appropriate and agreed upon as a team.  
Question: How often and in what ways do you communicate about church finances?  
Question: What does your financial communication say about your churches spiritual/missional focus?
- Train church council members how to read financial statements.  
Question: What are the top 2-3 things people should look for on your financial statement?
- Create an attitude of learning, especially around church finances.  
Question: Who can you learn from?
- Agree on boundaries around finances (i.e. typically compensation is not available for the general congregation members. Sometimes financial information is limited. Boundaries between finance committee, ministry teams, endowment/memorial groups, etc.).  
Question: What financial boundaries would be healthy for a church your size?