

Erase Your Church's Red Ink



CONTENTS

Click on the article you would like to read:

THE COFFER CRUNCH

What happens to ministry when money is in short supply?

A LEADERSHIP Interview

PREACHING THAT PROMOTES GIVING

Proclaiming the truth of the Bible means talking about money.

by Joseph M. Stowell

TIGHT MONEY STRATEGIES

Six ways to balance when the budget goes red.

by Stephen B. Box

CRUNCH TIME

Tips on collecting pledges, funding emergencies, and financial integrity.

by Richard Shaw

STRAPPED FOR CASH?

Ideas for helping your church raise the money it needs.

by Marlene Heller

TIPS FOR GETTING THE RIGHT LOAN

Six important steps for your church when it needs to borrow.

by Chuck Clynes

PAYING LESS FOR THE SAME ITEMS

A savvy church can save money by purchasing what it needs for less.

by the editors of LEADERSHIP

FURTHER RESOURCES

Books and resources to help you get out of the red.





The Coffer Crunch

What happens to ministry when money is in short supply?

A LEADERSHIP Interview

October 19, 1987, will forever be remembered as Black Monday in the financial world. The Dow plunged, like an out-of-control airplane, a record-scorching 508 points. In seven hours, investors lost some \$500 billion in equity values. Smaller brokerages were forced out of business. Traders were let go.

What happens when a local church experiences a similar financial downturn? What exactly does ministry mean when a church faces a fiscal crisis, whether moderate or severe, and what's the pastor's responsibility?

Leadership posed those questions to four veteran pastors who experienced money crunches of varying kinds during their years of ministry. As an introduction to their discussion of the underlying issues, here is each pastor's account of how his church found itself in a hole.

Aborted Bequest

Jim Smith, former pastor, Elim Baptist Church, Minneapolis, MN

Before I arrived as pastor, a former parishioner at Elim approached my predecessor to say: "My family has deep roots in this church. And now that I'm beginning to think about retirement, I'd like to build the church a new building—whatever it costs—provided you furnish it."

Plans began, I came to the church, and within a few years, the building's roof and walls were completed. The inside, though, had a long way to go.

Then the donor suffered a major financial reversal and informed me, "I have to cap the gift."

That left our urban-neighborhood congregation, attendance around 300, with signed contracts and debts totaling almost \$700,000. Without any clue it was going to happen, we inherited a debt three times our annual budget. If the work stopped, we could be sued for breach of contract. We weren't sure there would be enough money for any staff. We came within days of the project being shut down.

The One-Two Punch

Lloyd Sturtz, former pastor, Grace United Methodist, Franklin, PA

When Grace United Methodist Church had grown to an attendance of 450 on Sunday morning—which was more than our sanctuary could handle—we began thinking about building. At that time, a member told me, "I'm expecting a major legal settlement shortly, and I'd like to give half a million dollars toward a new building,"



We had some money set aside, and with that gift promised, we bought property and began site preparations. When the foundations were laid and walls were going up, the major donor called me at home. “I’m about to receive the check,” the person said, “but I’ve made a decision. I’m not going to give you the money up front. I’m going to put it in my will, and you’ll get it when I die.” This donor was only 35 years old.

That left us with roughly \$600,000 indebtedness, which would have created a cash-flow problem but still have been manageable.

However, six months later we learned that the largest employer in Franklin was laying off half its management staff. In the next nine months, community unemployment hit 25 percent. We lost 300 of our 800 members as they moved to find work. And most of these people were active leaders and liberal givers.

The church hadn’t experienced financial difficulty before, but now we had to decide each month which bills we’d pay. We wrestled with which ministries would go, and eventually we had to drop our Christian day school.

Changing Demographics Slump

Art Gay, former pastor, South Park Church, Park Ridge, IL

South Park Church exists without faith promises or pledges, it has always paid its bills and been able to expand its ministries.

But when I was pastor, the game changed. Many of the church’s long-time “angels” were being called home or were retiring in Arizona. In our urban/suburban Chicago area, many of the younger families can’t afford to live here unless they have two incomes. And the younger people we do keep aren’t accustomed to tithing. They like to give to projects—like cosponsoring an Indian church in Chicago—but they don’t get as excited about ongoing operations.

As a consequence, we were once in a cash flow crisis and \$100,000 behind budget. We couldn’t afford to replace one pastor who left, so we had to cut back ministry to young singles, which was a growing area for us. As we built our budgets for the next year, we had to consider no raises—and even cutbacks—in staff salaries and ministry programs.

Though we were a church with no debts, we had few resources. The county had just approved our plan to put up a two-story educational building, which we needed because of our many young families with children. But the people causing the expansion couldn’t pay for it.

Botched Building

Bob Rhoden, former pastor, West End Assembly of God, Richmond, VA

At my former church, when attendance at two morning services reached about five hundred, we decided we needed more space. We designed a simple, multipurpose building. Our philosophy was that you don’t borrow, and we thought we’d spend \$250,000 on a pay-as-you-go basis.



Meanwhile, three problems developed in the congregation. One was theological; we had to deal with the “name it, claim it” issue. A second problem was governmental; we were changing from a congregational to a more presbyterian polity, and that created a power struggle. And the third problem was economic. We discovered we had a crowd but not a church. There was no common vision, and people were not excited about giving.

We decided to proceed with the building anyway. As we got into it, though, costs soared to \$400,000, and so in midstream we had to switch from pay-as-you-go to borrowing. Before, we had taught “It’s God’s principle that we not borrow,” and now we were asking people to take a loan. That created a loss of confidence in me and the other leaders.

Meanwhile, the county charged us \$150,000 for drainage work we hadn’t anticipated, and the building ended up costing \$980,000.

When the building was completed, there wasn’t enough parking, and the air-conditioning didn’t work on opening day, a hot September Sunday, so we had the doors open. Plus, the building flooded on one side, so some members had to mop.

Soon, we didn’t want to answer the telephone because of contractors. We borrowed \$500,000 on the first mortgage and tried, unsuccessfully, to raise the rest of the money. We had to take bonds for an additional \$205,000.

People stopped coming to church to find out what God was doing in people’s lives; they came to find out how much we owed. At one meeting, three people demanded we put the church into receivership. Another night, a church meeting to discuss the problem nearly turned into a brawl. One man challenged another, “You want to step outside and settle it?”

Leadership: Whew! You and your churches have been through the wringer. Yet you’re here talking about it, alive and well. What happened?

Bob Rhoden: First, we held a “Day of Victory,” in which we tried to raise \$50,000. We received \$17,000, which represents a lot of sacrificial giving, but all we could think was, *We came in \$33,000 short of our goal.*

We learned something through that: never look to a onetime event as a way to restore the damage from a long process. It took time to get into the mess, and it will take time to get back out. You have to say, “God, we trust the process that’s going on here.”

After a lot of thought, I stood with the other leaders one Sunday morning and said, “We have made a lot of mistakes. We have blown it royally.” We didn’t try to blame anybody else. We said, “We ask you as a congregation to forgive us for what we’ve done wrong. We don’t have all the answers to this, but if together we can find an answer, we’ll go on.”

It was gut wrenching to stand before five or six hundred people and say, “I’ve blown it.” But the people recognized it was sincere, not a manipulative move, and they came forward, wept with us, and told us they forgave us. That didn’t solve all our problems, but it changed some attitudes.



Jim Smith: Keeping relationships strong is critical. I had to ask, “How can we keep from fighting ourselves, from attacking segments of the church, from scapegoating?” It’s natural for people to wonder whether someone could have seen this coming.

But as we talked and prayed through our feelings, we were able to do the practical things we needed to do. We began a faith promise program and obtained a line of credit from the bank, and the people responded generously. The budget jumped 30 percent in one year, and we gradually moved from a full-blown crisis into a cash-flow crunch. We weren’t able to support a full-time associate, but at least we began to get by.

Lloyd Sturtz: We had to make some tough decisions through agony and prayer. It wasn’t easy closing down our Christian school, and we lost a family over it. But from those decisions and courageous giving by the members—tithing of their severance pay!—the church has gradually climbed into the black.

Art Gay: The only solution to our situation has been to redefine ministry success. It isn’t based on noses or nickels; it’s based on being faithful with what we have. Whether or not we build a building or have as much staff as we need, ministry will continue.

When I don’t get a raise, I remind myself that raises are not a given; they’re a privilege. Joanne and I are ready to take the lead in this. Going backward in compensation is not failure. What hurts, though, is when people move to other churches with great numbers and finances and then view us as unsuccessful. We have to keep saying, *There’s another standard by which we want to be measured: faithfulness.*

Smith: When a crisis hits, the minister has to take the lead. We made some cuts, and so in three years my salary actually went backward. But that doesn’t bother me; I’m not a martyr. It’s just that if you’re going to ask people to sacrifice, you have to cinch down, too. Some of our dear people mortgaged their homes to make sure we didn’t lose the ranch. Together we made the decisions and paid the price. And as a result, we had a deeper sense of ownership and of God’s desires to use the building in ministry.

Rhoden: What helped turn us around happened after that time of repentance before the congregation. My associate and I were brainstorming one day, and we concluded: “We’re in such a mess, we’ll never solve all of it. We ought to go help somebody else.” We recommended the church send 20 people to the Dominican Republic to build a church. The 20 paid their own airfare, and the church raised \$12,000 to help with the project. The group built not one but two churches, and suddenly we began to develop an identity.

Our attendance dropped to about 350, but internally we rounded the corner. From that point on, five different people gave us large gifts. They said, “We want to give this out of conviction, not because we feel any pressure.” When we gave up worrying about ourselves and started helping others, the whole situation changed.

Leadership: Looking back, do you think you could have forecast your various crises? If so, what would you have done differently?

Smith: In our case, no. Who would have guessed a multi-millionaire would struggle with finances?



Complicating the situation is that when I came as pastor the oars already were in the water, the boat was wet, and the rowers were sweating. I tried discreetly to ask some questions: “Do I have any latitude in this building project? Is there any elbow room to talk about the nature of the gift or how it’s applied?”

The response: “Realistically, not at this point.”

Leadership: If you had been able to influence the initial stages, what would you have done?

Smith: Set a clear definition of the size of the gift. The gift was open-ended, which was the way the donor preferred it, and the donor and building committee acted in good faith. But without a set amount, all we could do was say, “Here’s what we would like to see in the building. Do you think this is okay?” And the response would be, “That seems reasonable.” But when the crisis hit, we didn’t even know the exact extent of our indebtedness.

Sturtz: We could have been more realistic if we had watched the economic downturn everywhere else in the country. It didn’t hit the Franklin area until two years after other areas. We had a two-year reprieve, but we just didn’t pay attention.

We Christians tend to say, “We live by faith; God’s going to take care of us.” That’s true, but we’d better look closely at what the business community is doing if we’re planning new construction.

Rhoden: If I could go back, I’d gather people in the real estate, development, and construction businesses. As a pastor, I haven’t been trained as a contractor or real estate agent. Bringing these people on board could have helped keep us on track.

A second thing I’d do is make sure the congregation owned the vision. In our first building program, we talked about “We’re gonna pay for this as we go,” and they all stood and applauded. But they just didn’t give.

Leadership: The applause meant, “They are going to pay for it, not I.”

Rhoden: Exactly. There has to be some criteria by which you can determine whether people are ready to take the next step. For instance, in the next project we did, we said, “Before we take step one, we’re going to pay for the land, which will cost half a million dollars.” The money came in for that, and then we knew the people were behind the project.

Third, I’d set a realistic goal for the cost of the building and stick to it.

Leadership: What happens in a congregation when money is tight? What symptoms do you notice?

Gay: Embarrassment, surprise, self-doubt, anger, acrimony at meetings. Before our shortfall, our congregation felt there was nothing we couldn’t do. To find out we couldn’t do some things we really wanted to do was earth shaking. People want to distance themselves from that.



One of the roles of church leadership is to identify the mood of the congregation and describe their feelings. That's part of shepherding, of helping people through the grief process.

Leadership: So your counsel would be to talk about the crisis directly?

Gay: Yes, from the pastor's perspective, that means from the pulpit. My church leaders gave me the assignment; "Now, pastor, we're in trouble. Get out there and preach those stewardship sermons." (Laughter)

Seriously, the leaders said, "It's your responsibility to articulate the vision of the church, and we're in a critical situation." So I talked about our position clearly and directly. The bottom line was, "Realistically, when we begin a new fiscal year, the church will be at this financial position, and the congregation will determine the level of ministry. And that's okay. God hasn't left us, and I have no intention of leaving unless you know something I don't." (Laughter)

I went on to say, "My sense of success isn't attached to money; it's attached to faithfulness." That was important for people to hear, because people expect that when giving goes down, pastors yearn to leave. And the fear of desertion is a strong emotion. So I want to articulate the church's vision, communicate the people's feelings about the crisis, but then say, "However this comes out, we'll still be here ministering together."

Smith: Something I'd add about communicating publicly during a crisis is to wait until you have the facts. The Sunday in July after I found out we had a problem, I didn't say anything. By the end of the summer, I had an idea of our debt. By early September our leadership was working on a strategy. Not until October could I write a newsletter article for the congregation with full details.

Leadership: What did you say in that article?

Smith: I affirmed the generosity of the benefactor and the diligence of the building committee. Then I said we'd received word that the generous gift would have to be capped, and this meant it would cost over \$600,000 to complete the project. I admitted I'd felt anger, fear, and the temptation to blame others. But now, I said, I'm ready to move to the next stage: finding the Lord's solution. Finally, I strongly urged people to attend a Sunday meeting where the financial realities would be explained in detail.

Rhoden: To me, the timing of when you say something publicly is important. If I stand up and speak during the announcements, it's heard on one level. But if what I say is part of the sermon, it has a higher value. So I spoke about the crisis right before I preached. I'd say, "I'm going to talk to you for just a few moments as family." Why take the lowest part of the service to say what is important?

Leadership: Your approach also places whatever you say in a spiritual context.

Rhoden: Right. It says, "We're not talking about mere business, folks. We're talking about the kingdom." We elevate what we say by when and how we say it.

But I also think it's important to resist the temptation to let the crisis enter all your preaching. I really felt a tension: Am I going to preach out of this pressure I'm feeling, or am I going to preach out of God's anointing?



Sturtz: In retrospect, I would change the way I described the problem. I said repeatedly from the pulpit, “We don’t have a financial problem; we have a spiritual problem. If our people were as spiritually committed as they ought to be, we could easily do this.” I’d never say that again. That was a disaster.

Leadership: Because you accused people of lack of commitment?

Sturtz: Because it wasn’t altogether honest; we did have a financial problem. The leaders kept coming to me and saying, “You’ve got to tell them we need more money to pay our bills.”

I’d say, “That’s not what we need. We need more commitment. If our members would tithe, we could pay our bills.”

And they’d say to me, “Lloyd, you’re an idealist. The reality is we’re facing \$10,000 in bills this month that we haven’t been able to pay.”

Leadership: So if the situation presented itself now, how would you talk about it?

Sturtz: I would be honest enough now to say, “Unless we come up with this amount of money, we’re not going to be able to meet the budget.” Then I would say, “I believe we will be able to pay this bill if the spiritual issue of commitment to give is taken care of.” I’d put the spiritual and financial together.

Rhoden: I made the mistake of talking about our financial problem every week. It would have been better to pick the first Sunday of the month and say, “I want to give you a report on how we did last month.” That way, people get a feeling there’s some relief. But if you talk about a corporate problem every week, you fatigue people, and soon the corporate problem overshadows personal needs, and ministry deteriorates.

Leadership: Besides the public presentations, what other aspects of ministry do you need to emphasize during a crisis?

Smith: I tried to anticipate people’s reactions and questions. “How did this happen? Is it anybody’s fault? Could there be some mistake?” The congregation seemed to experience denial and all the other stages of grief. In addition, people began to ask broader questions: “Where do we go from here? Does this building really represent us, or is it just one guy’s dream?”

As a result, I invested an enormous amount of time in answering phone calls, initiating conversations, and saying, “No, the way you heard it isn’t exactly the way it was.” There were so many stories going around, and I had to make sure the straight story was being heard.

Gay: I didn’t change my time allocation. Crises of church discipline consume many days or weeks or months, but during a financial crisis, I need to carry on the rest of ministry, I can’t focus just on that. Probably if you’d ask my financial chairman or board chairman, they might say, “Art should have been more concerned.” But deep down they have the attitude, and it’s been articulated to me, “You spend the time in the Word and head the ministry team. Share with us the other concerns, but we don’t want you bleeding off your energies toward this. Ministry has to go on. Otherwise we’ll have nothing here.”



Sturtz: I had to spend extra time deciding what kind of ministry we could afford. I looked at the bottom line and knew we were going to have to divest ourselves of some programs. I had to go to the church and say, “If the church is going to survive, we have to continue our youth program and our children’s program. Sunday school, worship, prayer, and Bible study have to continue. But we can do away with the concert series and the special speakers. And the school will have to go.”

It takes time and discussion and prayer to make that kind of decision, to honestly interpret the congregation’s willingness to support a program.

Smith: I had to monitor where my people were. Some lay people gave an immense amount of time and expertise to handle the problem, and I got concerned they might burn out. Other people seemed not even in touch with what was going on, and so I’d say, “Wouldn’t you like to get involved, in prayer and in offering constructive alternatives.” So I spent time either calming people down or waking them up.

Rhoden: I found myself doing a lot of damage control, trying to deal with people’s feelings. Someone would call and say, “I’m upset about the way this has been handled,” and I’d get drawn into that.

Leadership: Even if a pastor has no responsibility for the crisis, how much is the pastor responsible for getting the church out of it?

Gay: You want an honest answer? Inside the gut of every pastor is the feeling that if he’s good at what he does, there will be enough resources to carry on the work of the church. It’s based on the old saying, “If you do God’s work in God’s way, you’ll never lack God’s supply.” But what happens is that when you don’t see God’s supply, you think you must not be doing God’s work in God’s way. Yet I see people ministering in the middle of Chicago and in South India who do God’s business in God’s way and yet have no resources, financially speaking.

My responsibility as a pastor is to nurture a climate in which people can free their resources to support God’s work. I do that primarily through teaching the Word of God so that conviction—internal motivation by the Holy Spirit—takes place, rather than external motivation.

Sturtz: In the United Methodist Church we’re ordained to “Word, Order, and Sacrament.” We stress the Word and the sacraments, but the responsibility for order, administration, also comes to the pastor. So when something goes wrong, for whatever reason, it’s the old Harry Truman statement: “The buck stops here.”

Leadership: What do you wish you’d known going into the crisis that you know now?

Smith: I would like to have known it was going to happen, to have a few months’ lead time to soften the impact. But when I look back, I realize the Lord was preparing us spiritually for some of this, tuning us to be responsive to him.

Gay: That crisis is part of life. If I presume to be an undershepherd, why should my experience be different than the Chief Shepherd’s, whose life was a series of crises?



Sturtz: I would like to have grasped going in what my colleagues reaffirmed for me: You are not in control, Lloyd, but God is, and you can trust him.

Maybe I also needed to know the faithfulness of the congregation. Had I looked at what they had done previously, I could have seen they weren't going to desert me.

Rhoden: It's important to keep in mind that crisis is not all there is. That's hard to do when you're in the middle of one.

Gay: Right, crisis is not where we dwell. It's a great privilege to be part of the fellowship of a church—in a crisis or not.

In preparation for our discussion today, I tried to recall past difficulties, and though we've had some, I had trouble remembering the details. The painful situations are overshadowed by recollections of ministry. Maybe I have the spiritual gift of amnesia. (Laughter)

Leadership: Are there any benefits from a time of shortage?

Gay: After the acrimony of the business meeting at my church, people began to come to prayer time. Our prayer meetings became better than they had been in many years, because people realized that prayer was the only answer. I prayed to the Lord for years, "Do whatever you need to do to get people to pray." If it took a budget crisis to bring it about, then I accept that. Crisis causes people to be the most spiritual they've ever been.

In my own life, each of the crises through which our church has gone has made me dig deeply into the only thing I have, and that's my call from the Holy Spirit. When I was a kid, 7 or 8 years old in LaSalle Street Church in Chicago, I committed myself to serve in the pastorate. In every crisis I've dug deeply on that, and I've found that call to lead a church to be substantial and secure.

Copyright © 1989 Christianity Today International. Originally appeared in LEADERSHIP.



**Rate your church's proficiency in each area as
"We do this well," "We do this adequately," or "We do not do this."**

	We do this well	We do this adequately	We do not do this
Monitor trends of the national, state, and local economy when we create our budget.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Consult financial and business experts before taking on debt or launching any major financial initiatives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Distinguish between our church's core ministries and ministries that are peripheral to our mission.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Church leaders and pastors work together to articulate the church's vision and how the budget relates to it.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Preach and teach regularly on money.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Control the flow of information about church finances and take steps to correct any misunderstandings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss success in terms of faithfulness, not finances.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Preaching That Promotes Giving

Proclaiming the truth of the Bible means talking about money.

by Joseph M. Stowell

One of the most influential men in our church looked me straight in the eye and said, “You’ll never make it. Good luck!”

We had just decided to propose a three-thousand-dollar-per-week increase in our church budget. I got the uneasy feeling he was laying squarely on my shoulders the “impossible” task of meeting the new budget. My trepidation was confirmed several months later when the trustees told me we would not make our budget without “some outstanding messages on stewardship.”

I figured that was exactly what the congregation did not want to hear. Not only would it not play well with regulars in the pews, but what about the visitors? My preaching would only compound their perception that the church is a hard-sell organization trying to get into their wallets. I pictured them leaving with the impression that “All for Jesus” really means your cash instead of your life.

I knew well the old saw that when you preach about money, you’ve left preachin’ and gone to meddlin’, but I couldn’t run and hide. After all, Jesus spoke often about money. Meddling with money goes with the territory for preachers.

So I prepared my heart and words, and when the first Sunday came, I proclaimed the truth about Christian giving. In conclusion, I apologized for having preached on giving—a reflex action, I suppose. Within thirty minutes, two individuals—a visitor and a wealthy member—both reproved me for my apology. “Giving to God is a privilege, an act of worship,” they said. They wondered why I had neutralized a good word on giving with an awkward disclaimer.

Facing the Obstacles

Not all congregations are like that, I realize. A young pastor recently wrote a friend: “I’ve just started serving a small church in upstate New York (predominantly farmers). These are bad times for them. Milk checks don’t even cover daily needs. Therefore the church is supported through activities like dinners, dances, and strawberry festivals, which I don’t feel right about. I spoke on tithing once and was almost run out of town. They constantly remind me: ‘You’re new here. Don’t tell us how to finance the church.’ What is your advice? I need practical help. Please.”

He is up against a flock that perceives giving not as an act of personal worship but as the financing of the church. Replacing that idea with the biblical truth takes years.

One of the key obstacles to overcome is that preaching on giving appears self-serving. It smacks of Marjoe Gortner and a hundred other shysters who get into religion for the bucks. Yet the Bible has much to say about giving, and if I’m committed to preaching the



whole counsel of God, I've got to provide an answer to the question "What shall I do with my money?"

Essentials Prior to Preaching

So money talk is a necessary inclusion in my preaching calendar. But the question remains: How can I preach it well?

I've learned that my effectiveness has to begin long before the sermon is forged. Certain factors need to be in place at the core of the ministry.

Budgetary integrity. Any budget I expect God to honor must reflect his heart, his dreams, and his desires. God dreams in terms of basic needs, like reaching the lost, edifying believers, spreading missions, helping the poor and needy.

Unfortunately, my budget sometimes reflects my dreams rather than God's—dreams for bigger and better buildings; for increased staff and salary; dreams that enhance my image rather than his. But if God's priorities are not the budget's priorities, even my best stewardship sermons will not make the grade.

A pulpit committee once asked me, "If the giving of the church fell off, what would you do?" The question caught me off guard, but I think I answered right: "I doubt if I would start preaching about giving. More important is seeking to understand why the giving has declined. God supplies money to affirm a ministry, and he can withhold money to draw our attention to something amiss. Since integrity is at the center of God's character, ministries that have compromised integrity, either personally or corporately, may face financial trouble. I'd look for problems like these before I did any preaching."

I think of two churches in which great financial stress had taken hold. It became so severe that one of them began to lay off staff. Both churches eventually learned the pastors had been guilty of immorality. In addition, one had been taking money wrongfully from people in the congregation, and the other pastor informed his staff he never tithed; since he was the pastor, he didn't need to give. While a financial crisis does not indict the pastor automatically, it presents an occasion to take personal inventory. Is God trying to catch my attention?

Corporate integrity is also vital. Do we do what we say we will do with the people's money? Do we refuse to overstate the crisis—even slightly—to increase the offering? Are churchwide decisions fully communicated? Are the people involved in the decision-making process?

J. Hudson Taylor's statement, "God's work done in God's way will never lack for funds," is a great encouragement. But turn it around, and we face a frightening reality.

Meaningful ministries. It has been said that people vote with their presence and their pocketbooks. As carnal as that sounds, often it is true. An older woman in one church I pastored clipped to her offering check a note that read: "I pay my bills where I get my groceries." It was her way of saying she'd been fed and wanted to support the work in return.



Seeing lost lives come to Christ encourages giving. Parents whose young people are strengthened by an effective youth ministry enjoy giving to the church. Students stretched by a class or converts with reoriented lives are happy to support an effective work. People usually feel compelled to invest in a spiritually significant ministry.

Worship. When a church spotlights the quality, character, and work of God, it engenders the sense of “How can I ever express how much I love him?” Giving is a natural by-product of worship, a tangible way to demonstrate our love for God. By contrast, congregations that drag their way through “the preliminaries” before the sermon have more difficulty teaching people to give as an act of worship.

Preaching About Money

While stewardship effectiveness starts with good foundational practices, it also demands clear and creative preaching about money. There are five principles I remember as I try to bring my people into the biblical joy of giving.

Preach confidently. I can't manufacture this; confidence comes from two realizations.

First, the Word of God has much to say about giving. I can be confident that as I simply teach from the Scripture, God will be at work.

Second, I need a love for people that is willing to give them what they need. Do I love them enough to tell them the truth? Since giving is a basic part of Christianity—the way we prove our trustworthiness to God—I teach them the truth about money, confident in the knowledge they would be spiritually shortchanged without it.

Preach carefully. I work to keep what I say about money grounded in the text. Here are some of the traps I try to avoid:

- Promising prosperity. God promises only to meet our needs (Phil. 4:19).
- Resorting to crisis giving. I like to help people consider giving a part of a daily walk with God, not just a response to a crisis.
- Advocating budget giving. We give to God and his work because we love and worship him. We are not financing an institution; we are investing in his kingdom work.
- Preaching “10 percent for God and 90 percent for me” thinking. Biblical stewardship tells me it all belongs to God, and he has entrusted his money to my care. I urge people to weigh every expenditure in terms of eternity, since ultimately we will give an account to God for what we have done with his money.

Preach creatively. I want to avoid worn-out words and phrases that raise red flags. Stewardship is overused. Tithing evokes images of the 10-percent syndrome. Pledging may denote coerced payment of a portion of income required by the church.

Phrases such as gifts of gratitude and investments in the kingdom not only sound unique, but each of them teaches a biblical concept as well. Soon after President Reagan took office, there was a lot of press about “Reaganomics.” His trickle-down theory of the economy was a hot topic. I was preaching then about biblical stewardship, so we talked



about “kingdomnomics”—that as we sustain the kingdom with our gifts, there is no trickle down but a cascade of God’s provision to meet every need.

In short, I try not to let the tired and misunderstood clichés of giving victimize my preaching.

Preach centrally. At the core, giving is a matter of priorities; as Haddon Robinson says, “You can tell a lot about a man’s spirituality by looking at his checkbook.” Giving is a reflection of where one’s heart is toward God. Giving says people love God and seek to express it whether or not he ever does anything for them, because he is worthy in and of himself. I tell my people that making him Lord of their money is the key to serving him without distraction.

Essential as well is prophetic proclamation about the core issues in our culture that work against financial commitment to Christ. I need to confront issues like greed, covetousness, credit-madness, and the accumulation of things.

Someone once told me, “The reason for giving must be bigger than the institution itself. Don’t ask for yourself, but ask for something you believe in.” Good advice. We give to worship God and to fulfill our part in the kingdom work of Christ. The central issue is: It is his cause not ours, his church not ours.

Preach consistently. As I preach throughout the year, I draw applications about giving from many texts. A consistent (but not constant) emphasis on the attitudes, principles, and adversaries of giving helps keep people in tune with the priority of biblical investments. I’d rather not preach on giving only when I have to. Preaching when there is no crisis gives the concepts greater credibility.

Financial Facts

We all wish we could confine our talk about money to general theological statements. But specific financial needs arise in the life of any church, and they need to be addressed. How do we mention these from the pulpit when the appearance of self-interest is so magnified?

I’m all too aware that what I say about a building fund or a drop-off in giving cancels or confirms my previous preaching on money. But over the years I’ve learned to take comfort in these truths about the financial life of the church:

- Giving God the credit when great financial things happen in our midst is important. Having people stand and tell about God’s faithfulness to meet their needs is not self-serving but God-honoring.
- Generosity is contagious. One Easter we gave away our offering. Fifty-one Sundays had oversubscribed the budget, so believing those with plenty should share with those in need, we sent the offering in equal shares to our missionary families to do with as they wished. That act in itself was a powerful sermon on giving.
- Giving is cyclical. I’ve had the joy of telling our people to please stop giving to a special project since we already had enough, and I’ve known the agony of



wondering if we would make it through the next month. Yet, even when we're running in the red, it helps to know that the giving we need may well flow in as we enter a new season.

- God never promised to meet our budget, only our needs. Many times our budget has not been met, but each time the church bills have been paid. We have scaled back; we've altered our goals to fit reality. But our needs have been met.
- It helps to break down a special need for the people. I may say, "If each giving unit can give twenty-five dollars for the hymnals, the need will be met. Some of us can give more, and others not so much. But with all of us together, the need will be met."

Most importantly, however, I have come to realize that giving is symptomatic. A heart that loves God and his kingdom work will gladly give. I am convinced that God loves a cheerful giver because a gift given cheerfully is the outward expression of a heart that loves him. I want to preach in such a way that I break through the cold, hard shell of ritualism and devotionless duty. Such sermons win hearts for God, and when our hearts are his, our pocketbooks will be his as well.

—Joseph M. Stowell is teaching pastor at Harvest Bible Chapel in Rolling Meadows, Illinois.

Copyright © 1987 Christianity Today International. Originally appeared in LEADERSHIP.

Pitfalls of Preaching on Giving

Rate how well you are withstanding the temptation to compromise the Bible's teaching on tithing by assessing yourself in the four areas below. Rate how well you're avoiding each pitfall by answering either "I'm doing well on this" or "I need to work on this."

	I'm doing well on this	I need to work on this
Promising prosperity	<input type="checkbox"/>	<input type="checkbox"/>
Resorting to crisis giving	<input type="checkbox"/>	<input type="checkbox"/>
Advocating budget giving	<input type="checkbox"/>	<input type="checkbox"/>
Preaching "10 percent for God and 90 percent for me" thinking	<input type="checkbox"/>	<input type="checkbox"/>



Tight Money Strategies

Six ways to balance when the budget goes red.

by Stephen B. Box

Our financial secretary called. “Pastor, we have more bills this month than money to pay them. What do I do?”

I was young and ambitious. I had pressed the board of our small church for an aggressive ministry budget. I hadn’t expected an economic downturn to thwart my one-year plan to single-handedly fulfill the Great Commission. Then I remembered the advice a board member gave me on the night I proposed our budget.

“You know, pastor,” he said, “my father always taught me that if your outgo exceeds your income, your upkeep will be your downfall.”

It’s been almost 20 years, but my hands still shake when I remember picking up the phone, calling the board, and telling them that we were running in the red.

Seldom do pastors have to worry about what to do with extra resources lying around the church. The problem is more month at the end of the money than money at the end of the month.

After pastoring several years and then becoming a church’s chief financial officer, I’ve found six ways to overcome an unexpected shortfall. Three of them involve increasing your income, and three of them involve decreasing your expenses.

The fastest, most painless way to resolve a budgetary crisis is to get more money. Every minister dreams of a day when the local millionaire shows up with a check. But in lieu of such serendipitous patronage, here are three ways to raise money quickly.

1. Share the need from the pulpit. While “begging for money” is considered by many the greatest faux pas any non-televised pastor can commit, an honest conversation with the flock is sometimes the best thing to do.

In the middle of a building program with a hard-line completion date and a public commitment not to borrow “one red cent,” we were facing a cost overrun pushing well into five figures. The money wasn’t in the general fund. It wasn’t in the construction account. It wasn’t anywhere.

Our pastor prayed and agonized and made a courageous choice: He took it to the people—on a Sunday morning! He humbled himself and told the whole congregation what had happened, why it had happened, and that we needed their help to complete this important ministry project.

The money came in within the week. And several visiting families joined the church afterward because, they said, “We had never seen a pastor exercise such humility and financial integrity before.”



When a congregation loves and trusts its pastor, it can take a dose of financial honesty now and then.

2. Use assets creatively. Many church leaders don't realize the material blessings already in their grasp, or over their heads. The building itself is a potential income generator as a safe, comfortable, and rentable meeting place for local community groups. And while some ministries use their buildings full-time, most do not. That leaves a revenue-maker idle as much as six days per week.

Yes, you need to be selective in determining which groups use the sanctuary. A church will want to avoid renting to a group whose purpose is contrary to the church's mission. A facilities-use policy will safeguard both the property and the reputation. But allowing the community to rent the facility can even advance a church's mission.

Our church once rented the main auditorium to a group from the local Coast Guard. Over 500 military people attended a mandatory leadership-training seminar and were consequently exposed to our walls, halls, posters, banners, and bulletin boards filled with messages of God's love. In fact, one of the actors in last year's Easter drama first came to our church for a Coast Guard seminar and came back the following Sunday out of curiosity.

3. Manage seasonal shortfalls with credit. Particularly if a church's giving patterns tend to be cyclical (for example, falling off in the summer, resuming during the school year, and peaking at year-end), a short-term equity line of credit can float the budget through low tide.

A financial professional can help determine if a credit strategy is advantageous. Using credit can pay big dividends if it allows the church to continue a ministry or service project until the offerings pick back up.

If, however, the offering appeals fail, the building won't rent, and the bank won't cooperate, the other option is cutting expenses. Most churches have some fat in their operational budget. In hard times the fat has to go, but vital ministry has to continue.

But what is fat and what is not? I've found three additional criteria help the cost-cutting decisions.

4. Focus on core ministry. Core personnel and core operations, a church's unique niche and calling to ministry, must be funded first. The fundamental mission of a church is no place to cut.

Our church faced a major financial crisis when, in the same week, the property insurance premiums increased by 20 percent and the offering was down 18 percent. Our property manager was also expecting a check for the new floor buffer he'd been promised. Then we heard our missionary in Ghana just had four key staff members killed in a car accident, including one whose wife was at that very moment giving birth to their first child. What were we to do?

Part of our church's core mission is planting churches in Ghana. We believe in missions and have committed to funding missionaries in that region of the world for years.



So we chose to buy the plane tickets for our church to be represented at the funerals and minister to our grieving brothers and sisters. Then we apologized to the equipment vendor, and told the insurance agent we would need extra time.

Hard choices, certainly—but it was important to the church's integrity to keep our fundamental ministry effort intact.

5. Look for inefficiency. Often churches think they have to cut something, when they simply need to more efficiently manage what they have.

I consult for a charity that recently faced significant market losses in its endowment, causing a need to trim its operating budget. So we reconfigured the telephone service and consequently saved \$200 a month. Putting timers on the air conditioners and assigning one person to “light patrol” (turning off lights in unused rooms) saved \$800 per month in electric bills. Adjusting the property insurance deductible, changing auto insurance companies, and switching landscapers brought in another \$1,000 a month. We saved \$24,000 annually, money that had been in the budget all along, just by increasing efficiency.

6. Humble thyself in the sight of thy creditors. When a temporary shortfall makes paying bills difficult, contacting creditors before the bill is past due is better than ducking their phone calls or making them give chase.

My church once faced a terrible cash crunch. We had over-extended our ministry and personnel budgets. We owed a particular vendor over \$30,000—a lot of money for our body.

There was only one thing to do. I called the vendor and explained that we needed to work out a payment plan. The church would pay one third of the balance every 45 days until the debt was discharged. While not particularly overjoyed about the situation, the vendor was amenable.

The phone call allowed me to honestly explain, humbly apologize, and preserve the ministry's reputation, which would have suffered greatly if the church had ignored the problem. And it saved us from a collection agency or even a civil suit.

No one likes to cut the budget or ask church members for more. But when money is temporarily tight, prayer, vision, and a few good management strategies can stop your congregation from seeing red and budge your budget back into the black.

—Stephen B. Box is chief financial officer of Life Church in Mobile, Alabama.

Copyright © 2003 Christianity Today International. Originally appeared in Leadership.



Use this assessment to make sure your church is exercising all its options for raising—or saving—money.

	Experienced in this	Not experienced
1. Sharing financial needs from the pulpit.	<input type="checkbox"/>	<input type="checkbox"/>
2. Creatively using our facilities and other resources to make money.	<input type="checkbox"/>	<input type="checkbox"/>
3. Obtaining credit for seasonal shortfalls.	<input type="checkbox"/>	<input type="checkbox"/>
4. Cutting back to core ministry when necessary.	<input type="checkbox"/>	<input type="checkbox"/>
5. Finding inefficiency in our expenses.	<input type="checkbox"/>	<input type="checkbox"/>
6. Working with creditors to pay off debts as we are able.	<input type="checkbox"/>	<input type="checkbox"/>



Crunch Time

Tips on collecting pledges, funding emergencies, and financial integrity.

by Richard Shaw

Questions and answers for the kinds of situations that create a budget shortfall.

Yesterday, during morning services, the building got very cold. I went to the basement and discovered the boiler was leaking all over the place. A new one would cost more than \$20,000, which is something our church hardly anticipated, much less budgeted for. What's the best way to finance this?

Churches run into all kinds of financial emergencies. It could be a boiler gone bad, a shortfall of funds due to a pledge drive that delivered more promises than money, or even a dishonest person who ran off with church money. Such money issues often require crucial decision-making. If these issues are not addressed properly or the wrong decisions are made, they could cost the church additional money.

The bad thing is that often church leaders can't always foresee problems that may occur. The good thing is that there are people who can help us through these problems and decisions. To pay for a new boiler, for example, a church might consider taking out a loan from a local bank or other financing company.

Another way of handling emergency financing is church bonds. According to one consultant, there are basically two ways to work bonds. One is to hire a funding company that loans money to the church, then brokers the bonds to outside markets. The other is for the broker to offer the bonds to those with high interest in the church, such as people in the congregation.

Selling the bulk of bonds to people inside the church can work, but it generally takes more time. The benefit of selling to people with the highest commitment to the church is that typically the interest rate can be kept lower on those than on bonds sold by companies outside of the congregation.

The ability of churches to offer bonds is dependent on where they are located. "Some states are friendly to allowing churches to offer bonds while others are not," our consultant told us. "Some allow churches to have complete control over the process while others don't give the church any benefit and just look at it as any other corporation that wants to pay debt through the public market."

You might even do what New Life Ministries Church did: tough it out until they could find a less costly solution besides a new boiler. For the rest of the winter, the congregation used portable heaters and donned more layers for worship services and other church events. People also began searching for deals on used boilers. By summer, they found one at a fraction of what a new boiler would cost. Andrew Lasslo, pastor of



the church, then contacted some men he knew who agreed to install the new boiler for nothing.

We have just about completed a new multipurpose facility, which will accommodate our growing congregation for worship, recreation, and education programs. We raised enough pledges to more than pay for the complex, but the actual receipts show that not enough money is backing those pledges. Any ideas on how to collect?

A pledge drive is an excellent way to finance a building project. But sometimes the promise of giving money to a worthy cause fades over the time that passes between the pledge drive and the notice of the amount owed.

“Pledge drives take vision and planning,” says one church fundraising consultant. “What’s needed is a church administrator who is committed to keeping the pledge drive alive from its inception to the receipt of the last dollar.”

Churches should also realize that most pledge campaigns, no matter how good, won’t bring in 100 percent of what’s promised. “Most bring in between 80 and 90 percent of what is initially promised,” our consultant noted.

Still, there are ways to keep the money coming in. One is to be very specific during a pledge drive about what the money will be used for. An awareness of exactly what the money will be used for makes people more apt to donate.

Recently, we discovered that the man who had served for many years as our church treasurer has been stealing from us. In addition to facing a \$65,000 shortage, we aren’t sure about how to proceed. The man has been relieved of his duties, but should we file charges against him? What’s the best way to get the money back—must we sue him?

Embezzlement in churches is a common problem, but that doesn’t make it easy to handle. “Embezzlement in a church is a hard thing to deal with,” says Steven Paul, of ChurchPayroll.com in Chesapeake, Ohio.

When an elderly woman who works in the church office tells you she believed God gave her permission to borrow money from the church to help her through a financial crisis at home, for example, it’s very difficult to report the matter to the police. Often church administrators just terminate such an employee with little other action, even if the person has stolen a great sum of money. “It’s a matter of embarrassment. Embezzlement makes the administration look like people are not doing their job or are incompetent when this type of thing happens,” Paul says.

More often than not, embezzlement happens because churches hire unqualified people to handle the financial end of church business, Paul says. What would be far better would be to hire a reliable firm to handle such matters. Short of that, a church



should have a system of accountability in place for anyone who is authorized to sign checks or handle money for the church.

Recovering money from an embezzler is almost impossible. Churches could sue or prosecute former employees in an attempt to get the money back, but most choose not to do so. The legal hassle simply isn't worth it.

—Richard Shaw is a freelance writer living in Carbonville, Utah.

Copyright © 2000 Christianity Today International. Originally appeared in Your Church.

For each of the following situations that can take your budget into the red, write your church's strategy for overcoming the shortfall.

1. Unexpected Operational Expenses

2. Uncollected Tithes & Pledges

3. Embezzlement



Strapped for Cash?

Ideas for helping your church raise the money it needs.

by Marlene Heller

You know the third seat in the fourth pew that you've always thought of as "yours"? It's getting a little threadbare. Maybe it's time to consider purchasing new pews for your church. Or new office furniture. Perhaps your classrooms are sadly out-of-date, or the carpeting in your entrance area is holier than thou?

It's time to get down to some serious shopping. Of course, shopping is the easy part. Catalogs and the Internet have made shopping for and purchasing new furniture and equipment very easy. Figuring out how to pay for it is the challenge!

Begin with a clear understanding of exactly what you will purchase and how much it will cost. Can you afford to pay cash? If not, how much will you need to raise, and is it feasible for your church to raise that much money? In this article, we list several options for raising the money you need.

Conventional Lending

If the need is immediate, cash is not available, and you can't wait until the money is raised, consider borrowing through a commercial lender. You will need to develop a financial plan that tells you how much you can afford to borrow. Your bank or lending institution will want to see this plan, and it should include church financial statements and budgets for the past three to five years (with special campaigns or contributions listed separately), along with church history and attendance figures and any special requests or unusual conditions.

Ask important questions of your lender, including the interest rate for fixed and adjustable rate loans, annual percentage rate (APR), special requirements (such as site visits), and fees (such as closing costs, commitment fees, and early payment penalties). It's a good idea to make a chart and compare all of the answers from every lender you approach.

Banks are eager to write loans, but be prepared for your lender to be stringent about terms. Loans to churches and other religious institutions tend to be five-year balloon mortgages based on 20-year amortizations. Monthly payments are based on a 20-year repayment schedule, but the loan has to be repaid by the end of a five-year term or else you will need to refinance.

Many forms of commercial financing can be found on the Internet. A simple Internet search will return several companies that specialize in loans for non-profit organizations such as churches. The benefit of this kind of company is that they understand your needs and are used to dealing with organizations in the same kind of cash-flow situation as



your church. Some charge fees, some don't. Online instructions are generally easy to follow, and you don't commit yourself until you click "submit."

Recognizing that loans are repaid through congregational giving, lenders will consider pledges for future giving as collateral for a loan. It may be a good idea to hold a pledge drive for your purchase before asking for the loan.

Leasing

Leasing companies represent another means of securing immediate needs. Many established companies can help you afford their products by pointing you to a leasing company with whom they do business. Leasing companies can provide computers, office equipment and furniture, and other specialized equipment unique to your needs. The lessor will charge a monthly fee for the items you need. It will also contact the company that supplies those items. Leasing companies work with a number of different furniture and equipment outlets, so you are able to choose from a variety of companies.

At the end of the lease period, you either buy the items outright at a predetermined price, extend your lease, or start all over. Or, if you have bought yourself enough time to fundraise, you can now go out and buy the things yourself.

Lending institutions prefer to work with loans of \$100,000 and more. But for a small organization, even a \$5,000 loan may be needed. Leasing companies are prepared to work with those smaller numbers. The loans are at a fixed rate, with the buy-out price worked out ahead of time. Because leasing companies offer up to 100 percent financing, you can save cash for other purposes. At the same time, it helps preserve a bank line of credit for your church's working capital needs. You will pay off your lease with monthly payments that can be geared to your particular cash flow or budgeting needs.

Fund Raising

Have you heard the story about the treasurer of a congregation who says to his board of trustees, "I found the money we need to finance our project! It's all right here in the church!"

"Wonderful!" the trustees exclaim. "Where is it?"

And the treasurer says, "It's in your pockets!"

Ultimately, our congregations pay for all purchases, whether made with cash or borrowed money. If you've decided to raise money above the normal giving through fundraisers, try to think beyond the usual dinners and bazaars. While those may have a positive history with your congregation, something new will pique the interest of those who might otherwise react with a "ho-hum, here we go again." Also keep in mind that the most successful times to run a fundraising campaign are between September and Thanksgiving, and after Easter.

Consider some of these novel fundraising ideas:

Does your church have a website? Ask the webmaster to create a page for a "registry," similar to a bridal registry. Post a list of the items you wish to purchase, the quantity, and



the cost for each, and keep a running total of how many are ordered. Announce it in your weekly bulletin.

Congregants can then go to the page, click on the item, and pledge money toward the purchase of that item. People can choose to “sponsor” a chair, a signboard, a desk, a prayer book, etc. A group—such as a Sunday school class—can sponsor a more expensive item. An added benefit to this ongoing fundraiser is that people can visit the website often and see what’s left to purchase. And if they see that “only one more chair” is needed, they might be willing to donate the money to buy it. Plus, this is one more way to get parishioners to visit your website.

For an evening event, hold a Goods & Services Auction. Ask local businesses and your congregants to donate items or services that congregants can bid on. These can range from sports or theater tickets to cars, trips, or new items provided by merchants. Surely there are people in your congregation whose businesses would welcome the publicity and tax deduction. You can also create an opportunity for your congregants to share their special talents by auctioning off a hand-knit sweater, home-baked meal, family portrait, or other project done by a member of the congregation. The youth group can be a great source for such an auction. Many church members would be glad to “rent” a healthy teen for a few hours of yard work or other projects around the house.

A new style of giving is being tried at various churches around the country. This is automatic giving by credit card. Although it doesn’t have the same feel-good quality as actually seeing the money in the collection plate, it does have the benefit of allowing parishioners to donate larger sums, which they can then float with their credit card companies until payment is due. Costs to the church are minimal in comparison with what a retail business would pay.

Whether you choose to finance in a conventional manner, through a lease, or fundraisers, be careful to not put yourself in such bondage, financial or otherwise, that you can’t minister to those around you.

Marlene Heller is a freelance writer living in Kendall Park, New Jersey.

Copyright © 2003 by the author or Christianity Today, Inc./ *Your Church* magazine.



Write the pros and cons of each strategy for saving money on your church's purchases.

Conventional Lending

Pros: _____

Cons: _____

Leasing

Pros: _____

Cons: _____

Fund Raising

Pros: _____

Cons: _____



Tips for Getting the Right Loan

Six important steps for your church when it needs to borrow.

by Chuck Clynes

The Conn organ your church bought in 1953 is wheezing. The company that made it went out of business years ago, and repair parts are almost nonexistent. It was a great organ once, but its time is over. The church appoints a committee to decide what to do. The committee reports that a decent replacement will cost at least \$10,000. The church sets up an organ fund.

After six months, the fund has grown to about \$6,000. People are optimistic. It looks like enough money will come in to buy a new organ by the time the old one dies.

Suddenly the church's heating-and-cooling system goes bad. Repairs will cost \$4,500. The only money that can pay the bill is—you guessed it—the organ fund.

A Third Option

So now you wonder, do you keep pushing for the new organ at the expense of freezing at church in the winter and frying in the summer? Or do you worship in comfort and teach the congregation to sing a cappella? Is there another option?

Perhaps. As reluctant as you might be to borrow money to pay for heating-and-cooling repairs, perhaps that's the best way to get the job done without sacrificing your organ fund.

Still, there are cautions. A congregation doesn't want to be foolhardy in the use of easy credit. Whether your church is thinking of financing something major like a construction project, or something minor like repairing a heating-and-cooling system, here are some tips on what you can do to make sure that you're using financing in a God-glorifying way:

1. Take your problem to the Lord. As with any church matter, the first step is to seek God's guidance. A key component of a growing congregation is a willingness to take a risk—but one that's backed by commitments from church leaders and members.

Decisions on how and when a church will borrow money should be measured against God's mission for the congregation and a realistic assessment of the church's commitment to live up to that calling. Any decisions on borrowing money should be made by hearts and minds that are open to the Lord's direction.

2. Decide what lender best suits your needs. Most lenders specialize in certain types of loans. Some will finance nothing but real estate or construction. Some finance only vehicles. Others lend money only for equipment buys or major repairs. Do your research and be sure to contact the right kind of lender.



3. *Get pre-qualified by a lender.* Some sellers offer financing as a convenience to their customers. That money is provided by the seller or by a third-party lender. In either case, a buyer loses an edge in negotiating the final price of goods or services. By choosing a lender who prequalifies you for a loan before you start shopping, you become a kind of cash customer to the seller. The final price rather than a monthly payment then becomes the focus in closing a transaction. It's possible to save your church thousands of dollars by separating financing from sales negotiations.

4. *Review contracts before borrowing.* Most congregations include bankers, accountants, and attorneys, invite such professionals to serve on your finance or stewardship committees to advise you on money matters. And have them review all financial and nonfinancial contracts for conditions or hidden costs that may be costly for the church in the future.

5. *Negotiate contract terms.* Lenders sell money. So just as sellers of products or services are often willing to negotiate price and features, many lenders are also open to discussing interest rates. In addition, some lenders might waive restrictions or terms of a contract if a borrower asks. Just ask for such considerations before—not after—the contract is signed.

6. *Determine a reasonable-payment schedule.* The Lord meets our needs in unexpected ways, but don't count on a miracle to help you make monthly payments on a loan that is too high for you to manage. The loan amount and repayment time determine the monthly payment. A shorter payback time will raise your monthly payment but save you long-term interest fees. Determine how much your church can reasonably pay each month and include that in your budget.

One more note. Some lenders allow an early payoff without penalty if a church receives an endowment or unexpected gift, but such a provision must be negotiated before a loan is secured.

If a congregation addresses the matter of borrowing money in a godly, responsible, and prudent manner, it can serve as an example to its members and community on how best to use credit.

—Chuck Clynes is a field representative for Allegro Acceptance, a company that finances the purchases of keyboard instruments.

Copyright © 1997 Christianity Today International. Originally appeared in YOUR CHURCH.

Don't borrow money without going through the following steps.

- ☐ Pray about your need.
- ☐ Decide what kind of lender you need.
- ☐ Seek "pre-qualified" status from that lender.
- ☐ Carefully review your contract (perhaps consult a professional).
- ☐ Negotiate favorable terms.
- ☐ Determine a reasonable payment schedule.



Paying Less for the Same Items

A savvy church can save money by purchasing what it needs for less.

by the editors of LEADERSHIP

Does a local church qualify for wholesale prices on its many purchases?

Absolutely, says Carl G. Conner, former pastor of First Assembly of God in Toledo, who turned wholesale purchasing into an art form during his years in the ministry. "A church is a corporation, not an individual, and almost every item it buys in quantity can be gotten wholesale," he claims, ticking off such lists as:

- *Paper products:* copy paper, hand towels, toilet tissue, cups, plates
- *Janitorial supplies:* soap, cleaners, wax, deodorizers
- *Foodstuffs:* especially if the church operates a school or day care program
- *Office supplies:* pencils, staples, paper clips

With a little comparison shopping, Conner quickly cut his cost of photocopier paper from \$3.50 a ream (at a retail supply firm) to \$2.63 a ream in lots of 50 reams.

"Not every firm with the word *wholesale* in its name gives wholesale prices," Conner warns. "One company was charging us \$1.47 for a can of industrial cleaner. I called the supplier and said, 'Bob, our costs are too high. We can't afford you anymore.'"

"Right away he admitted that we hadn't really been buying wholesale. The price of a *large* can of cleaner soon came down to \$1.14.

"So I asked for a new price list. Page one of the new list contained 12 items. If we'd purchased one of each (mostly cases) under the old prices, we would have spent \$496.68. The new total turned out to be \$425.06—a 14 1/2 percent drop. All I had to do was ask."

Many retailers can give a church wholesale prices, Conner learned. But if they won't, he advises, head for the Yellow Pages.

Copyright © 1984 Christianity Today International.
Originally appeared in *Fresh Ideas for Administration & Finance*.



Paying Less for the Same Items

In each category, list five items your church regularly uses that it could purchase wholesale.

Office Supplies	Janitorial Supplies	Nursery/Classroom Supplies	Kitchen Supplies/Food
1. _____	1. _____	1. _____	1. _____
2. _____	2. _____	2. _____	2. _____
3. _____	3. _____	3. _____	3. _____
4. _____	4. _____	4. _____	4. _____
5. _____	5. _____	5. _____	5. _____



Further Resources

Books and resources to help you get out of the red.

BuildingChurchLeaders.com. Leadership training resources from Christianity Today International.

- “Budgeting and Spending” Assessment Pack
- “Giving & Finances” Assessment Pack
- “When the Budget Is Tight” Survival Guide
- “How to Teach Stewardship” Survival Guide
- “Finances” Training Theme & PowerPoint
- “Stewardship” Training Theme & PowerPoint

LeadershipJournal.net. This website offers practical advice for church leaders and pastors.

GoodSenseMinistry.com. A ministry that offers training material and other resources to help church leaders develop biblically-based stewardship in their church.

Behind the Stained Glass Windows by John Ronsvalle and Sylvia Ronsvalle. An overview and hands-on guide to teaching and leading stewardship in the local church. (Baker, 1996; ISBN 801090113)

Church Administrative Handbook Bruce Powers, ed. Practical advice for the administrative aspect of church ministry, includes a section specifically on financial procedures. (B&H Publishing Group, 1997; ISBN 0805410619)

Crisis in the Churches by Robert Wuthnow. Studies the relationship between financial and spiritual trouble in the church, and offers a constructive method for churches to build up their congregations' giving and involvement. (Oxford University Press, 1997; ISBN 019511020X)

The Debt-Free Church by Jeff Burg and Jim Burgess. An explanation of why churches should strive to be debt free, as well as strategies for getting there. (Moody Publishers, 1996; ISBN 0802422861)

Plain Talk About Money and Churches by Dean Hoge, Patrick McNamara, and Charles Zech. A book to help church leaders understand and engage their congregations on the topic of money. (The Alban Institute, 1997; ISBN 1566991854)