

Virtual Roundtable: Managing Church Finance



With Tim Wyatt

A quick introduction
about me ...

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Aim of the session

“To help build confidence in managing and navigating your Church’s finances”

Building Confidence!

1. Navigating budget setting
2. Communicating financial information to non financial people
3. Grasping fund accounting essentials

1) Navigating budget setting

1. Build Your Budget
2. Know your principles
3. Seeing the bigger picture

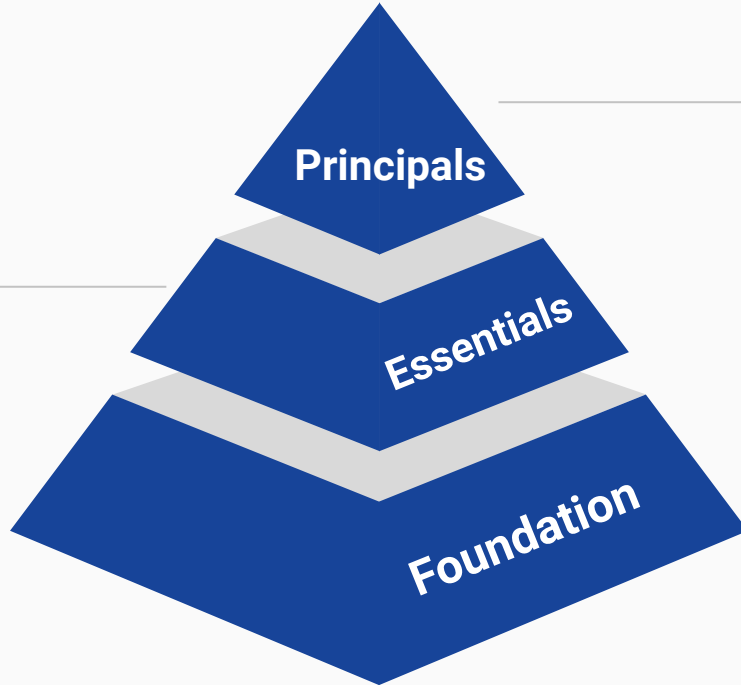
1) Navigating budget setting

1. How to build a budget?

Add on known essentials.

What has to go in!

- Donation changes
- Cost of living
- NI employment changes
- Things you cannot control



Add on: what are you aiming for?

Where finance meets operations and where finance meets faith

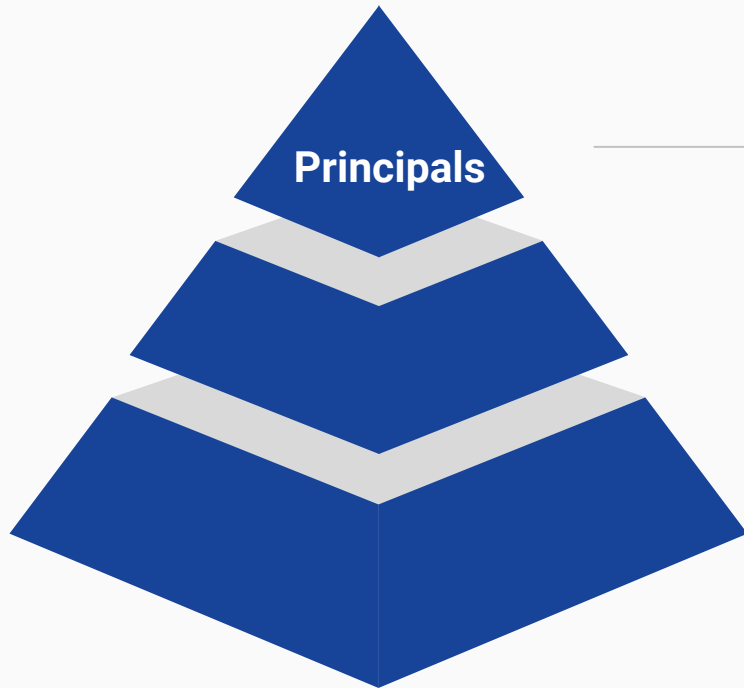
What is your churches big picture?

Start with what you the facts!

- Last years actuals
- Opening fund balances

1) Navigating budget setting

2. Know your principles



- Prudent Budget
- Realistic Budget
- Aspirational Budget
- Responsibility budgeting

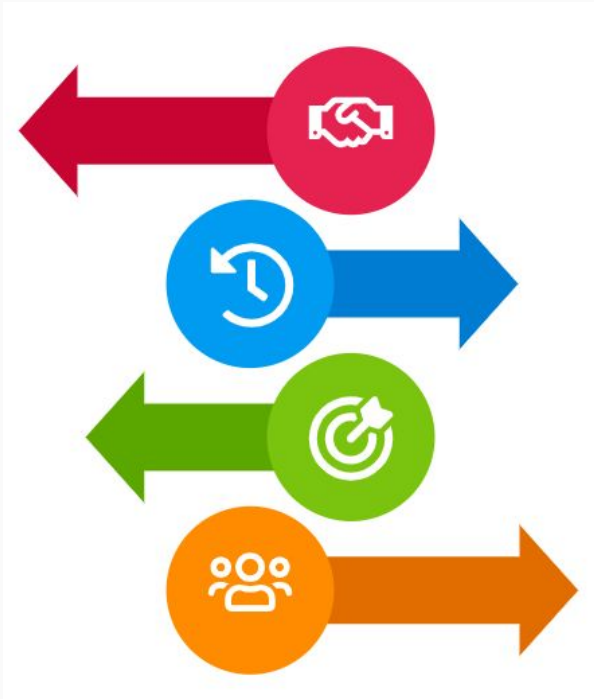
1) Navigating budget setting

3. Step back and look at the bigger picture



1) Navigating budget setting

3. Step back and look at the bigger picture



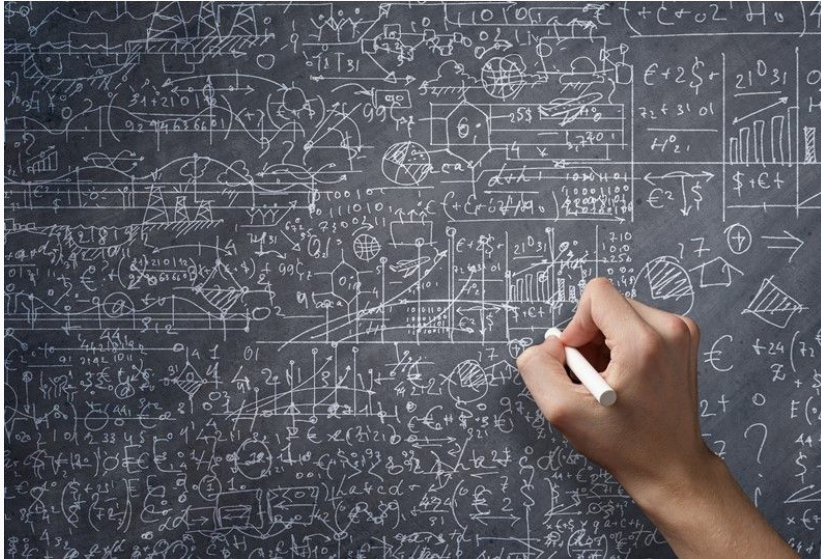
“It is important that we have both the right hand hook of aspirational faith filled financial management and the left hand defence of good financial stewardship”

2) Communicating financial information to non financial people

1. Tell the story
2. Take people on a journey
3. Story headlines

2) Communicating financial information to non financial people

1. Tell the story



Vs



2) Communicating financial information to non financial people

Example

Income	£	
Donations	100,000	
Grants	30,000	
Gift Aid	15,000	
Total	145,000	
Expenditure		
Staff costs	80,000	
Building maintenance	40,000	
Ministry costs	40,000	
Total	160,000	
Deficit	-15,000	

2) Communicating financial information to non financial people

2. Take people on a journey



2) Communicating financial information to non financial people

CHALLENGE



3) Grasping fund accounting essentials

The Principal of fund accounting:

- Applies to **ALL** charities!
- Is all about managing pots of money/funding
- If not done well, it can get confusing and become very complex

How a typical business works!

**Income
In**

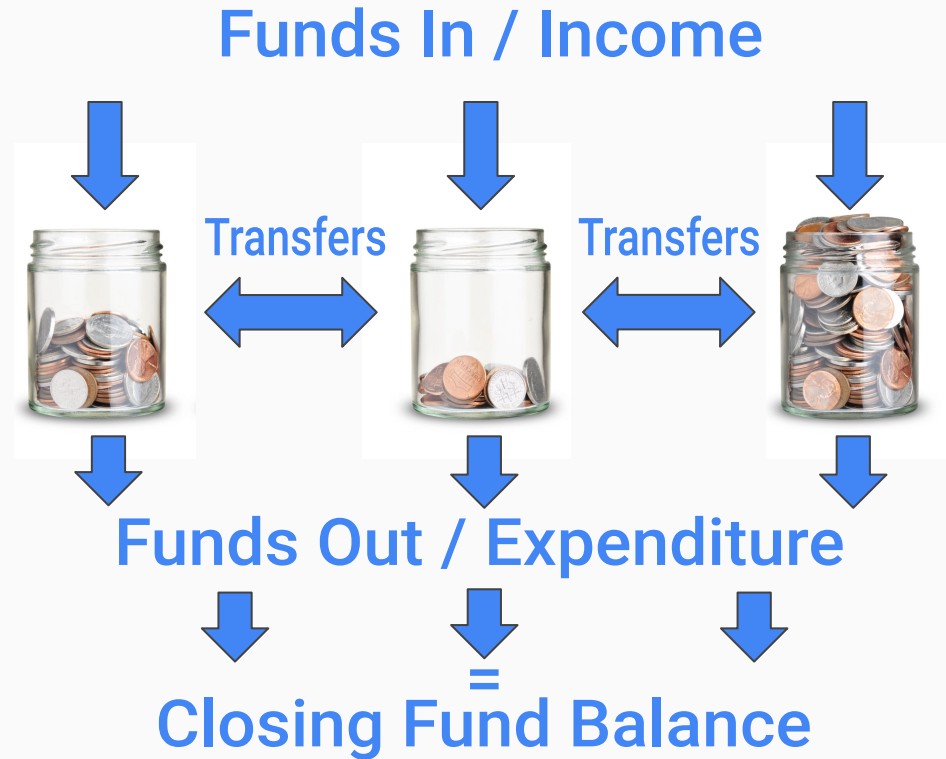
**Expenditure
Out**



3) Getting to Grips with: Fund Accounting

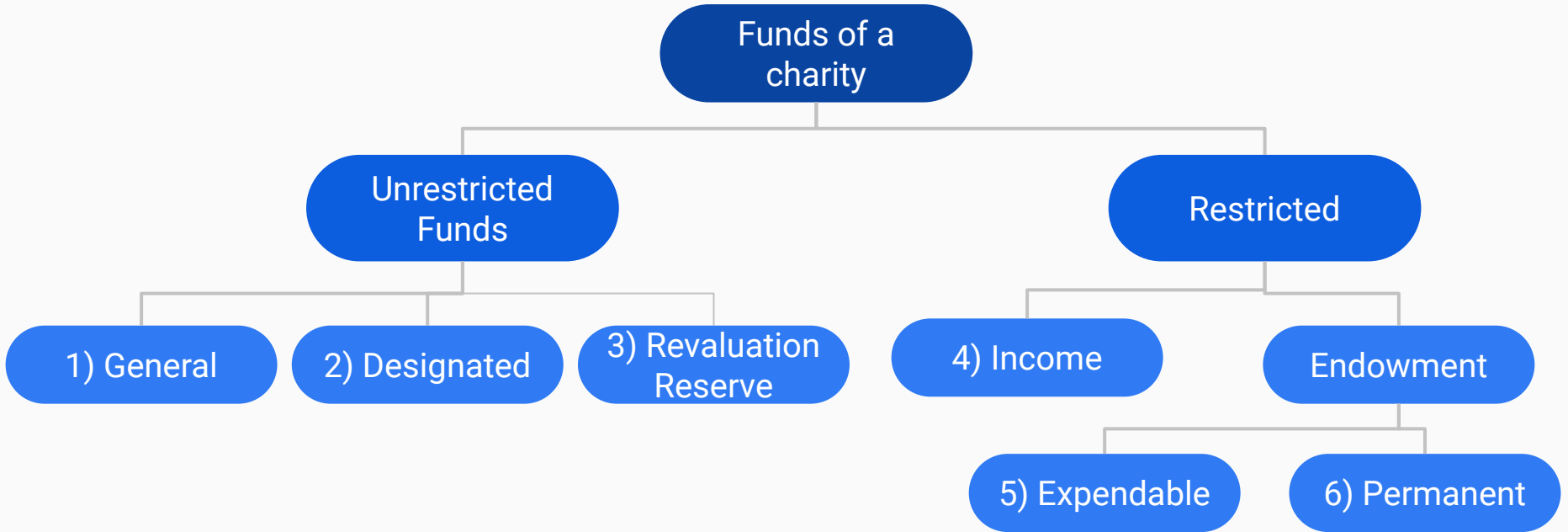
How charities work:

- Multiple pots of funding, some charities have MANY!
- Each pot of funding has different rules and purposes
- This can be complex
- Expense Plus has many tools to help you do this!



3) Getting to Grips with: Fund Accounting

Different Types Of Fund:



3) Getting to Grips with: Fund Accounting

Fund Type	Key Word
Unrestricted: General	“Anything” - within charitable objects
Unrestricted: Designated	“Earmarked” by trustee’s or management
Unrestricted: Revaluation Reserve	“Mirrors” the assets which has been revalued
Restricted: Income	“Legally” restricted by the donor
Restricted: Endowment Fund	“Investment” specifically held to generate income for the charity

3) Getting to Grips with: Fund Accounting



- Use good systems to help you do fund accounting well!
- When setting up a new fund double check you are happy with the fund type.
- If in doubt about the fund type, ask!
- Review your fund balances regularly
- Think if it is better to reallocate costs instead of making a fund transfer

Breakout Room Discussion Questions

- What challenges are you experiencing / have you experienced in setting your Church's budget during uncertain times?
- Do you have any thoughts on how we navigate budget setting that is both faith filled and built on good stewardship during uncertain times?
- What have been your experiences of communicating financial information to non financial people?
- Do you have any thoughts on how we can improve our financial storytelling in our Churches?