

Financial Health Assessment Session Event

As you prepare for your search for new leadership you will have to demonstrate to the Committee on Ministry that your congregation has the financial capacity to call a pastor. *Also, this is an opportune time to do a financial health assessment to gain some insight on your future financial capacity and sustainability.*

Collect the following information

- Year-end financial reports for the last two completed years
- Year to date financial report

Answer the following questions before the event

Income

- What percent of the operating Income comes from current giving/pledges?
- What percentage of the operating income comes from building rentals? This could include one time use or leases on the church building or other property such as the manse.
- What percentage of the operating income comes from endowment income or investment income?
- What percentage of the operating income comes from principle of investments?
- What are other sources of income?

Expenses

- What percentage of operating budget is for Staff/Personnel budget?
- What percentage of the operating budget is for debt service?
- What percentage of the operating budget is for building related costs (excluding mortgages and loans)?
- What percentage of the operating budget is dedicated to mission and projects that primarily benefit non-members or the local community. Do not include Per capita or Presbytery Mission giving.
- What percent of your Per Capita was paid to the presbytery last financial year?

Other Information needed for the Financial Health Assessment Event

- Present Endowment Program information
- Planned Giving/Bequest program information
- Stewardship Team/Stewardship Program Information
- Online Giving Information including any recent reports on use of online giving
- Capital Campaign information if applicable
- Complete the Financial Strength Assessment Form

Updated 2022

Reflecting on the Church's Financial Health

Responses should be captured on large paper or computer white board and collated. This should take 30 to 45 minutes.

Following a conversation, a report should be completed and incorporated into the final Report.

Provide the session members with the information listed above. A brief presentation on the information might be very helpful. Also if possible provide the information ahead of time so session members can familiarize themselves with it.

The Road to Financial Health

Endowments and Major Gifts – What is our Endowment Program? What are some action steps to start a program or to improve it?

Resources for Endowment Programs

Planned Giving Navigator
Endow Your Pledge Program Guide for Pastors
Endow Your Pledge Program Guide for Donors

Financial Leadership – Who is our team for stewardship? What resources do they need? What is our Stewardship program? Do we need to “up our game”?

Resources for Stewardship Leadership and Stewardship Program

Stewardship Manual
Stewardship Navigator
Stewardship Kaleidoscope

Participation and Online Giving – How do we provide opportunities for giving? Do we take into consideration generational differences in giving? How can we encourage online giving?

Resources for Online Giving

Presbyterian Foundation Online Giving Program
Online Giving FAQ

Source of Funds – What are our sources of funds? What do we need to do to ensure a mix of funding sources?

Resources

Financial Leadership Academy
New Covenant Trust

Planning – What is our stewardship plan? What steps do we need to take to improve our stewardship plan? How do we educate all generations about stewardship?

Resources

Annual Stewardship and Generosity

Preaching and Communication – How are we communicating stewardship? What are some steps to improve our communication?

Resources

Preaching Stewardship
Stewardship Navigator

Capital Campaigns – How are funding capital improvements? What conversations do we need to have about capital needs and financial resources?

Resources

Capital Campaigns
Presbyterian and Investment Loan Program (PILP)

Deficits and Debts -Do we have balance in our debt repayment and our ministry needs?

Resources

Capital Campaigns
Presbyterian and Investment Loan Program

Bequests and Planned Giving – Are we prepared for receiving Bequests?
What is our planned giving program?

Resources

Planned Giving resources

Planned Giving Navigator

Wills and Legacy Giving

Long Term Financial Sustainability Plan –What is our long-term financial plan? What steps can we take to move toward a long-term financial health that isn't totally dependent on one source of income? Where do we want to be financially three years, five years, ten years?

NEXT STEPS

What are our first steps on the Road to Financial Health?

What are some action steps that need to be taken immediately or in the future?



Example of Financial Health Assessment Action Steps Report

On the fourth Monday in April, the Session of the Happy Church in the Village engaged in the Financial Assessment Event. The session had a conversation about each section and brainstormed ideas and set down some next steps to becoming a financially healthier congregation.

EXAMPLE REPORT **The Road to Financial Health**

Endowments and Major Gifts – What is our Endowment Program? What are some action steps to start a program or to improve it?

Most people didn't even know we had an Endowment Program. Most noticed the brochures gathering dust in the Narthex. Joe remembered we did do Major gifts program two pastors ago.

Action steps: Bob and Wilma will review the Foundation information about Endowment Program and report to the session in two months.

Action Step: The finance team will put together an historical view of our Endowment program for the same session meeting in two months.

Financial Leadership – Who is our team for stewardship? What resources do they need?

Desmond and Jane are doing a great job of year-round stewardship and have plans already for the next campaign. Session members feel good about what happened last year and give thumbs up to Desmond and Jane and their team.

No action steps are needed at this time.

Participation and Online Giving – How do we provide opportunities for giving? Do we take in consideration generational differences in giving? How can we encourage online giving?

We don't have online giving. We know other churches are doing it but most of us don't see the point. Even with the Pandemic we couldn't quite get this up and running.

Action step: Keith will work with the bookkeeper to get an online option on

our webpage. This will be done before the next session meeting.

Source of Funds – What are our sources of funds? What do we need to do to ensure a mix of funding sources?

We don't really have any idea what to do. Most of our income comes from the stewardship pledges. We make up the difference with the Endowment fund. Not sure what to do.

Action step: Keith is going to contact the presbytery office for some resourcing on this.

Planning – What is our stewardship plan? What steps do we need to take to improve our stewardship plan? How do we educate all generations about stewardship?

Again, good job to Desmond and Jane. We have a very comprehensive stewardship plan.

Preaching and Communication – How are we communicating stewardship? What are some steps to improve our communication?

We need to have more info in the newsletter. Most everyone only sort of remembers the communication stuff.

Action plan: Bob is going to review the information on the Foundation page and report next session meeting.

Action Plan: Desmond and Jane will have a weekly stewardship note in the bulletin and on social media.

Capital Campaigns – How are we funding capital improvements? What conversations do we need to have about capital needs and financial resources?

We do have some capital improvements needed.

Action Plan: Joan is going to contact the neighbor PCUSA church who just did some capital improvements. She also is going to look over the resources on the Foundation page.

Deficits and Debts -Do we have balance on our debt repayment and our ministry needs?

We don't have debt.

Bequests and Planned Giving – Are we prepared for receiving Bequests? What is our planned giving program?

This got a lot of discussion from the session members.

Action plan: Set a planned giving program to being in one year. Invite the Presbytery Foundation Ministry Relations officer here this year to talk to us about how to do this properly. The Pastor will follow up on this. The finance team will look at the Planned Giving Navigator.

Long Term Financial Sustainability Plan –What is our long-term financial plan? What steps can we take to move toward a long-term financial health?

We will revisit this after we have worked on other areas. We should ask the Presbytery to provide a workshop on this.

Overall

We have some work to do. For our financial long-range health, we do need to take some significant steps. Short term health is stable and somewhat healthy.



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