



Investigating your Balance Sheet

Financial Foundations – 2022 First Quarter



Assets = Liabilities ≠ Equity

Assets:
 Checking
 Investments
 Property

Liabilities:
 Accounts Payable
 Mortgage

Equity:

Investment in Fixed Asset

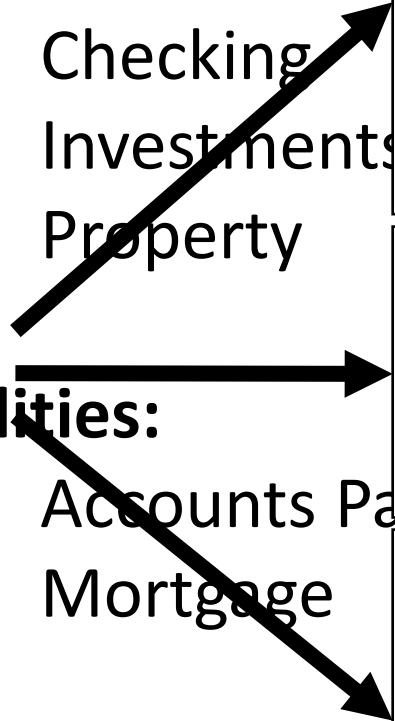
Property	500,000
Mortgage	-300,000
Balance	=200,000

Scholarship Fund

Investments	25,000
Balance	=25,000

Unrestricted

Checking	10,000
Accounts Payable	-1,000
Balance	=9,000



Looking with Fresh Eyes

Is anything missing?

Are there old items to let go of?

What assets are restricted?

What are those restrictions?

- Who has authority to spend it?
- What can it be spent on?
- How much can be spent?



Permanent



Project



Program



Reserves



Unrestricted

Permanent Funds

What is it?

- Only “earnings” are used and not the principal
- Usually established by Donor
- Examples include Scholarship Funds and Endowments

So what?

- Invest to maximize “earnings”
- Document restrictions

Project Funds

What is it?

- Money raised for a specific purpose
- Expiration date
- Usually initiated by leadership
- Examples include raising money for Debt Retirement, Parking Lot, Mission Trip

So what?

- Invest according to timeline
 - >5 Years – Growth
 - 3-5 Years – Balanced
 - <3 Years – Principal Protection
- Document restrictions
- Leftovers?

Program Funds

What is it?

- Tied to specific ministry or program
- Likely approved by leadership
- Usually not significant
- Examples include Youth Fund, Memorials, UMM or UMW, Christian Ed Fund

So what?

- Kept in Checking or Savings
- Tracking balance is key
- Document who has spending authority

Reserves

What is it?

- Extra money set aside to protect church
- Designated by leadership
- Examples include Trustees Fund, Emergency Fund

So what?

- Usually invested in balanced fund
- Determine target
- What to do if underfunded
- What to do if overfunded

Unrestricted Funds

What is it?

- General Fund or Operating Fund
- Used to pay regular bills
- Includes what is needed for Cash Flow purposes

So what?

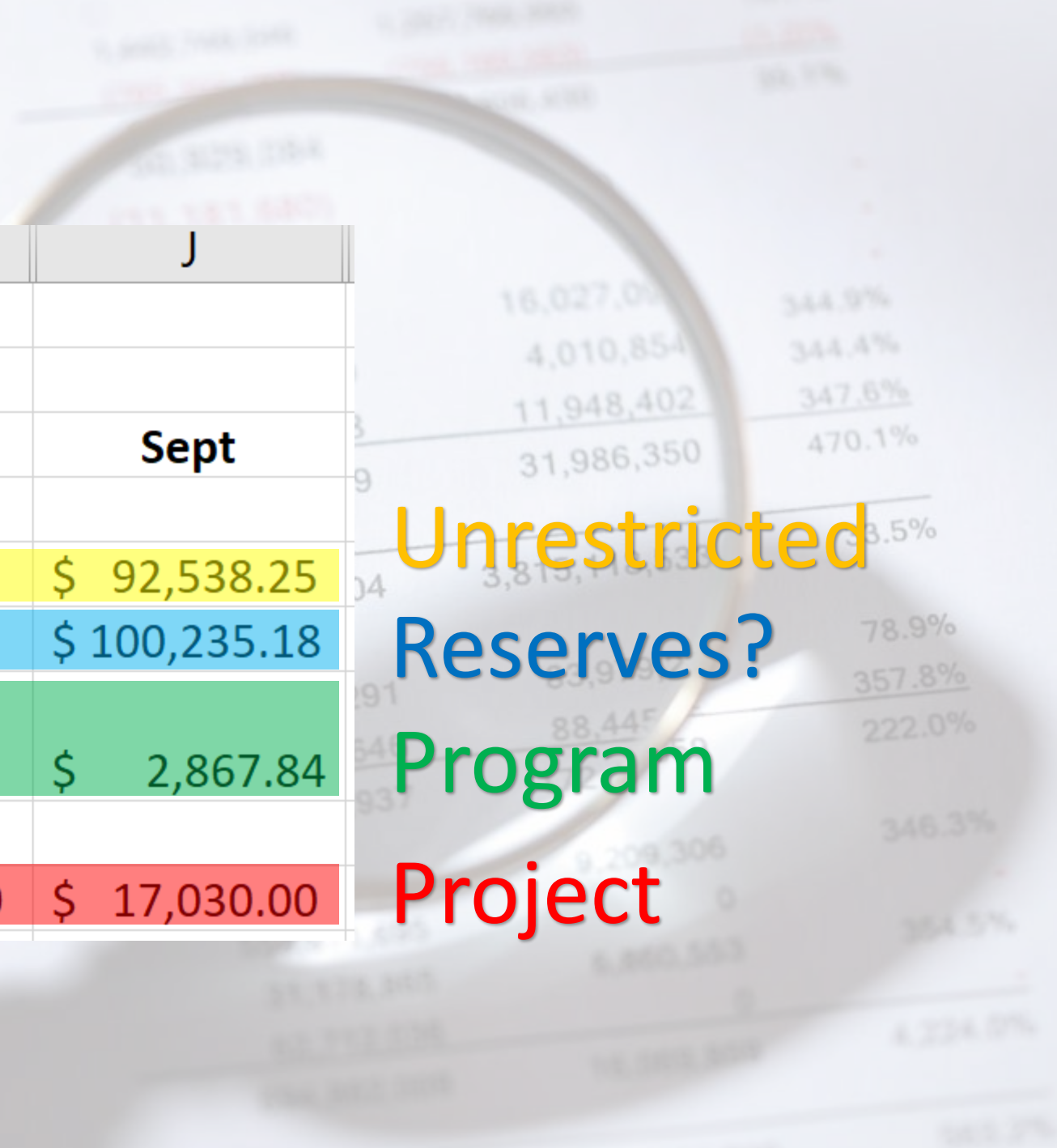
- Kept in checking
- Excess for Cash Flow may be put into savings or money market

Real Examples



	A	J
1	Finance Report 2021	
2		
3		Sept
63		
64	Checking Account Balance	\$ 92,538.25
65	Savings Account Balance	\$ 100,235.18
66	Memorial Savings Account Balance	\$ 2,867.84
67		
68	Roof/Siding Bal - cf \$12,530.00	\$ 17,030.00

Unrestricted Reserves? Program Project



	Dec 31, 20
First National Checking	
* General Fund - FN	(30,407.55)
* Emergency Fund - FN	35,000.00
* Program Ministry Fund - FN	71,711.98
Capital Improvement Fund - FN	69,256.71
Conference Missions - FN	5,903.25
Memorial Fund - FN	5,438.19
Mission Fund - FN	9,738.53
Property Maintenance - FN	30,375.62
Spiritual Growth/Education - FN	4,289.67
Stephen Ministry Fund - FN	2,118.23
Children's Ministry Fund - FN	2,370.81
Turkey Supper Fund - FN	0.00
Youth Fund - FN	
Youth Acct - Available funds	22,531.10
Disbursable Turkey supper funds	2,029.29
Youth Missions	922.78
Youth trip	200.00
HyVee/Fareway replenish acct	3,880.50
Total Youth Fund - FN	29,563.67
Total First National Checking	235,359.11

Youth Checking - First National	20.18
Total Checking/Savings	235,379.29
Other Current Assets	
Scrip cards	
Fareway Cards	975.00
Hy Vee Cards	1,650.00
Total Scrip cards	2,625.00
CD's	
3 month Central Bank 8/24/20	85,225.19
Total CD's	85,225.19

Reserves Project Program Unrestricted

Plains Commerce Checking Account	30,960.06
Growth Fund- 3% Reserve Acct	39,395.14
UMC Endowment Account	8,040.56
Growth Fund-Youth Ministries	14,232.33
Growth Fund - Roof Replacement	47,000.00
Plains Com. Trustees & Special Project Account	18,536.03
Parsonage	195,000.00
	\$353,164.12

Accounts Payable/Vendors	0.36
Parsonage Mortgage Balance	122,809.24
941 Taxes Payable	2,562.36

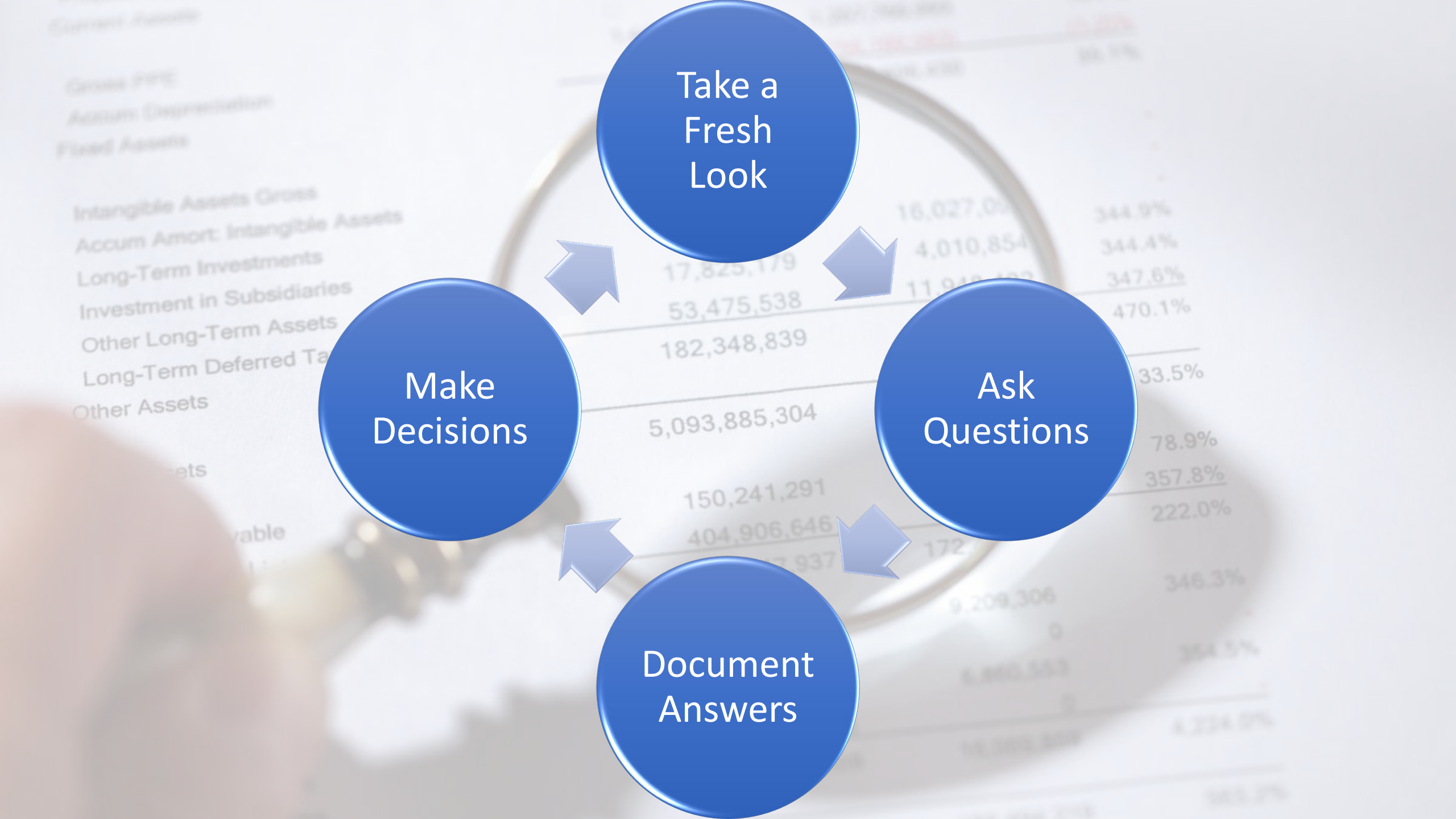
Permanent
Project
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Take a
Fresh
Look

Ask
Questions

Document
Answers

Make
Decisions





Dakotas Conference

The United Methodist Church



Grow. Reach. Heal.



Dakotas | Minnesota

METHODIST FOUNDATIONS

www.dakotasumc.org

www.dakotasumf.org

www.mnumf.org