



LET'S TALK MONEY

Stewardship and Generosity Presentation
with Jim Ducker and Sheri Meister

Dakotas | Minnesota
**METHODIST
FOUNDATIONS**

Our Team



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For the Love of God everywhere

Welcome

- **Purpose of the Series:** This four-part journey is about equipping churches to talk openly about money, generosity, and mission in ways that are spiritually grounded and practically sustainable.
- **Today's Focus:** To build a healthy, thriving church, stewardship of resources entrusted to your church is essential. This session includes the 'nuts and bolts' policies, procedures, and other considerations to ensure effective stewardship of your resources.



Agenda – Stewardship ‘Nuts and Bolts’

- Topic #1 – Why Stewardship?
- Topic #2 – Narrative Budget
- Topic #3 – Roles and Responsibilities
- Topic #4 – Church Insurance
- Topic #5 – Internal Controls
- Topic #6 – Undesignated, Designated, & Restricted Assets
- Topic #7 – Gift Acceptance Policy
- Topic #8 – Resources Available

“Each of you should use whatever gift you have received to serve others, as faithful stewards of God’s grace in its various forms.”



Why Stewardship?

- Stewardship is the responsible management of God’s gifts—time, talent, and treasure—to serve God’s mission through the church.
- God owns everything – We are caretakers, not owners.
- Stewardship reflects discipleship.
 - Holistic responsibility
 - Expression of faith
 - Integration with spiritual life
 - Service to others
- Stewardship is gratitude in action.



“The earth is the Lord’s, and everything in it...”

- Psalm 24:1 (NIV)

Narrative Budget

What is a church narrative budget?

- A narrative budget tells the story of how our church's financial gifts support our mission and ministries. It moves beyond numbers to show how each dollar given makes an impact—transforming lives, deepening faith, and sharing God's love in our community and beyond.
- Links vision, values and ministry with financial priorities, i.e., the 'why'.
- Encourages members to discuss the needs of the ministry more deeply, tell others about the work of the congregation, and see their own stewardship as an expression of faith.



It's not the numbers, but the stories that inspire us to give generously!

Narrative Budget (Step by Step)

- 1. Pray and Clarify the Purpose** – Begin with prayer and discernment. Ask: “What story of ministry is God calling us to tell?” What is your ‘Why’?
- 2. Gather the Financial Data** – Start with your existing line-item budget. Include salaries, program expenses, facilities, and apportionments.
- 3. Identify Ministry Areas** – Group expenses into broad ministry categories that reflect your mission (see examples below) and answer these questions: 1) Who is served or impacted by this ministry? 2) What difference does it make in people's lives? 3) How does this reflect the mission of Christ?
 - Worship
 - Faith Formation / Discipleship
 - Missions & Outreach
 - Congregational Care
 - Operations / Support Ministries
- 4. Allocate Expenses Across Ministry Areas** – Estimate how much of each staff member’s time supports each ministry area. Example: Pastor — 40% Worship, 30% Faith Formation/Discipleship, 20% Congregational Care, 10% Mission & Outreach.



Narrative Budget (Step by Step)

5. **Translate Dollars into Ministry Stories** – Replace line items with stories.
6. **Create Visuals** – Use visuals to tell your story: pie charts, infographics, and slides. Show how offerings support each ministry area rather than listing expenses. People gravitate to pictures!
7. **Review and Refine with Leaders** – Share drafts with the Trustees, Finance Committee, and Church Council teams. Ensure accuracy and that the tone reflects your mission and values.
8. **Share the Narrative Budget Widely** – Present in worship, newsletters, and online. Invite members to see giving as participation in God’s work, not just paying the bills.
9. **Celebrate and Revisit Annually** – Share ministry impact updates throughout the year. Celebrate stories of transformation and use feedback to improve each year’s narrative.


“Commit to the Lord whatever you do, and He will establish your plans.”

- Proverbs 16:3 (NIV)



Narrative Budget (Examples)

- **Worship & Music** – Our worship services bring the congregation together in praise and prayer. Gifts in this area support musicians, technology, and creative arts that deepen our connection with God.
- **Mission & Outreach** – Through mission giving, we extend God’s love beyond our walls—feeding the hungry, supporting schools, and joining hands in local and global outreach.
- **Education & Discipleship** – From Sunday School to Bible study groups, this ministry helps us grow in faith at every age and stage of life.
- **Congregational Care** – Visitation teams, prayer chains, and meal ministries express Christ’s compassion to those who are ill, grieving, or in need.
- **Administration & Facilities** – Every light turned on, and every chair set out supports the ministry work of the church. These behind-the-scenes costs make visible ministry possible, e.g., 'Administry'.
- **Closing Reflection** – Every dollar given tells a story of God’s grace at work among us. Through faithful stewardship, we join together in the ministry of Christ—transforming lives, strengthening faith, and sharing love in the world.

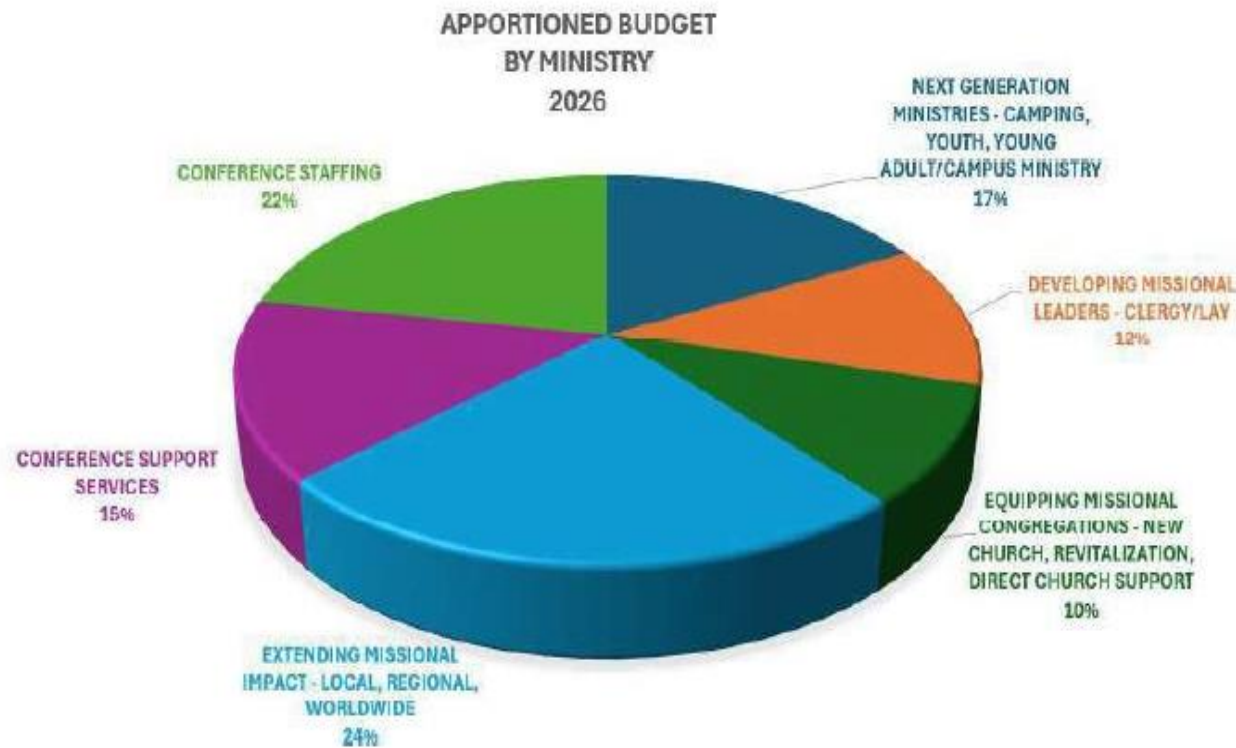


“Each of you should give what you have decided in your heart to give, not reluctantly or under compulsion, for God loves a cheerful give”.

- 2 Corinthians 9:7 (NIV)

Narrative Budget (Examples)

Although the Apportioned Budget Summary table is informative, it only illustrates the budget on a line-item basis and does not fully tell the story of what your apportioned dollars support. The pie chart below better illustrates what programs and ministries your apportioned dollars support from a functional perspective. Key points that are illustrated in the Apportioned Budget By Ministry pie chart include the following:



Roles and Responsibilities (Finance Committee)

Roles and Responsibilities (Book of Discipline ¶258.4):

- Establish written financial policies to document the internal controls of the local church. These shall be reviewed for adequacy and effectiveness annually and submitted as a report to the charge conference.
- The committee shall make provision for an annual audit of the financial statements of the local church and all its organization and accounts. The committee shall make a full and complete report to the annual charge conference.
- Shall recommend to the church council proper depositories for the church's funds. Funds shall be deposited promptly in the name of the local church.
- Shall designate at least two persons not of the immediate family residing in the same household to count the offering and work under financial secretary.
- Prepare annually a report to the Church Council of all designated and restricted funds that are separate from the current expense budget.

*Note: After the budget of the local church has been approved, additional appropriations or changes in the budget must be approved by the **church council**.*



Roles and Responsibilities (Finance Committee)

Roles and Responsibilities (Book of Discipline ¶258.4):

- Finds creative ways to turn their congregations into tithing congregations with an attitude of generosity.
- Directs the financial secretary and treasurer and administers funds received.
- Gives stewardship of financial resources their priority throughout the year.
- Responsible for developing and implementing plans that will raise sufficient income to meet the budget adopted by the church council.
- Receives all budget financial requests.
- Compiles the annual budget for the local church and submit to the church council for review and adoption.

“Now it is required that those who have been given a trust must prove faithful.”

- 1 Corinthians 4:2 (NIV)



Roles and Responsibilities (Treasurer)

Roles and Responsibilities (Book of Discipline ¶258.4):

- Disburse all money contributed to causes represented in the local church budget. Essentially, the role of Treasurer is primarily on the 'Expense Side' of church finance.
- Shall make regular and detailed reports on funds received and expended to the Finance Committee and Church Council.
- Treasurer shall be adequately bonded. It's about the position, not the person.
- This leader works with finances according to the guidelines established by the committee on finance for total fiduciary responsibility.
- Remit each month to the Conference Treasurer all World Service (i.e., part of apportionments) and Conference benevolence funds collected.
- Works with the financial secretary to maintain records of all funds received.
- This leader is accountable to the charge conference through the church council.



“Whoever can be trusted with very little can also be trusted with much...”

- Luke 16:10-11 (NIV)

Roles and Responsibilities (Financial Secretary)

Roles and Responsibilities (Book of Discipline ¶258.4):

- Oversee the offering counters.
- Shall keep records of all contributions and payments.
- Along with the pastor, shall have access to and responsibility for professional stewardship of congregational giving records.
- Essentially, the role of Financial Secretary is on the ‘Income Side’ of church finance.

“Honor the Lord with your wealth, with the first fruits of all your crops; then your barns will be filled to overflowing...”

- Proverbs 3:9-10 (NIV)



Roles and Responsibilities (Board of Trustees)

Roles and Responsibilities (Book of Discipline ¶2533):

- Supervision, oversight, and care of all real property owned by the local church and of all property and equipment acquired directly by the local church or by any society, board, etc.
- The board of trustees shall annually compare the existence and adequacy of the church's insurance coverages to an insurance schedule annually published by the General Council on Finance and Administration.
- When a pastor and/or a board of trustees are asked to grant permission to an outside organization to use church facilities, permission can be granted only when such use is consistent with the Social Principles (¶¶ 160-164) and ecumenical objectives.
- The chairperson of the board of trustees or parsonage committee, if one exists, the chairperson of the committee on pastor-parish relations, and the pastor shall make an annual review of the church-owned parsonage to ensure proper maintenance.



Roles and Responsibilities (Board of Trustees)

Roles and Responsibilities (Book of Discipline ¶2533):

- The board of trustees shall receive and administer all bequests made to the local church; shall receive and administer all trusts; and shall invest all trust funds of the local church in conformity with laws of the country, state, or like political unit in which the local church is located. *Note: The Charge Conference may delegate these duties to a permanent endowment committee or to a local church foundation.*
- The board of trustees shall conduct or cause to be conducted an annual accessibility audit of their buildings, grounds, and facilities to discover and identify what physical, architectural, and communication barriers exist that impede the full participation of people with disabilities and shall make plans and determine priorities for the elimination of all such barriers.
- Annually the board of trustees shall, in consultation with the pastor and the local church historian (if there is one), evaluate the adequacy of the facilities that house the church's permanent records, archival materials, and historical objects.
- Annual report to Charge Conference (Book of Discipline ¶2550).



Church Insurance

- Why? The Book of Discipline requires local church trustees to annually review and report on the adequacy of local church property and liability insurance coverage ‘To ensure that the church, its properties, and its personnel are properly protected against risks’.
- Guidelines for church insurance at www.GCFA.org>Forms and Assets>Local Church Forms Property
 - Property
 - Liability
 - Directors and Officers/Employment Practices Liability
 - Umbrella Excess Liability – Suggested but not required for churches under 500 members.
 - Workers Compensation/Employers Liability Insurance – Not required in ND or SD (recommend coverage for church employees).
 - Commercial Automobile Liability



“The prudent see danger and take refuge, but the simple keep going and pay the penalty”
- Proverbs 22:3 (NIV)

Internal Controls (Definition)

Internal controls are the policies, procedures, and mechanisms that an organization implements to safeguard assets, ensure the accuracy and reliability of financial reporting, promote operational efficiency, and ensure compliance with laws and regulations.

Simply put, they are the systems of **checks and balances** put in place to prevent fraud, detect errors, and provide reasonable assurance that an organization's objectives will be achieved.

“We want to avoid any criticism of the way we administer this liberal gift. For we are taking pains to do what is right, not only in the eyes of the Lord, but also in the eyes of man”.

- 2 Corinthians 8: 20-21 (NIV)

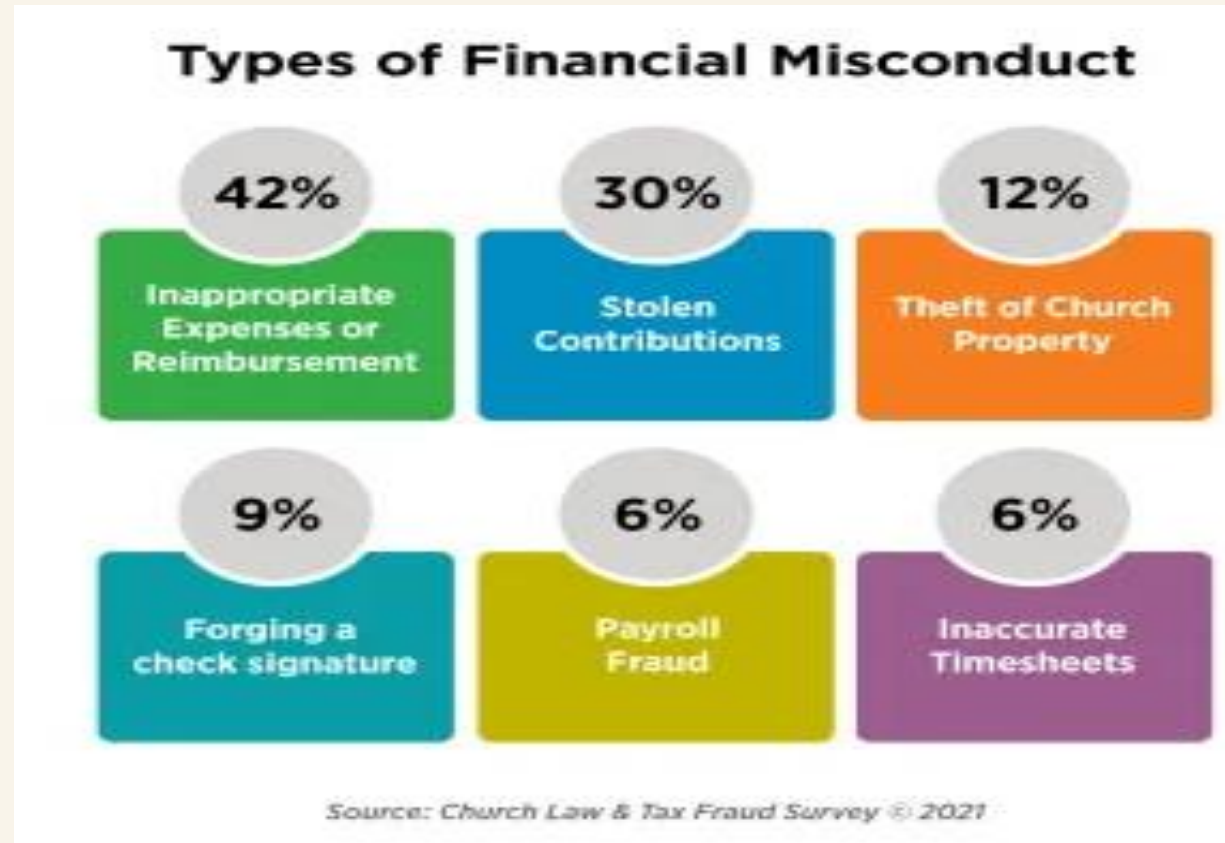


Internal Controls (Why?)

- The Finance Committee shall establish written financial policies to document the internal controls of the local church... (Book of Discipline ¶258.4(c))
- Strong internal controls do not suggest a lack of trust of volunteers and church employees; they serve to shield employees and volunteers from false accusations as well as temptation, and they protect and honor the gift of donors.
- Church leaders have a special fiduciary obligation to make sure that all church assets are protected and used properly.



Internal Controls (Why?)




<https://www.churchlawandtax.com/manage-finances/internal-controls/every-church-is-at-risk-for-fraud-heres-why/>



Internal Controls (Key Goals)

- **Safeguarding assets** – Internal controls protect a company's physical and intangible assets, such as cash, inventory, intellectual property, and reputation.
- **Accurate financial reporting** – They ensure that financial records are accurate, reliable, and timely, which is crucial for decision-making and for meeting legal and regulatory requirements.
- **Operational efficiency** – Controls help streamline processes, improve the efficiency of operations, and ensure that operations are conducted in a secure and systematic manner.
- **Legal and Regulatory Compliance** – They help an organization adhere to all applicable laws, regulations, and internal policies.
- **Fraud and Error Prevention** – By establishing a structured framework and clear procedures, internal controls help prevent and detect fraud, waste, and other irregularities.



“The Lord detests dishonest scales, but accurate weights find favor with him”.

- Proverbs 11: 1 (NIV)

Internal Controls (Key Examples)

- **Segregation of Duties** – Splitting tasks among different people so no single individual has control over an entire transaction.
- **Authorization/Approval of Transactions** – Requiring approval for certain activities to ensure they are valid and legitimate.
- **Policies and Procedures** – Documented accounting/financial procedures. Provides clear direction to management and staff.
- **Bank Reconciliations** – Regularly comparing the company's bank statement with its own accounting records to identify discrepancies.
- **Information Technology/Passwords/MFA** – Restricting access to accounting and other software.
- **Supervision** – The overseeing of all operations, policies, and procedures.
- **Physical Security** – Limiting access to physical assets like cash, inventory, and equipment.
- **Financial Reporting and Reviews (e.g., Annual Audits)** – More on this later.

“The Lord detests dishonest scales, but accurate weights find favor with him”.

- Proverbs 11: 1 (NIV)



Internal Controls (Segregation of Duties)

Segregation of duties is a must! Segregation of Duties may be the most critical control! It helps to achieve all five goals of good internal control. No one should be responsible for more than one related function:

- Custody of assets (e.g., checkbook, credit/debit card).
- Authorization to purchase/pay (e.g., approving invoices).
- Recording of transactions in accounting system (e.g., QuickBooks).
- Review bank reconciliations (e.g., comparing bank statements to accounting system).

Here are a few tips to effectively segregate duties (Book of Discipline ¶258.4):

- The Counting Team cannot be related to or part of a household with each other, the Treasurer, or the Financial Secretary
- The Treasurer and Financial Secretary must also not be related to the same household.
- Those who approve invoices ought to be persons designated by the Finance Committee, and invoices should not come from the Treasurer or Financial Secretary.
- Bank reconciliations should be prepared by the Financial Secretary and reviewed by the Treasurer. A third party designated by the Finance Committee ought to review them quarterly.

“Two are better than one, because they have a good return for their labor: If either of them falls down, one can help the other up.”

- Ecclesiastes 4:9-10 (NIV)



Internal Controls (Key Areas)

What are the key financial areas of internal control?

- #1 – Collection/Cash Receipts
- #2 – Accounts Payable/Disbursements
- #3 – Account Reconciliations
- #4 – Financial Reporting and Reviews

Let's explore each of these areas....

“The Lord detests dishonest scales, but accurate weights find favor with him”.

- Proverbs 11: 1 (NIV)



Internal Controls (Area #1)

Area #1: Offering/Cash Receipts.

Good internal control begins at the collection plate!

- After the offering has been taken, it is received by the counting team, which should consist of two or more persons - unrelated to each other – who are neither the Treasurer nor the Financial Secretary.
- Offering totals need to then be given to the Financial Secretary to count details and record the deposit.
- A second copy needs to be given to the Treasurer. Be sure to deposit on the same or next business day.
- The Financial Secretary's deposit log ought to be reviewed by the Treasurer and compared to both the bank statement/activity and a copy of offering totals prepared by the Counting team. See GCFA's 'road map' [here](#).



Internal Controls (Area #1 - Continued)

Area #1: Offering/Cash Receipts.

- Use offering envelopes
- Use checks or electronic giving option - not cash
- Secure area for counting
- Deposit Daily
- Use of lock box
- Deposited by someone other than individual maintaining accounting records



Internal Controls (Area #2)

Area #2: Accounts Payable/Disbursements

- Accounts Payable is the management of monies being disbursed.
- Vendors and suppliers should be set up in accounting system by someone other than the person entering invoices and/or cutting checks.
- Invoices must be required for all payments and approved by someone other than the Financial Secretary or Treasurer. This person should be authorized by the church's Finance Committee.
- Checks are cut only after invoices are properly approved and authorized.
- Requiring two signatures and/or reviews of all checks also improves internal controls.
- Pre-numbered checks
- Machine prepared checks
- Signers inspect supporting documents
- Retain voided checks
- Never make checks to "Cash"
- Safeguard blank checks



Internal Controls (Area #3)

Area #3: Account Reconciliations

- Account Reconciliation is a period-end review of all credits and debits. It is an important process for maintaining financial integrity, ensuring accuracy, and that spending is aligned to the mission and budget.
- All balance sheet accounts and reconciliations should be reconciled at least monthly by someone other than the person with signing authority.
- Bank accounts ideally would be reconciled at least weekly after deposits are made.
- Provide donors with quarterly giving statements; donors should be encouraged to reconcile to their records.
- Someone other than the treasurer or the financial secretary should review bank reconciliations quarterly or at least bi-annually.



Internal Controls (Area #4)

Area #4: Financial Reporting and Audits

- Your church treasurer should prepare financial reports monthly, comparing actual financial activity to both the current year and the prior year's budget, i.e., budget to actual reports.
- Annual Audits (Book of Discipline ¶258.4 (d)). Defined as an independent evaluation of the financial reports and records and the internal controls of the local church by a qualified person or persons.
- Audit shall be conducted for the purpose of reasonably verifying the reliability of financial reporting, determining whether assets are being safeguarded, and determining compliance with local law, local church policies and procedures, and the *Book of Discipline*.



“In God we Trust...everyone else, we audit!”

Internal Controls (Area #4 - Continued)

Area #4: Financial Reporting and Audits

Annual Audits should include (Book of Discipline ¶258.4 (d)):

- Interviews with the treasurer, financial secretary, pastor(s), financial committee chair, business manager, those who count offerings, church secretary, etc. with inquiries regarding compliance with existing written financial policies and procedures.
- A review of the cash and investment account statements and reconciliations.
- A review of journal entries, and authorized check signers for each checking and investment account.
- Review of committee meeting minutes.
- Review of internal controls.



Internal Controls (Area #4 - Continued)

Area #4: Financial Reporting and Audits

Annual Audits should include (Book of Discipline ¶258.4 (d)):

- Ensuring donated funds of the congregation have been used as stipulated by the donors.
- Ensuring tax reporting requirements are met.
 - W-2s must be issued for employees, including pastors, and 1099s for nonemployee compensation by January 31st. Payroll tax forms (IRS and SSA).
 - Housing allowance or exclusions approved annually at charge conference and kept on file (federal law requirement).
- Ensuring adequate insurance coverage, e.g., property insurance (property asset lists are accurate).
- Ensuring computer records are backed up.



Internal Controls (Area #4 - Continued)

Area #4: Financial Reporting and Audits

- Annual Audits:
 - Audit shall be performed by an audit committee composed of persons unrelated to the persons listed above or by an independent certified public accountant (CPA), accounting firm, or equivalent. Members of the audit committee should be appointed by the finance committee (e.g., CPAs, bankers, and bookkeepers are preferred candidates to serve on the audit committee).
 - *A Records Retention Policy should be adopted by the Finance Committee and be in line with IRS recordkeeping recommendations. The policy should identify types of records to retain, a cool, dry place for storing, how long records should be kept, and how to properly destroy them.*
 - See Local Church Audit Guide Packet at [GCFA.org/forms-and-assets/local church audit guide packet](https://www.gcfa.org/forms-and-assets/local-church-audit-guide-packet).



Undesignated, Designated, & Restricts Assets

Definitions:

- **Undesignated Assets** – These are the "free" funds that are not restricted by a donor or designated by the board. The organization's board has full discretion on how to use these funds, including for general operating expenses like salaries or rent. They provide the most flexibility to respond to the organization's needs.
- **Designated Assets** – The organization's board or governing body voluntarily sets aside unrestricted funds for a specific purpose. The board has control and can decide to change or reverse the designation. The funds are flexible and can be reallocated if the board decides to do so. They are considered a subset of "net assets without donor restrictions."
- **Restricted Assets** – A donor places specific stipulations on how the money can be used. The organization must adhere to the donor's restrictions, which can be for a specific program, project, or time. These restrictions can be temporarily restricted (i.e., have a restriction for a specific purpose or a specific period of time), or permanently restricted (e.g., endowment funds where the income can be used but the principal is never spent). The organization cannot change the restrictions without the donor's permission; misuse can have legal repercussions.



Gift Acceptance Policy

Key Components:

- **Introduction/Purpose:** Documents the scope of the policy, e.g., gifts to or for the use of Riverview UMC are structured to provide maximum benefit to all parties involved, etc.
- **Gift Types Accepted:**
 - **Outright gifts:** Cash, Publicly Traded Securities, Closely Held Securities, Real Property, Tangible Personal Property, Other Property.
 - **Planned/Deferred Gifts:** Bequests, Life Estate Gifts, Gifts of Life Insurance.
 - **Restricted Gifts:** Temporarily or permanently restricted.
- **Gift Use** – Outlines how a church can use a gift if no restrictions are placed on gift.

<https://www.dakotasumc.org/administration/church-committees/finance/stewardship-generosity>



Resources Available

Dakotas Conference

<https://www.dakotasumc.org/administration/church-committees>

- [Trustees](#)
- [Finance](#)
 - Finance Committee
 - Treasurers
 - Stewardship and Generosity

General Council on Finance and Administration

<https://www.gcfa.org/resources>

- Payroll Tax Guidance & FAQs
- Understand Electronic Giving
- Thinking Outside the Offering Plate
- 10 Truths About Church Finance
- Good Accounting Controls
- Church Office Best Financial Practices
- Church Budgeting

<https://www.gcfa.org/forms-and-assets>

- [Local Church Audit Guide Toolkit](#)
- Local Church Finance Resources
- Statement of Investment Guidelines



*Thank you Lord for
blessing me in all
ways, in all times, with
more than I need.*

*Lead me to live
generously, share
joyfully, and look
expectantly to my
future.*



Our Team



Jim Ducker



Sheri Meister



For the Love of God everywhere