



FINANCIAL  
MANAGEMENT  
SERIES

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Top 10 Highlights from the

# CHURCH FINANCIAL MANAGEMENT SURVEY

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*Enhancing Trust*

# Section 1 | Top 10 Highlights from the Survey

*This first-ever national survey of financial management practices of ECFA-certified churches addressed five major categories as noted below. Responses to other noteworthy introductory and demographic questions are also included here.*

## First ... How Many Hats Do Church Financial Administrators Wear?

- ❑ **1. Financial Administrator Hats.** Church financial administrators wear numerous hats—including financial management. Only 4.3% of church financial administrators in the survey devote 100% of their time to the financial management role.

## Financial Policies

- ❑ **2. Written Policies.** Almost 76% of church financial administrators said their financial policies are in writing, but only 65% said their most important financial policies are incorporated in a “Board Policies Manual” or other board-approved document.
- ❑ **3. Financial Policy Trends.** In response to the question...

*“What is one financial policy trend that you are observing that may have a significant impact on your church in the future?”*

...financial administrators shared almost 200 trends in 9 major categories. Almost 40% addressed giving trends.

## Budgeting

- ❑ **4. ACA. What is the key impact of the ACA on your church’s budget?** Responding to their budgeting assumptions about the ACA, almost 87% of churches (not certified by ECFA) have *not* re-structured some of their full-time positions as part-time positions. Yet, almost 54% agreed or strongly agreed that employee contributions for health insurance will increase, while another 20% were undecided at this point.
- ❑ **5. Cash Operating Reserves (3 Parts).** When asked “Does your ministry annually budget for cash reserves?” about 26% of churches responded “Never” or “Rarely.” Among ECFA-certified churches, 63% said “Always” or “Frequently” compared to just 22% of other churches.

## Internal Controls

- ❑ **6. Internal Controls Policies.** More than 88% of church financial administrators (100% of ECFA-certified churches) said they had strong controls in place to prevent fraud. Yet less than 68% conduct an annual formal review of fraud prevention procedures and checklists.

## Financial Performance

- ❑ **7. Church Financial Administrator Measurable Goals.** Almost 65% of church financial administrators said they had annual measurable goals that their senior pastors (or supervisors) have affirmed for this current fiscal year—and about two-thirds of that group report on goal progress.

Just 57% of the direct reports to church financial administrators have annual measurable goals.

- ❑ **8. Measuring Mission Impact.** The survey revealed that over 72% of church financial administrators agree or strongly agree that *“Our board is very focused on measuring mission impact.”*

Yet, among churches that are not ECFA-certified, less than 28% of church financial administrators agreed or strongly agreed that *“Our measurements often cause us to change course or add more resources to certain programs.”* That percentage doubled among ECFA-certified churches.

## Financial Reporting

- ❑ **9. Effectiveness Ratings.** All church financial administrators rated their effectiveness fairly high in two major categories—budgeting and financial policies—agreeing or strongly agreeing they were “very effective” in these areas. However, the ratings for churches not certified by ECFA dropped dramatically for the other three areas with ratings in the 52% to 56% range for financial reporting, financial performance, and internal control areas.
- ❑ **10. Communicating Financial Reports.** Almost 75% of ECFA-certified church financial administrators submit written monthly reports to the board’s finance committee—compared to just 47% of churches that are not certified by ECFA.

Just under 70% of ECFA-certified churches submit an annual financial report to their congregations—compared to just under 36% of churches not certified by ECFA.

*Question:*

List a financial policy topic that needs more clarity in your church (among staff, senior team, and/or the board).

*Answer:*

**"Employment policies seem to be flexible, especially if they are not in writing."**