

Student Handout

Church Administration

Lecture 6

Instructor: Dr. Ancel Presnell

Chapter 6: Administering Financial Resources

What You Should Learn From This Lecture

By the end of this lecture, students should be able to:

- Explain why sound financial administration is a stewardship matter in the church.
- Identify the major principles that shape a church's financial system.
- Describe the main personnel and leadership roles involved in fiscal management.
- Understand how church budgets should support mission and ministry priorities.
- Explain the importance of the two-person rule in handling church funds.
- Recognize the value of reports, audits, and organized accounting systems.

Lecture Roadmap

1. Biblical and administrative foundations for financial management
2. Core principles and organizational tools for fiscal management
3. Fiscal leadership roles and personnel responsibilities
4. Budget development and ministry priority planning
5. Daily fiscal operations and the two-person rule
6. Accounting systems, reporting, audits, and financial assistance

1. Biblical and Administrative Foundations for Financial Management

This section introduces the chapter's scriptural and practical foundation for church finances. The lecture will show that financial administration is tied to stewardship, obedience, trust, and responsibility.

Key ideas to listen for:

- The meaning of the tithe as a tenth
- The relationship between giving and obedience
- The distinction between obligations to civil authority and obligations to God
- Why financial accountability matters in the church
- The three reasons Welch gives for strong financial management

Notes on Biblical and Administrative Foundations:

2. Core Principles and Organizational Tools for Fiscal Management

This section explains the major operating principles that should shape church financial systems and introduces the finance manual as a guiding structure.

Key ideas to listen for:

- Organization in financial operations
- Simplicity in policies and procedures
- Accuracy in records and reporting
- The purpose of a finance manual
- Leadership duties in setting financial policies and procedures

Notes on Core Principles and Organizational Tools:

3. Fiscal Leadership Roles and Personnel Responsibilities

This section focuses on who handles financial work in the church and how duties should be assigned carefully.

Key ideas to listen for:

- The role of the church business administrator
- The work of finance-related committees
- Budget unit managers and purchasing authority
- The treasurer and the financial secretary
- The importance of written job descriptions
- Personal qualifications for those handling church funds

Notes on Fiscal Leadership Roles:

4. Budget Development and Ministry Priority Planning

This section explains the relationship between mission, planning, and budgeting. It also introduces the major budget systems discussed in the chapter.

Key ideas to listen for:

- Why budget follows planning
- How mission and ministry shape financial priorities
- Zero-based budgeting
- Line-item budgeting
- Ministry action budgeting
- Ongoing items, ministry action items, and challenge items

Notes on Budget Development and Ministry Priority Planning:

5. Daily Fiscal Operations and the Two-Person Rule

This section looks at the practical movement of money through the church and the safeguards required for integrity and accountability.

Key ideas to listen for:

- General funds and designated funds
- Why designated funds require special handling
- The meaning and importance of the two-person rule
- Receiving, counting, recording, and depositing funds
- Approval and disbursement procedures
- Purchase orders and paper trails

Notes on Daily Fiscal Operations:

6. Accounting Systems, Reporting, Audits, and Financial Assistance

This section closes the lecture by showing how reporting, audits, and proper systems strengthen church trust and accountability.

Key ideas to listen for:

- Line-item accounting
- Qualities of a useful church management system
- Local financial reports
- Legal reporting responsibilities
- Internal and independent audits
- Sources of financial assistance and guidance

Notes on Accounting Systems, Reporting, and Audits:

Exam Anchors (Exam Review Section)

1. Faithful church financial management is a matter of stewardship, accountability, congregational trust, and lawful responsibility.
2. Church fiscal systems must be organized, simple, and accurate, with written policies and procedures gathered into a finance manual.
3. Fiscal leadership in the church requires clearly defined roles, written responsibilities, trustworthy personnel, and separation of duties.
4. Church budgeting should flow from mission and ministry priorities so that financial decisions support the most important work of the church.
5. All church fiscal operations must be controlled by accountable procedures, especially the two-person rule, proper recording, and authorized disbursement.

6. Reliable accounting systems, understandable reports, and regular audits are necessary to preserve trust, accountability, and compliance in church finances.

Assignment

Read Chapter 6 — *Administering Financial Resources*