



Core Competencies for Church Business Administration

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What They Didn't Tell You in the Interview

- You have to be a mechanic – knowledge to fix everything
- You have to be an expert with HVAC systems
- You have to know all building codes – local and state
- You have to know how to squeeze a nickel to make a dime
- You have to know ALL aspects of accounting
- You have to know ALL personnel laws in a moments notice
- You have to know how to draft and review legal documents
- You have to know how to prepare a meal to feed 5,000 on a budget that feeds 5
- You have to have a Pastor's heart but tell everyone NO
- You need a degree in
 - Accounting
 - Business Management
 - Human Resources
 - Engineering
 - Legal
 - Restaurant Management
 - Counseling
 - Theology



Experts

*“None of our men are ‘experts.’ We have most unfortunately found it necessary to get rid of a man as soon as he thinks himself an expert because no one ever considers himself expert if he really knows his job. A man who knows a job sees so much more to be done than he has done, that he is always pressing forward and never gives up an instant of thought to how good and how efficient he is. Thinking always ahead, thinking always of trying to do more, brings a state of mind in which nothing is impossible. The moment one gets into the ‘expert’ state of mind a great number of things become impossible.” **Henry Ford***




Biblical Base


- Order is a biblical concept
- God was a “project manager” – Gen: 1:1
- Everything God does is done “in order”, no chaos
- God’s desire for order is modeled by the Hebrews
 - The worship of Jehovah was very orderly
 - Everything had a place and everything was in its place
- Old Testament order demonstrated in book of Exodus
 - 7 Chapters on specifications of the tabernacle
 - 6 Chapters on the Tabernacle’s construction
 - 7 Chapters of specification
 - 3 Chapters on the tabernacle itself
 - 3 Chapters on the priesthood
 - 1 Chapter on implementation of the whole



Biblical Base

- I Cor. 14:40
- Paul spoke of being accountable and doing things the right way in the eyes of both God and man
- Henry Ford: *“It is a sign of the reality of the deity that the church has survived at all; no other enterprise run so poorly could stay in business.”*
- Many churches today:
 - Are not managed, or guided or run
 - They are floundering in complacency and misdirection due to
 - Leadership unwilling to plan the work
 - Leadership unwilling to work the plan
- Responsibility of the Church Administrator
 - To assure that the church functions in an orderly manner
 - NOT in confusion and disorder

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- “Today in America alone there are 212 denominations, with 232,000 churches, each of the a separate business enterprise. These churches have a membership of 45 million and spend every year for their current budgets the sum of \$817 million. The value of church properties is \$3.8 billion, no including such items as parsonages, schools, hospitals, and endowment investments. Thousands of men and women are on the employed staffs of the church while millions of workers are engaged in various volunteer capacities. With such staggering responsibilities upon our ministers.... Does it not seem singular that so little business training is given by theological schools in their preparation of the leaders who must bear the burdens of the management of the church.”

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- “Probably no subject is of greater concern to ministers, or of larger significance to successful administration, than that of church finance.”



Executive Leadership / CBA

- “The executive of a large church must carry responsibilities as important as are those of the manager of a business enterprise. In the first place, he must know men. He must be familiar with the forces which move men to action which keep them loyal to the tasks at hand. He must understand the principles of organization with the minimum of supervision for groups both paid and volunteer.”
- “He may find himself in charge of properties in whichmillions of dollars have been invested”
- “He may be called upon to construct new buildings”
- “He must have a sense of good architecture.....plans and specifications, acoustics,bids, contracts, insurance, bonds, mortgages, and campaigns of finance”
- “He must understand engineering...elevators, machinery, electrical equipment.....all for the proper care of which is vitally important to the services of his church”
- “He must be a businessman....he must understand reports.....and trends”
- “He will be called up to conduct an employment bureau.....dispense food and supplies to the poor”
- “..will be an editor and publisher.....familiar with advertising and publicity”
- “He may find it convenient and useful to master two or three foreign languages”
- “He must understand the catering business, for many meals will be served in his church for many meals will be served in his church, ranging from....to banquets for a thousand people”
- “His patience must be unlimited, his courage indomitable, and his wisdom infinite”
- “He must devise new ways to make old programs interesting”
- “When he has become expert in all of these duties, and many more, he will be a super-executive, and there are churches that are waiting for his leadership”



Source:

- **The Business Administration of a Church**
- Robert Cashman
- Business Manager, The Chicago Theological Seminary
- (old book owned by Ernie Hamilton / Frank Canady)
- Copyright 1937



14 Core Competencies for Church Business Administration

1. Personnel / Human Resource Management
 - a. Personnel Policies
 - b. General Policies & Procedures Manual
 - c. HR procedures & documentation
 - i. i.e., Document Retention Policy
 - d. Job descriptions
 - e. Organizational chart – up to date
 - f. Operations manual
 - g. Confidentiality
 - h. Adherence to:
 - i. Americans with Disabilities Act
 - ii. Age Discrimination in Employment Act – the church cannot discriminate based on age
 - iii. Family and Medical Leave Act – only applies to employers of 50 or more fulltime workers
 - iv. Title VII of the Civil Rights Act – does apply to churches and forbids discrimination in hiring, firing, compensation, terms, conditions or privileges of employment on the basis of race, color, religion, sex, or national origin. Church may discriminate for religion in the case of hiring ministry professionals.
 - v. Fair Labor Standards Act – provides for the minimum wage. Churches must comply. Cannot use “contract labor” to skirt these requirements
 - vi. State Law Employment-at-will Doctrine – a church’s employees work at the employer’s will. The church may terminate the employment relationship for good reason, bad reason, or no reason at all. The employee may do the same. An “at will” statement should be placed on the first page of the personnel policy.
 - i. Performance reviews



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- 2. Staff Development
 - a. Specific training related to function
 - b. Continuing education opportunities
 - c. Peer organizations and fellowship



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- 3. Congregational Leadership
 - a. Leadership style
 - b. Purpose and mission statements
 - c. General policies and procedures manuals
 - i. Reasons for
 - 1. Provide a consistent approach to a problem
 - 2. Help eliminate error
 - 3. Fair to all people to whom they apply
 - 4. Indicate a church's concern
 - 5. Provide a reference for consistency



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- ii. Advantages
 1. Organize the efforts of the church in attaining its objectives, goals, and mission
 - a. Give the people the permission and direction to the work
 - b. Eliminates fear of failure or betrayal
 - c. Committees and Volunteers know the bounds of their responsibilities
 2. Communicate a sense of order, business, and sense of purpose
 3. Form basis for operation guidelines and training of staff and volunteers
 4. Save Valuable time by
 - a. Avoiding repeated discussions of the same issue
 - b. Avoid making the same decision twice
 - c. Freeing the staff to make decision without the process
 - d. Allow members to refer to staff and lay leadership for direction
 5. Allow anonymous inquiries about potentially controversial issues
 6. Relieve staff stress
- iii. Disadvantages
 1. Tend to become legal documents
 2. They ARE real legal documents
 3. Can be unequally applied and vehicles for contention and conflict
 4. Can quickly become out of date



14 Core Competencies for Church Business Administration

4. Theology of Stewardship
5. Office Management
 - a. Cross-training
 - b. Policies and procedures
 - i. Church calendar maintenance
 1. Events management
 2. Facilities management
 3. Energy management
 - ii. Office hours, holidays, phone numbers
 - iii. Communications
 1. Phone systems
 2. Long distance
 3. Mail procedures
 - iv. Records retention
 - v. File management
 - vi. Supplies requisition
 - vii. Confidentiality



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6. Information Management / computer systems

- a. Policies & Procedures
 - i. Membership records
 - 1. Centralized versus decentralized
 - ii. Email
 - iii. Resource Calendar
 - iv. Financial / Contributions
 - v. Backups
 - vi. Attendance / Organizations
 - vii. [Training](#) (handout) [Outline](#)
- b. IT



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- 7. Property Management
 - a. Facilities use policies
 - i. Weddings
 - ii. Other non-traditional uses
 - iii. Sports
 - b. Vehicle policies
 - c. Properties policies
 - i. Sports
 - d. Facilities maintenance plans
 - i. Preventative
 - ii. Planned
 - iii. Improvements
 - iv. Capital improvements
 - v. Energy management
 - vi. Budgeting
 - vii. Green initiatives
 - viii. Helpful statistics
 - 1. General rule: Annual maintenance costs should be 10-15% of total budget
 - 2. General rule: Gross costs per square feet (GSF Index) should be \$3-\$5 per square foot
 - 3. General rule: Annual maintenance budget should be 2-4% of replacement value
 - ix. Health & safety plans



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- 8. Communication & Marketing
- 9. Strategic Planning
- 10. Financial Management
 - a. Cross-training office staff
 - b. Policies & procedures
 - i. Accounting
 - 1. General Ledger
 - 2. Payroll
 - 3. Accounts Receivable
 - 4. Accounts Payable
 - 5. Contributions
 - 6. Fixed Assets
 - 7. Bank Reconciliation
 - 8. Purchase Order System
 - 9. Expense Amortization
 - 10. Credit Card systems
 - ii. Contributions
 - iii. Bookstore
 - iv. School / Preschool
 - v. Receipts, Registrations, and deposits
 - vi. Credit Card
 - 1. Church issued
 - 2. Merchant accounts for revenue
 - vii. Audit
 - viii. Purchasing
 - 1. Use of Requests for Proposal versus Bidding
 - ix. Confidentiality
 - x. Internal Controls



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- 11. Stewardship of self
 - a. Time Management
 - b. Continuing education
 - c. Wellness
 - d. Leisure
 - e. Family
- 12. Legal / Tax Matters
 - a. Property, casualty and liability review
 - i. Risk management survey
 - ii. Workman's comp training
 - b. Periodic legal and tax review
 - c. Annual financial audit
 - d. Critical policies
 - i. Financial
 - ii. Personnel
 - e. Critical documents
 - i. Articles of incorporation
 - ii. Bylaws



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13. Christian Perspectives & Theology of the Church
14. Theology and Ethics of Church Administration
 - a. See "Biblical base"
15. NACBA guidelines for hiring a church business administrator
 - a. 500 in average weekend attendance
 - b. \$500,000-\$1,000,000 annual budget



Best Practices for Churches

- Source: [ECFA.org](http://www.ecfa.org)
 - <http://www.ecfa.org/PDF/BestPractices-Churches.pdf>
- Evangelical Council for Financial Accountability
- National Association of Church Business Administration, 2010, Dr. Judy Stamey, Certification Director, Southwestern Seminary



Best Practices for Managers

1. Know your own strengths and weaknesses
2. Be yourself
3. Listen
4. Be a role model
5. Rely on your ability to support, not on your ability to do. Don't hire people just like you.
6. Give up the illusion of changing anyone but yourself
7. Blow your own team's horn, not yourself
8. Focus on your team's strength
9. Take charge of your own growth
10. Be patient
11. Work on emotional intelligence
12. Tell the truth
13. Don't manager.....LEAD



Conclusion

- Questions / Comments