**Establishing a New Finance Team**

* A Finance Team should consist of the church’s Treasurer, who leads the meetings, an executive/operations pastor (if the church has one) and at least two lay members. It can also be helpful to have a second board member on the team and for the church’s bookkeeper to attend the meeting. All Finance Team members should be able to read and interpret financial statements.
* For a new Finance Team, I recommend meeting monthly for the first few months to help the team become familiar with the financial reports and begin work on projects.
* The first goal for new Finance Team members should be to understand the financial reports and get a handle on “what is going on” in the church’s finances. Often, the first few meetings for a new Finance Team are spent reviewing and discussing the financial reports.
* Typical “projects” for a new Finance Team are improving financial reporting, particularly to the board. I recommend creating color-coded dashboard reports with graphs (and the GLR can help with this). This helps everyone understand what is “good” and alerts the board to potential financial dangers. Another common project is creating a capital budgeting plan for the church’s building to help the church save for long-term needs (e.g., roof, parking lot, technology, furnace/boiler). Again, the GLR has tools and templates to help with this.
* As the team becomes more familiar with the church’s financial position and financial reports and makes progress on some initial projects, the meeting frequency can decrease. A more seasoned finance team may meet quarterly plus ad hoc meetings when specific needs arise.
* Typically, Finance Team meetings are held the 3rd or 4th week of the month to allow time for the financial reports to be completed and for the team to review them.
* The agenda, the prior-month financial reports, and any other materials should be sent out a week before (at a minimum, the weekend before) the meeting to give the team time to review.
* At a minimum, the Finance Team should receive the complete balance sheet and income statement (comparing actual to budget) every month. It can also be helpful to have a financial dashboard and/or a cash report.
* Regardless of whether the finance team meeting is held, the entire finance team should receive and review the financial reports every month. Team members are encouraged to ask questions and point out items that need attention in between meetings.
* The Finance Team normally will receive more detailed reports than the reports given to the board. The board receives summarized reports that are easier for board members to understand (“less is more”). This is where color-coded dashboards and graphs become helpful.
* A Finance Team’s goal should be to review all significant financial decisions (e.g., large purchases, the annual budget, etc.) before those are considered by the board. The board may also ask the Finance Team to review any expenses over a certain dollar amount. The Finance Team can review these items in greater detail and has more awareness of the church’s financial position and the potential consequences of the decision than most board members. The Finance Team’s discernment can come as a recommendation to the board.
* At the end of each meeting, the Treasurer will collect the feedback and important points from the meeting to communicate to the board.