

Vision Centered Leadership and Management

“Financial leadership and the
Role of the Pastor”

Dr. Kregg Hood
Senior Vice President
AG Financial Solutions

1. Know What's Going On

- Proverbs 27:23 Be sure you know the condition of your flocks, give careful attention to your herds;
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1. Know What's Going On

- ❑ Develop a process – Timely reporting and accurate data
 - ❑ Learn to use the tools – Increase your financial skills (Balance Sheet, Income Statement, Yearly Budget)
 - ❑ Track results – weekly, monthly, board meeting, yearly
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1. Know What's Going On

- ❑ Understand important ratios – salaries, debt, true equity (Book Value \neq Appraised Value)
 - ❑ Follow your budget – Look for income, net income, and over/under by budget area; ask questions but don't micromanage
 - ❑ Build a strong team – bookkeeper, ministry staff
 - ❑ Find good help – other resource people (“Plans fail for lack of counsel, but with many advisers they succeed,” Prov. 15:22).
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2. Spend Less Than Comes In

- ❑ Proverbs 13:11 ...he who gathers money little by little makes it grow.
 - ❑ Luke 16:10 "Whoever can be trusted with very little can also be trusted with much, and whoever is dishonest with very little will also be dishonest with much."
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2. Spend Less Than Comes In

- During strong times:
 - Follow your budget
 - Set aside reserves (“The Joseph Principle”)
 - Prepare for the future (deferred maintenance, building funds)
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2. Spend Less Than Comes In

- During tough times:
 - Re-emphasize vision, examples of excellent ministry
 - Reduce or delay spending plans
 - Sell an asset
 - Watch out for spending “hot spots” (schools, daycares, “operations”, travel, honoraria, etc.)
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3. Teach on Giving, Focus on Vision

- 2 Cor. 9:6-8 -- Remember this: Whoever sows sparingly will also reap sparingly, and whoever sows generously will also reap generously. Each man should give what he has decided in his heart to give, not reluctantly or under compulsion, for God loves a cheerful giver. And God is able to make all grace abound to you, so that in all things at all times, having all that you need, you will abound in every good work.
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3. Teach on Giving, Focus on Vision

- Proverbs 3:9-10 Honor the LORD with your wealth, with the firstfruits of all your crops; then your barns will be filled to overflowing, and your vats will brim over with new wine.
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3. Teach on Giving, Focus on Vision

- ❑ Malachi 3:9-10 "You are under a curse--the whole nation of you-- because you are robbing me. Bring the whole tithe into the storehouse, that there may be food in my house. Test me in this," says the LORD Almighty, "and see if I will not throw open the floodgates of heaven and pour out so much blessing that you will not have room enough for it."
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3. Teach on Giving, Focus on Vision

- Philip. 4:13 I can do everything through him who gives me strength.
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3. Teach on Giving, Focus on Vision

- ❑ Core Conviction: God is in control, fear is of the devil.
 - ❑ On-Going Process: Mission, Vision, Goals, Plans, Resources
 - ❑ Basic Strategy: Excite, Educate, Encourage, Engage
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3. Teach on Giving, Focus on Vision

□ Practical Tips

- Preach a positive series on giving once a year
 - Develop a stewardship ministry
 - Use extra resources
 - Communicate often – TIE them in (Thank, Inform, Encourage)
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4. Live by a Spending Plan

- Luke 14:28-30 "Suppose one of you wants to build a tower. Will he not first sit down and estimate the cost to see if he has enough money to complete it? For if he lays the foundation and is not able to finish it, everyone who sees it will ridicule him, saying, 'This fellow began to build and was not able to finish.'
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4. Live by a Spending Plan

- James 4:13-15 Now listen, you who say, "Today or tomorrow we will go to this or that city, spend a year there, carry on business and make money." Why, you do not even know what will happen tomorrow. What is your life? You are a mist that appears for a little while and then vanishes. Instead, you ought to say, "If it is the Lord's will, we will live and do this or that."
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4. Live by a Spending Plan

- May be a nicer word than “budget”
 - “Budget” says, “No!”
 - “Spending Plan” says, “Yes!”
 - Why this works:
 - It helps you prioritize (Do you really know what makes your ministry go?)
 - It’s personal - customized
 - It’s practical – easy to adjust
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5. Commit to Wise Accountability

- ❑ Lament. 3:40 Let us examine our ways and test them, and let us return to the LORD.
 - ❑ Proverbs 24:6 ...for waging war you need guidance, and for victory many advisers.
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5. Commit to Wise Accountability

- Appoint a good financial team –
Board approved, bookkeeper,
objective review
 - Watch out for “places of vulnerability”
 - Counting the money
 - Policy for who authorizes checks
 - Conflicts of interest
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5. Commit to Wise Accountability

- Develop an appropriate level of Professional Review:
 - Full, independent audit
 - CPA compiled
 - CPA reviewed.

 - Watch out for relying on borrowed money Remember Prov. 22:7, "...the borrower is servant to the lender."
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6. Be Strong and Make the Tough Decisions

- Psalm 1:1-3 Blessed is the man who does not walk in the counsel of the wicked or stand in the way of sinners or sit in the seat of mockers. But his delight is in the law of the LORD, and on his law he meditates day and night. He is like a tree planted by streams of water, which yields its fruit in season and whose leaf does not wither. Whatever he does prospers.
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6. Be Strong and Make the Tough Decisions

- Be willing to step up and step in – talk to the people, talk to your lender, pray through the night, remembering God's promises.
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6. Be Strong and Make the Tough Decisions

- How to talk to your lender:
 - Be respectful
 - Be upfront about the issues
 - Provide data
 - Have a plan (↑giving, ↓spending, how you can grow ministry on limited budget)
 - Make your request
 - Interest only
 - Partial payment
 - Payment deferral
 - Refinance
 - Keep your word
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6. Be Strong and Make the Tough Decisions

- Contingency Planning includes:
 - Analyzing staff salaries, being willing to lead by example
 - Spending on programs (amount reduced, timing)
 - Teaching and preaching
 - Use of debt (even a Line of Credit)
 - Staying positive
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