



M I C H I G A N
M I N I S T R Y
N E T W O R K

**WHAT EVERY CHURCH NEEDS
PLAYBOOK**

What Every Church Needs

*"Keep watch over yourselves and all the flock of which the Holy Spirit has made you overseers. Be shepherds of the church of God, which he bought with his own blood."
Acts 20:28*

The church you lead is not yours.... it's God's. Your congregants' life is found in the personal relationship that God created through the shed blood of Jesus Christ. We must never forget this. We must steward this responsibility because we, as leaders, will give an account to God for the way we approach and accomplish this.

That is why we must lead our churches to deep spiritual connections and growth in our relationship with God and manage His resources excellently. Both must exist in a local church. They are two sides of the same coin.

Nothing discredits Jesus's message more than church mismanagement. We have seen the effects of this in churches across America. This leads to a devaluing of His message and has created a cloud of hypocrisy that the church now lives under.

Acts 20:28 reminds us to care for ourselves and the church, which He has purchased with His blood. The stakes are too high to allow sloppy or unmanaged financial, governance, or policy processes to discredit God.

There are many reasons why people don't come to Christ; please do not let your stewardship (or lack thereof) be a reason.

Pastors, you are crucial in setting the tone for the church's vision, policies, and financial systems, ensuring accountability, and creating a culture of trust. A culture of trust creates more receptivity to all areas of a pastor's leadership. Nothing builds confidence more than being fully transparent and developing processes and systems that eliminate the potential for accusations and or distrust.

This guide shares a minimum list of things every church should regularly include in its stewardship of its local church.

Twelve Actions to Implement in Your Church

1. Regular Board Meetings

Every church should have regular (monthly or, at minimum, by-monthly) board meetings. Regular church board meetings are essential for several reasons:

- a) **Vision and Direction:** Regular meetings provide a space to discuss and ensure alignment on the church's vision, mission, and long-term goals. Regularly revisiting these goals helps keep the church on track financially and organizationally.
- b) **Decision-Making:** Critical decisions regarding church operations, finances, ministries, and personnel are made in these meetings. Consistent meetings ensure timely and informed decisions.
- c) **Accountability:** Regular board meetings promote accountability among leaders. Financial reports, project updates, and ministry evaluations can be reviewed to ensure transparency and responsible stewardship of church resources.
- d) **Problem-Solving:** These meetings offer an opportunity to identify and address church issues or challenges. It allows for collaborative problem-solving and unified responses. Many voices are better than a single voice.
- e) **Spiritual Guidance:** They provide time for prayer and reflection, ensuring that decisions and discussions are rooted in faith and aligned with the church's vision.

At each Board meeting the following items occur at every board meeting:

- Financial review from the previous month
- Previous meeting minutes are reviewed and approved
- Minutes are recorded for the current meeting by the secretary of the board
- Any items such as membership reviews, new spending additions or cuts to the budget, and special projects that require funding are voted on for approval.
- Any other items that need discussing

2. Minutes of Board Meetings

Churches should keep accurate board meeting minutes for several key reasons:

- a) **Legal Record:** Business meeting minutes are the legal official record of a group's action. Taking minutes is essential for at least two reasons.

- b) **Legal Expectations:** The law expects organizations to keep an official record of church proceedings. The Internal Revenue Service (IRS) requires tax-exempt organizations to verify that they have documented their actions as an organization. Even though the IRS is not as strict with churches, most banks, financial institutions, companies, and even cities require that churches keep an official record of actions taken.
- c) **Eliminates Confusion:** Properly taking minutes helps to eliminate confusion and disagreement about what occurred at a board meeting. People tend to forget important information, so recording the details is vital to the health and unity of the church and board. Carefully taking minutes provides clarity when a member cannot remember what happened.
- d) **Eliminated Accusation:** Minutes can often curtail false statements about decisions made and when they occurred. The approved minutes of a Board meeting are the final word on how and when major decisions were made, which can be very protective for the lead pastor and board members.

Keeping accurate, up-to-date, and approved board meeting minutes can significantly assist in fulfilling legal requirements, eliminate confusion, bring clarity, and reduce accusations' ability to thwart the church's unity.

3. A Healthy “best practices” financial system

Every church should have a straightforward and identified financial process for several key reasons:

- a) **Maintains Trust:** Trust is the most crucial part of every organization. A good process helps to preserve and build confidence in those who lead. This gives a clear set of expectations that are known and approved.
- b) **Adheres to Organizational Standards:** Standards are agreed-upon guidelines or criteria to ensure consistency, quality, and practices. They are the minimum set of exceptions that should be adhered to. Having these in place removes ambiguity and reinforces compliance with them.
- c) **Identifies Parameters:** These clearly define the responsibilities and limitations of those who steward the church's finances.

Following a clear set of financial standards protects the church, its pastors, and the congregation, assuring them that the stewardship of God's resources is being done with excellence and integrity.

4. Financial Software

Every church should use financial software for several key reasons:

- a) **Accurate Record Keeping:** The better the program a church uses, the more accurately its finances are recorded. Every church needs financial reports that are trustworthy and easily understandable.
- b) **Easy Access to Financial Records:** Access to information is essential for decision-making. This is especially true when it comes to financial information. Having a sound financial program allows for a more effective ability to get information promptly and accurately.
- c) **Provides Financial History:** Financial software easily creates reports showing trends that can guide future decisions.
- d) **Reduces Financial Improperities and Errors:** Financial software assists in finding errors that are easily made when entering data. Catching errors early is of significant importance to the health of the organization.
- e) **Storage Offsite:** Too often, information gets lost, damaged, stolen, or hidden when finances are stored on an individual's computer, spreadsheet, or other location. Most financial software offers cloud or off-site storage, ensuring that the church will not lose this valuable information.

Many financial software programs work well for managing church finances. Whatever one you choose to use...use it.

The Network does have a preferred software, Aplos. Aplos is an Assemblies of God-approved/promoted financial software program for churches. We want to create a system providing financial support, training, universal reporting, and transferable knowledge for church transitions.

Built For Church Accounting

A CPA and executive pastor built Aplos with the understanding that churches have unique accounting needs. This church accounting software makes it simple for you to do accounting the right way.

True Fund Accounting

Easily track designated funds, such as your missions fund or building fund, to demonstrate to your members that you are stewarding your gifts well. True fund accounting software allows you to apply contributions and gifts to specific funds or projects easily. Create reports that compare the budget to the actual for each fund. Keep

track of how close you are to reaching your goals and provide better financial stewardship for your organization.

- Perfect for both large & small churches/ministries
- Advanced accounting tools and reports for organizations that need them
- World-class accounting features specific to the needs of nonprofits and churches

Complete Church Bookkeeping

All the tools you need to work quickly and manage your finances:

- Import transactions from your bank
- Journal entry for fund transfers and payroll imports
- Track and pay bills
- Print checks
- Bank reconciliation

5. Annual Church Budget

Setting a church budget is one of the most important financial steps a church can undertake. Churches should set an annual budget for several key reasons:

- Provides Guardrails:** An agreed-upon, approved budget sets clear guidelines and plans for the church. It tells the leaders where to spend their money and at what amount.
- Mutual Accountability:** A church budget provides accountability for the leaders and gives a clear direction to follow.
- Sets Priorities:** Even though a budget is a “best guess” of potential expenditures, setting priorities and implementing vision is essential.
- Shares the Load:** A budget spreads the weight and celebration of the church's resources amongst the board instead of just resting on the shoulders of the Lead Pastor.
- Tracking:** A budget allows church leadership to know, evaluate, and determine the overall health of the church's finances. It also allows for adjustments throughout the year if necessary.

Overall, setting a church budget allows for safety and shared accountability, sets priorities, and allows for tracking. This will go a long way toward ensuring the finances are being stewarded with the utmost integrity.

6. Annual Business Meeting

Churches should value annual business meetings for several key reasons:

- a) **Transparency and Accountability:** Annual business meetings allow church leadership to present financial reports, updates on ministry activities, and plans for the future. This promotes transparency and helps the congregation understand how resources are being managed.
- b) **Congregational Involvement:** These meetings allow the congregation to participate in important decisions, such as electing leaders, approving financials/budgets, or setting strategic goals. It fosters a sense of ownership and ensures that members' voices are heard.
- c) **Review and Reflection:** Churches can review the past year's successes, challenges, and areas for improvement. This reflection helps the leadership, and the congregation align on what worked well and what needs adjusting.
- d) **Goal Setting and Planning:** Annual business meetings offer a structured opportunity to set new goals, discuss future projects, and plan for growth. These discussions help the church focus on its vision, mission, and objectives.
- e) **Legal and Financial Compliance:** Churches are subject to nonprofit regulations; annual meetings may be required by law. The annual business meeting ensures that legal and financial requirements, such as budget approvals or board elections, are correctly fulfilled.
- f) **Unity and Communication:** Annual meetings foster unity by bringing the congregation together. Open communication strengthens relationships among members and builds a shared vision for the church's future.

Annual business meetings provide a structured forum for transparency, decision-making, and planning, helping the church remain accountable and focused on its mission.

7. Updated Constitution and Bylaws

Constitutions and bylaws are essential for churches to establish clear rules and structures for governance.

- a) **Clarity and Structure:** A constitution provides a clear framework for your church's operation. It defines the mission, goals, leadership structure, and decision-making processes, helping prevent misunderstandings.

- b) **Consistency:** Bylaws set detailed rules about daily operations, such as how board and business meetings are conducted, the roles of officers, and election procedures. This consistency ensures everyone follows the same process, avoiding confusion and potential disputes.
- c) **Legal Protection:** A well-drafted constitution and bylaws can offer legal protection by demonstrating that the organization follows established protocols, which can be crucial in resolving disputes or complying with external regulations.
- d) **Accountability:** They ensure that leaders and members are held accountable. Outlining duties, powers, and responsibilities prevents arbitrary decision-making and encourages transparency.
- e) **Conflict Resolution:** In times of disagreement or conflict within the organization, these documents provide a reference point for resolving issues fairly and systematically.

Following them ensures the church runs smoothly, maintains order, and fulfills its purpose.

8. Church Insurance

Having insurance for a church is essential for several reasons:

- a) **Protection Against Liability:** Churches are public spaces where people gather for worship, events, and community activities. If someone is injured on church property, liability insurance can cover medical expenses and legal fees, protecting the church from potentially devastating lawsuits.
- b) **Property Protection:** Churches usually own valuable property, including buildings, equipment, and contents. Property insurance helps cover repairs or replacements in case of damage from fires, floods, theft, or vandalism, ensuring the church can continue operating without significant financial strain.
- c) **Coverage for Volunteers and Employees:** Churches often rely on volunteers and staff to run services and events. Workers' compensation insurance protects employees if they get injured while working, while volunteer insurance may cover accidents or incidents involving unpaid helpers.
- d) **Protection from Natural Disasters:** Many churches face risks from natural disasters like significant winds, floods, fires, and tornadoes, depending on their location in Michigan. Insurance ensures that damage from these unforeseen and sudden events.

- e) **Safeguarding Financial Stability:** Insurance can cover financial losses from unexpected events such as lawsuits, accidents, or loss of donations due to unforeseen circumstances. This helps maintain the church's economic stability and ability to serve its community.
- f) **Peace of Mind for Leaders and Congregation:** Knowing that the church is protected against various risks, including pastoral liabilities, allows the leadership and congregation to focus on their vision, mission, and ministry without constant worry about potential financial ruin.

Insurance provides vital protection to ensure the church can continue its operations and ministry without being overwhelmed by financial or legal consequences.

9. Child Safety (processes)

Churches should have a robust child safety process for several critical reasons:

- a) **Protection of Children:** The foremost priority is ensuring that children are in a safe environment where they are protected from harm, abuse, or neglect. A robust child safety process helps prevent incidents of abuse, ensuring the physical, emotional, and psychological well-being of children.
- b) **Trust and Credibility:** Churches are places of trust for families. Parents must feel confident that their children are safe when attending church events, services, or programs. A well-implemented child safety process builds credibility and trust with families and the broader community.
- c) **Legal Responsibility:** Churches have a legal obligation to protect minors. A failure to implement proper child safety protocols can result in serious legal consequences, including lawsuits or criminal charges if a child is harmed while under the church's care.
- d) **Prevention of Abuse:** Clear policies on background checks, proper supervision, and reporting mechanisms help prevent individuals with harmful intentions from gaining access to children. This reduces the risk of abuse and creates an environment of vigilance.
- e) **Accountability:** A strong safety process holds church leaders, staff, and volunteers accountable. It sets clear guidelines for behavior and reporting, ensuring everyone knows their responsibilities and how to act in the children's best interest.
- f) **Moral and Ethical Obligation:** Churches are often seen as moral and ethical leaders in their communities. Prioritizing child-safety reflects the church's commitment to

protecting the vulnerable, aligning with Christian values of care, compassion, and justice.

- g) **Crisis Prevention and Response:** In the event of an incident or allegation, a defined child safety process ensures that the church can respond quickly and appropriately, minimizing harm and handling the situation with care and professionalism.

A strong child safety process is vital for safeguarding children, maintaining the church's integrity, and ensuring a secure, welcoming environment for families.

*See Church Insurance, Child Safety, Alliance Defending Freedom Guide under resources on The Michigan Ministry Website.

10. Membership Process

Having church membership provides several critical benefits for both the church and its members:

- a) **Fosters Commitment and Accountability:** Membership encourages individuals to commit to the church's vision, mission, values, and community. It creates a sense of belonging and accountability, motivating members to engage more in the church's activities and spiritual life.
- b) **Strengthens Community and Relationships:** Members often feel a more profound sense of connection to one another, fostering a strong community of believers. This sense of belonging promotes mutual support, deeper friendships, and shared responsibility.
- c) **Clear Leadership and Structure:** Membership helps church leaders identify who is part of the core congregation. This clarity assists in organizing resources, planning ministries, and knowing who to involve in decision-making processes.
- d) **Supports Church Governance:** Members have voting rights in key decisions, such as selecting leaders, approving financial reporting, or, in some cases, setting future goals. This ensures that important decisions are made by those who are fully committed to the church's mission and success.
- e) **Encourages Financial and Volunteer Support:** Members are typically more likely to give financially and contribute their time and talents to the church. This consistent support helps sustain the church's operations and allows it to grow its ministries.

- f) **Establishes a Shared Vision and Unity:** Membership unites people under a common vision, helping to ensure that the congregation works together toward shared goals. This unity can lead to a stronger, more effective church body aligned in its purpose and outreach.
- g) **Promotes Stability and Continuity:** Members are often long-term participants in the church, which provides stability. Churches with active members are better positioned to plan for the future and endure leadership transitions or challenges.

Church membership creates a foundation for commitment, accountability, spiritual growth, and community engagement, which benefits both the members and the church.

*See Membership Kit Guide under resources on The Michigan Ministry Website. This will help you create a membership class for your church.

11. Compensation/Payroll/Tax processes

Every church should have a well-defined compensation and tax process for several important reasons:

- a) **Legal Compliance:** Churches must comply with federal, state, and local tax laws, particularly concerning payroll taxes, employee classification, and tax reporting. A clear process ensures that the church adheres to these laws, avoiding legal penalties or audits.
- b) **Fair and Transparent Compensation:** A formal compensation process ensures that pastors, staff, and employees are compensated fairly and consistently. This transparency helps prevent misunderstandings or conflicts over salary, benefits, and raises, demonstrating the church's commitment to ethical stewardship.
- c) **Clergy-Specific Tax Benefits:** Ministers and clergy members have specific tax benefits, such as housing allowances or parsonage exemptions. A proper compensation process ensures that these tax advantages are applied correctly, maximizing the financial well-being of church leaders while remaining compliant with tax laws.
- d) **Accurate Tax Reporting:** Churches must report employee income, handle payroll taxes, and issue necessary tax documents like W-2s or 1099s for contractors. An organized process ensures that the church accurately withholds taxes, files returns, and avoids penalties for incorrect reporting.
- e) **Budgeting and Financial Planning:** A clear compensation structure helps the church manage its budget and forecast future financial needs. This ensures that

salaries, benefits, and tax obligations are appropriately planned, supporting long-term financial stability.

- f) **Safeguards Against Mismanagement:** A formal process prevents financial mismanagement or fraud. It holds church leaders accountable for ensuring that salaries and benefits are handled transparently, accurately, and fairly, protecting the church's integrity.
- g) **Attracts and Retains Qualified Staff:** Offering competitive, well-structured compensation packages helps churches attract and retain skilled staff and ministers. This contributes to the church's ability to grow, provide consistent ministry, and serve the congregation effectively.
- h) **Protects Nonprofit Status:** Proper tax handling is essential for maintaining the church's tax-exempt status. Failing to follow tax laws, particularly in unrelated business income or employee classification, could jeopardize the church's nonprofit status and result in significant financial consequences.

A compensation and tax process are vital for legal compliance, financial transparency, clergy benefits, and ethical management. It ensures that the church functions smoothly and maintains its integrity in the eyes of the law and its members.

*See the Suggested Compensation Guide for Boards under Resources on The Michigan Ministry Website.

12. Policies on Building Usage

Churches should have a clear policy on building use for several important reasons:

- a) **Clarifies Purpose and Guidelines:** A building use policy outlines who can use church facilities, for what purposes, and under what conditions. This ensures that the building is used in ways that align with the church's mission, values, and activities, preventing misunderstandings about what is appropriate.
- b) **Prevents Conflicts:** Clear policies can help the church avoid scheduling conflicts between different groups or events. It establishes a priority system and guidelines for reserving space, ensuring that the church's core activities are not disrupted.
- c) **Liability and Risk Management:** A well-defined policy helps manage legal risks. It often includes guidelines for insurance, waivers, and safety protocols, ensuring that the church and those using the building are protected from accidents, property damage, or liability issues.

- d) **Preserves Church Property:** Regular use of church buildings can lead to wear and tear. A policy can specify rules regarding cleanliness, maintenance, and property damage, ensuring that users take responsibility for the condition of the building and its resources.
- e) **Promotes Fairness:** A standardized policy promotes fairness by ensuring that all groups or individuals seeking to use the space are treated equally. This prevents favoritism or inconsistencies in how the facilities are made available.
- f) **Protects the Church's Reputation:** A policy allows the church to ensure that outside groups or events using the building do not conflict with its values or mission. This protects the church from being associated with activities that may harm its reputation or conflict with its beliefs.
- g) **Financial Stewardship:** For churches that allow external or non-member groups to use their facilities, a policy can set guidelines on fees, donations, or contributions. This helps cover utilities, maintenance, and upkeep costs, ensuring responsible financial management of church resources.

A building use policy helps churches manage their facilities efficiently, protect themselves legally, preserve their property, and ensure that all space use aligns with their mission and values.

*See Church Insurance, Child Safety, Alliance Defending Freedom Guide under resources on The Michigan Ministry Website. Joining Alliance Defending Freedom (ADF) is highly suggested for every church. It will significantly protect your church from legal issues for an incredibly reasonable price.