



# IS IT TIME TO CREATE A NEW FINANCIAL CALENDAR FOR YOUR CHURCH?

Joe Park, Chief Executive Officer  
Dr. Norma Quinn, Vice President  
Horizons Stewardship





Joe Park



Joe leads a team of 38 dedicated Ministry Strategists and support staff at Horizons Stewardship, whose mission is to help churches and faith-based non-profits grow disciples and fund ministry. The Horizons team has assisted churches in raising over 7 billion dollars in capital funding and uncountable amounts of annual and planned giving. Joe has consulted and taught extensively on implementation of best practices in generosity, strategic planning and change management.

Prior to joining Horizons in 2002, he served as CEO of Community Financial Group with banking, insurance and investment presences in seven different cities. He was named one of Arkansas' Outstanding Business leaders by Arkansas Business Magazine, was a recipient of the Sam Walton Business Leader Award and was selected by the Secretary of the Air Force as a Civilian Leader representative to the Air War College. The Community Financial Group received the prestigious Arkansas Governor's award for Most Outstanding Mid-Sized Company for Community Service.

Joe earned a degree in Finance and Banking from the University of Arkansas and a master's degree in Business Administration from Boston University. Joe and his wife, Rev. Lisa Greenwood, live in Dallas, Texas.



# Norma Quinn



After a number of years in public accounting, Dr. Quinn entered the ministry in answer to God's call to bring wholeness to people wherever she could. She has combined her business background with a heart for people to live out their Kingdom potential. She has served in large and medium-sized churches. Dr. Quinn successfully led congregations through financial campaigns, and multi-million-dollar capital campaigns that were only possible through the leading and empowerment of the Holy Spirit. She also served for several years as the Conference Treasurer for the Annual Oklahoma Conference.

Dr. Quinn began working with Horizons Stewardship in 2014. Since that time, she has led churches of all sizes in capital campaigns. From new construction campaigns, relocation campaigns, debt campaigns, and large capital needs campaigns, Dr. Quinn has employed her gifts to walk alongside church leaders and congregations to achieve their financial goals. Through these campaigns, Horizons emphasis on the spirituality of generosity is transformational, and Norma rejoices when churches not only raise the funds, but they begin a new journey of generosity.

Dr. Quinn holds a BBA in Accounting, a Master of Divinity, (MDiv), and a Doctor of Ministry, (DMin). In addition, she is a trained coach using her expertise to walk alongside pastors and churches as they discern God's vision. She and her husband Bryant have three grown children and three adorable grandsons. They reside in Granbury, Texas.

# TIME FOR A CHANGE

It might be time to change your church's financial calendar if-

- Your church's ministry year and your budget year don't match.
- If you want a more effective annual giving appeal.
- If you are weary of budgeting, finishing your annual giving campaign, making year-end financial appeals, and closing your church's financial year are stealing the joy of celebrating the birth of Jesus.

# FISCAL YEAR VS. CALENDAR YEAR ACCOUNTING PERIOD

## Fiscal Year Accounting Period

- The 12-month period recognized by an organization as their accounting/reporting year.
- According to the US Tax Code and Generally Accepted Accounting Procedures (GAAP) a fiscal year can begin on any day of the year.

## Calendar Year Accounting Period

- A fiscal year that begins on January 1 and ends on December 31 of the same year.



Does the United Methodist  
Church Book of Discipline  
require the use of calendar fiscal  
year accounting period?

**NO!**

*The* **BOOK** *of*  
**DISCIPLINE**  
OF THE UNITED METHODIST CHURCH



**2016**

The UMC Book of Discipline is silent on the required accounting year.

The Finance Committee is **required** to annually review the effectiveness of financial polices.

**Page 203, paragraph 258, 17(4),C)** The committee on finance shall establish written financial policies to document the internal controls of the local church. The written financial policies should be reviewed for adequacy and effectiveness annually by the committee of finance and submitted as a report to the charge conference annually.

# IS IT THE BEST OPTION?



Is a financial accounting year that does not match your ministry year the most effective option available to your church?

- If the answer is no, change your fiscal accounting year or your ministry year.
- It is much easier to change your financial accounting year than to change your ministry year.



# REASONS CHURCHES ARE CHANGING THEIR FISCAL ACCOUNTING YEARS

## Alignment between Ministry Planning and Ministry Budgets

- Most churches launch their new ministry year in August or September. In response, children and students are promoted to new age groups, new adult discipleship groups are created, and plans are announced as households are welcomed back to a more regular worship attendance.
- **Churches who close their financial year on December 31 are asking ministry leaders to plan for and launch a new ministry year with only three to five months of approved ministry funding.**
- Shifting the fiscal accounting year to begin in July, August, or September would allow for alignment between most church's ministry plans and the budgets that fund them.

# REASONS CHURCHES ARE CHANGING THEIR FISCAL ACCOUNTING YEARS

## Improved Spending Control

- Most churches receive 12-35% of their annual giving in December.
- December is the most difficult month to accurately project income because of the many discretionary gifts that come in the last 10 days.
- If you cannot accurately project income, you either spend and hope for the best, or hold off spending until the last few days of the year.
- In a fiscal accounting year that begins in July, August or September, December giving falls mid-year, giving the church ample time to adjust spending to match giving.

# REASONS CHURCHES ARE CHANGING THEIR FISCAL ACCOUNTING YEARS

## More Accurate Budgeting

- Most UM churches ask for pledges in the fall and attempt to quickly use this data to project actual giving for the coming year.
- Pledges or estimates of giving are not a reliable indication of future giving because they are dependent on the quality of the annual campaign.
- Churches with fiscal accounting years that begin in July, August or September are able to use **actual giving** from the previous six to eight months to project income.
- Increases in giving resulting from a successful annual campaign create added margin in the current year.
- Non-calendar fiscal years allow the budgeting process to take place in the less busy timeframes, such as April through July.

# REASONS CHURCHES ARE CHANGING THEIR FISCAL ACCOUNTING YEARS

## Better Timing for the Annual Giving Campaign

- Most churches ask for pledges or estimates of giving in October through November because they use the results to budget.
- Churches on non-calendar fiscal years can ask for pledges/estimates in January through February when households are better able to estimate their own annual income.



Should we change our annual donor reporting to match our new non-calendar fiscal year?

**NO!**

Leave your  
annual giving  
campaign  
pledges or  
estimates of  
giving on the  
calendar year.

- Households will get confused if you ask them to estimate their giving for any period other than a calendar year.
- You must still send giving records on a calendar year basis.
- Separating church budgeting and annual giving campaigns is a best practice shown to increase giving if your focus is on the donor's need to give, not the church's need to receive.

# CONVERTING FROM A CALENDAR YEAR TO A NON-CALENDAR FISCAL YEAR

- The Finance Committee approves a change in the church's fiscal year.
- The governing body (church counsel, administrative board, church leadership team or charge conference) approves the change.

Examples:

A new budget is created from July 2020 to June 2021 or

A short budget is created for Jan 2021 to June 2021

- The Finance Committee includes the change in the fiscal accounting year in their annual report at the next meeting of the charge conference.

# QUESTIONS FROM THE AUDIENCE?



Joe Park



Norma Quinn



Ken Sloane