

EBOOK

8 Tips for Using Technology to Manage Church Finances

A guide to using technology to
demonstrate good stewardship

Nonprofit

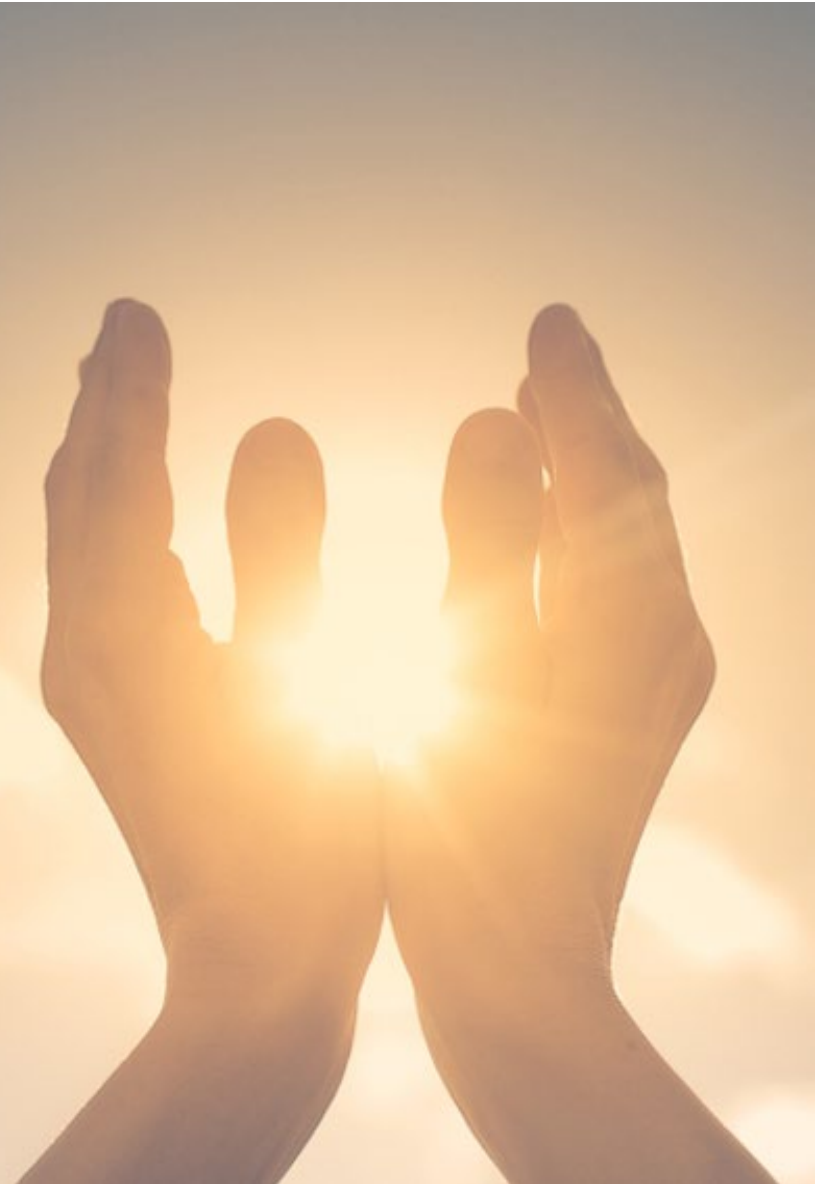


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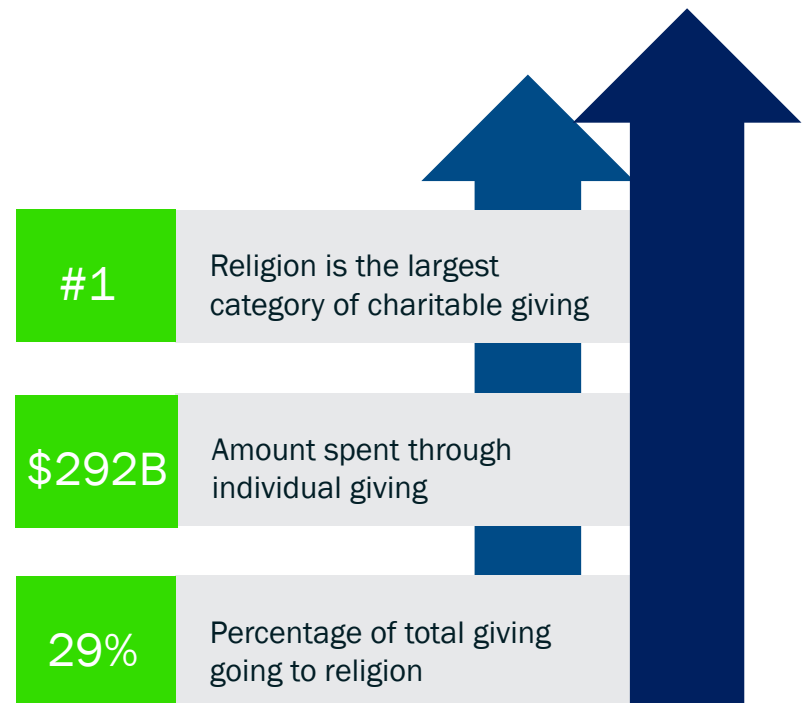
Introduction

Trends in U.S. Religious Giving

On the whole, Americans are passionate about giving to faith-based ministries.

Over the past 40 years, individual giving has increased from \$123B to \$292B, meaning individuals are willing to give over 250% more today than they were 40 years ago. Faith-based institutions represent the largest category of charitable giving, with nearly one-third of total giving in 2018 going to religious institutions. Religion generated more than twice as much in contributions than the next most popular subsector, education.

Whether it's to congregations, religious media, mission organizations, or denominational bodies, faith-based organizations face a more willing and wealthier giving base than ever before.



Religious Givers

Religious Giving Goes Beyond Dollars

The world's major religions all agree on the virtue of charity, and that is a major reason religious people give to religious organizations.

Donors who make gifts to congregations direct the overwhelming majority (80%) of their charitable dollars to organizations with ties to religion.¹ One aspect that sets religious givers apart from others is that they often get personally involved. Many religious donors give much more than their money; they also volunteer their time.

When a donor is personally involved in the work, they get to witness the impact of their donations (and volunteerism) first-hand. Religious people believe in the mission of the church and are personally motivated to participate. This is the most powerful combination possible for continued donor engagement.

In the past seven days²....

	Highly Religious	Less Religious / Not Religious
Volunteered once or more	45%	28%
Helped the poor financially	65%	41%

¹ Jumpstart, "Connected to Give: Faith Communities," 2014.

² Giving USA, "Giving to Religion," 2017, pg. 6.

Religious Givers

What do Religious Donors Have in Common?

Worship Attendance

The frequency of worship attendance is attributed to higher donations. This extends beyond the walls of the church – frequent worshippers give more to all nonprofit organizations.

Income Level

Unsurprisingly, those who make more, give more. What is surprising is that households that make less tend to give a greater percentage of their income.

Education Level

Higher levels of education were correlated to higher amounts of religious giving. This is most likely a reflection of income earning ability.

Denomination/Affiliation

Variations exist in giving patterns among different denominations. For example, Jewish households give the most in total dollar amounts to nonprofits overall. But donations specifically for religious organizations, Protestant households donate higher amounts.

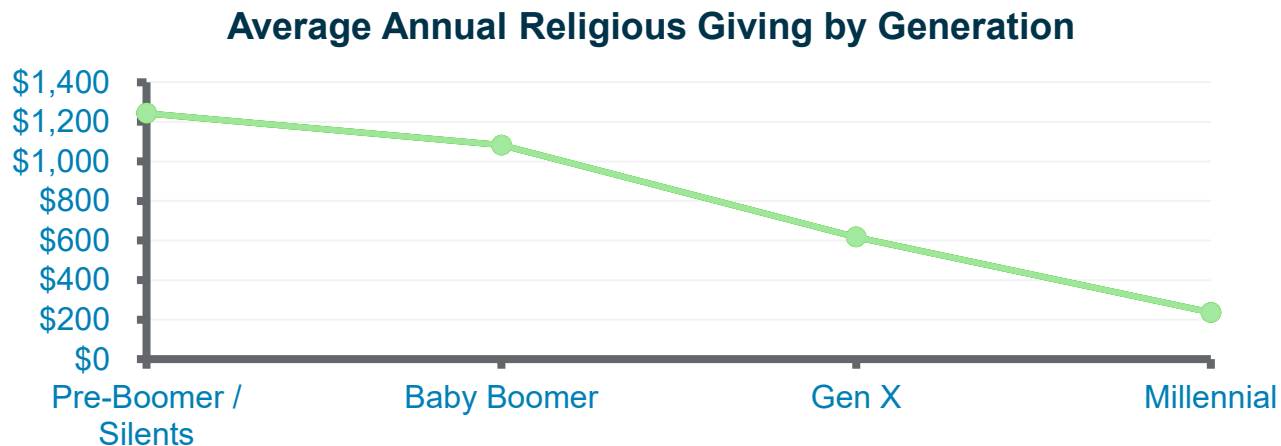
“The frequency of a household’s religious attendance dramatically impacts religious giving. The average annual religious giving of those who attend religious services at least monthly is \$1,736 higher than those who attend less than once per month.”

Giving USA

Religious Givers

Generational Patterns Shifting Focus Away From Religion

Changing generational donor patterns should be monitored carefully by religious organizations. Nearly one-quarter of U.S. adults do not identify with any religion, and that trend has accelerated over several decades. Fewer young people are making religious contributions and fewer Millennials and Generation Z individuals consider themselves religious as compared to previous generations.



Engaging Donors

What Motivates Donors to Give?

Religious Group	Motivations for Giving
Evangelical Protestants	Religious affiliation Helping those with less Making the world a better place
Mainline Protestants	Achieving change and impact Making the world a better place Giving back
Roman Catholics	Helping those with less Giving back Live up to the values of parents and grandparents
Jews	Helping those with less Making the world a better place Achieving change and impact

To combat the generational decline in giving, religious organizations must focus on the motivations of donors. Religious people are motivated to give by many of the same feelings that drive giving generally. Different religions and denominations profess some variations in the ranking of their main motivations for giving. It's important to note that all Protestant groups, as well as Jewish donors identified the importance of achieving change and impact with their donations.

Engaging Donors

The Importance of Good Stewardship

Despite individual reasons for giving, one of the most important ways to motivate faith-based donors is to demonstrate the impact of their donations.

People of faith believe in the importance of stewardship. As a result, they expect faith-based nonprofits to demonstrate the impact of tithes, offerings, bequests and endowments on the dual missions of helping people and supporting the congregation.

Precise accounting and complete, transparent reporting are the keys to such stewardship.



Engaging Donors

How Faith-Based Organizations Can Demonstrate Good Stewardship

It is important for religious organizations to choose the right financial management solution.

Not only will the right solution be easy enough to be used by an assortment of stakeholders, but it should be powerful enough to provide full accountability over the resources needed to support missions and ministry.

Perhaps most importantly, the right cloud-based financial management solution offers the perfect way to facilitate good stewardship.



Technology Tips

8 Tips for Using Technology to Manage Church Finances



Select user-friendly accounting software

In religious organizations, much work is often supported by volunteers, many of whom may not have a lot of experience with budgeting and accounting.



Choose a cloud solution

Spare your church the hassle and expense of dedicating IT resources. Cloud-based financial solutions can be accessed securely anywhere in the world at any time and the vendor will maintain and support the system and install updates.



Look for established nonprofit experience

Choose a vendor that has worked with many nonprofit and faith-based organizations. Businesses operate for a profit motive. Churches operate very differently, with unique challenges and needs—and with a higher calling.



Establish good internal controls

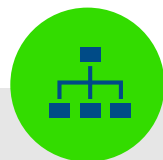
Because many of the people running programs and ministries in your church are not accountants, you will want to have a good system of internal controls and budget/expense approvals to safeguard your financial management.

8 Tips for Using Technology to Manage Church Finances (continued)



Insist on fund accounting functionality

Most churches earmark certain funds for specific purposes. To manage these funds you need a solution that easily allows for restrictions and automated release of restrictions—letting you assign incoming revenue and outgoing expenses to these individual areas.



Consider the need for multi-entity and multi-location accounting

Look for a solution that enables you to track the finances of each entity, campus, or ministry separately, while giving you a consolidated executive view. You should also be able to do the same for other entities, such as school, bookstore, food pantry, or other ministries.



Automate reporting for different roles and stakeholders

Look for a solution that makes reporting easy for non-accountant, non-technical people. You want to be able to set up automated report packages and even visual dashboards that can be run in real-time.



Measure and demonstrate outcomes and impact

Choose a solution that helps you share with donors the impact their dollars are making. You should be able to track operational statistics like how many meals you've serviced, books you've distributed, or visitors were welcomed.

Choosing the Right Solution

Getting Religious about the Cloud

Why Faith-Based Congregations Utilize the Cloud

According to survey respondents, investing in cloud technologies can have far-reaching benefits for faith-based congregations.

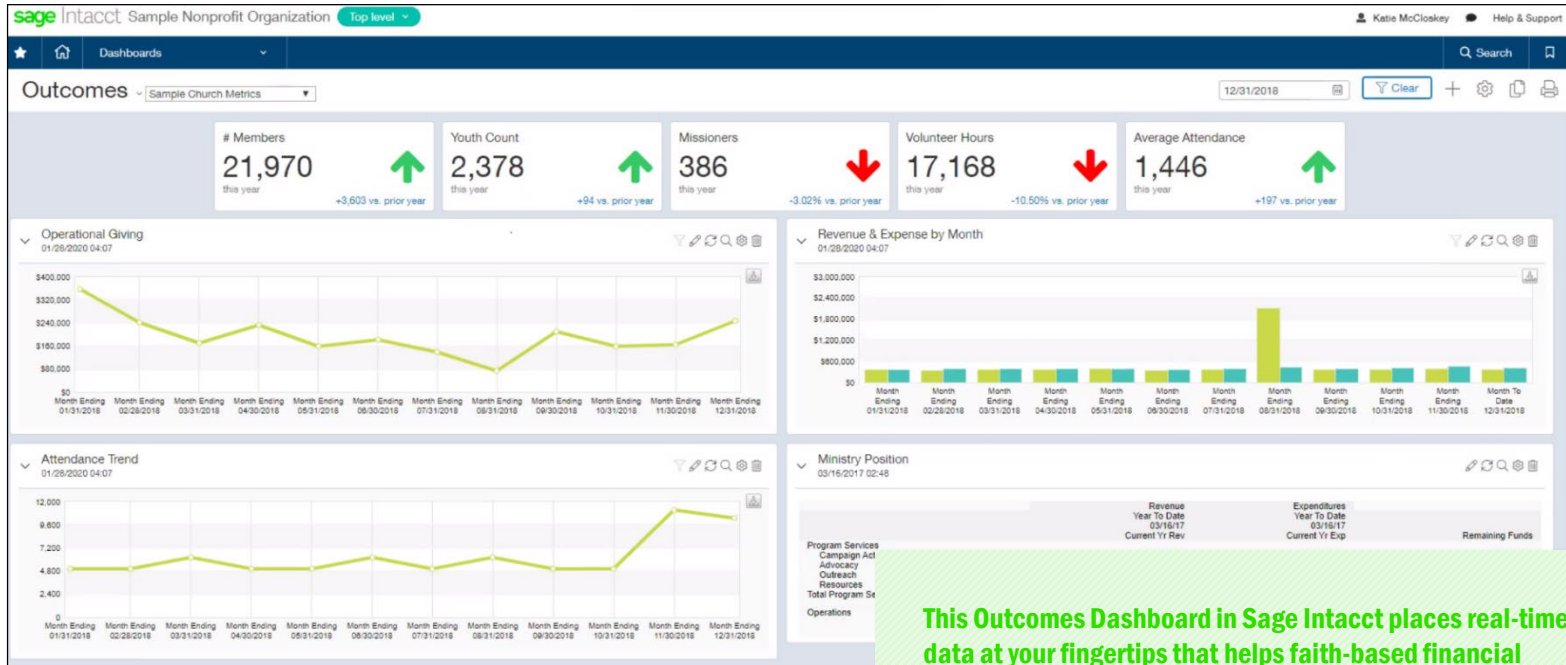
1. **Cost Savings:** Predictable, low monthly fee
2. **Access:** Anytime, anywhere access
3. **Ease-of-Use:** Simple to support, manage, and use
4. **Security:** Tighter security than most congregations can implement on their own
5. **Multi-Site:** Everyone can connect to the same system

Although large congregations have led the way in cloud technology adoption (80%), an increasing number of small congregations (55%) are also realizing the benefits of the cloud.

Nearly twice as many congregations, both large and small, that utilize cloud-based technology have also experienced an increase in tithes and offerings.

Choosing the Right Solution

Demonstrate Stewardship with Outcomes Metrics



This Outcomes Dashboard in Sage Intacct places real-time data at your fingertips that helps faith-based financial leaders tell the congregations about the impact they've made.

“My role is to provide direction for the future of our church and make sure leaders have what they need to minister to the people day in and day out. Sage Intacct empowers me to do this by providing insights into the financial data so I can work with our ministry teams and board of trustees to help them understand the potential impact of key operational decisions.”

Glenn Wood

Pastor of Administration, Seacoast Church

“Prior to Sage Intacct, we spent approximately 85% of our time on bookkeeping, and had only 15% free to analyze our data or do other special projects. Now that balance has changed, whereby we’re spending 65-70% of our effort on transactional tasks and about 30% on analytical work, despite increasing our workload with the same-sized team.”

Donald M. Genotti

Controller, Accounting & Treasury, Archdiocese of Detroit

“With the efficiencies we’ve gained through Sage Intacct, we’ve kept our staff size low even as we doubled in size. By using the system to manage all our day-to-day bookkeeping, we’re saving \$85,000 or more a year in salaries and benefits, while doing deeper analysis and reporting.”

Aaron Goin
CFO, Faith Promise Church

Conclusion

Funding Faith Missions

Religious donors are passionate, committed, reliable givers. But the overall percentage of households affiliated with religion has started to shrink with each younger generation. Religious nonprofits will have to work hard to engage a smaller set of donors in order to fulfill their mission.

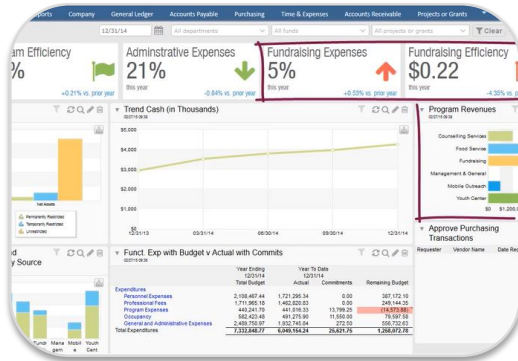
Religious donors understand stewardship and value it. Transparency, accountability, and financial reporting are prerequisites for maintaining trust with donors.

Best-in-class cloud financial solutions afford religious organizations the tools to demonstrate good stewardship among the committees, staff, and fiduciaries entrusted with management over church assets. These solutions help organizations engage religious donors with reports about mission impact and outcomes that reinforce what they observe during their own volunteer experiences.



Conclusion

Educational Resources to Help You Make the Right Decision



Product Introduction Video
Sage Intacct for Faith-Based Ministries Overview

[Watch Now »](#)



Customer Success Video
Seacoast Church
Glenn Wood
Pastor of Church Administration

[Watch Video »](#)



Nonprofit Accounting Software Buyer's Checklist
40 Essential Features of a Modern Accounting System

[Download Now »](#)



Sage Intacct

Sage Intacct is the AICPA's preferred provider of cloud financial applications.

Specializing in helping nonprofits of all types—including faith-based organizations, charities, trade and membership associations, and cultural institutions—Sage Intacct's modern solution and open APIs streamlines grant, fund, project, and donor accounting, while delivering real-time visibility into the metrics that matter. At Sage Intacct, we help nonprofits strengthen stewardship, build influence, grow funding, and achieve mission success.

For more information, visit: www.sageintacct.com/church-accounting-software

