



**How do you know how you're doing at what you're supposed to be doing?**

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What Are You Supposed to Be Doing?

It all starts with mission and purpose.

Every church has more good ideas than  
it has resources.

Many churches add programs, activities,  
and initiatives based on someone's  
good idea.

*And they lose orientation regarding what they are  
called to do.*

Many churches with large revenue streams struggle with cash flow challenges.

*And they have trouble fixing the problem. The merry-go-round spins fast.*

Churches with cash flow challenges  
often look in all the wrong places for  
solutions.

*And the solutions rarely or barely work.*

What's missing in this puzzle?



# Missing piece #1

Operating without a clearly and specifically articulated mission and purpose.

Not the church's very broad legal mission or purpose statement.

*A separate, specific list of clear objectives that the church believes it is called to pursue.*

# Missing piece #2

Not having clear targets for financial health, a time period for achieving them, and annual budgets designed to get the church from where it is to the target.

# Missing piece #3

Developing an annual budget spending plan without evaluating whether every single one of its programs, activities, and initiatives is significantly and directly contributing to accomplishing its mission and purpose.

There is a better way.

A way that will lead to both financial health and more effective accomplishment of mission and purpose.

Have a clear and specific statement of exactly what your church is called to do.

## Define targets for financial health.

*See, for example, the metrics we suggest in our book Nonprofit Financial Oversight.*

*\*Free copy to any attendee who would like one. Please visit <https://www.nonprofitcpa.com/xpbookrequest> to request your copy.*



Set a time period to get from where  
your church is financially to the  
targeted metrics.

Develop budgets that allow for operating surpluses to reach the targets over the appropriate time period.

Critically evaluate every single program, activity, and initiative and eliminate those that are not highly effective in directly accomplishing the specific elements of mission and purpose – this step can provide the opportunity to build a budget to get from where you are to the targeted position over an appropriate period of time.

Ensuring that all of your church's programs, activities, and initiatives are highly effective in accomplishing your mission leads to strong impact.

From a leadership perspective, here is a suggestion for how to model and document mission and purpose, as well as the programs, activities, and initiatives that carry out each element of mission and purpose. You can then build a plan for evaluating the impact of those programs, activities, and initiatives on an ongoing basis.

# Mission-Based Impact Outline

1. Specific element of mission and purpose
  - a. Program, activity, or initiative to accomplish this element of mission and purpose
  - b.
  - c.
    - i. “Marker of excellence” with respect to this program, activity, or initiative (in other words, what would be attributes of excellence for this program, activity, or initiative?)
    - ii.
    - iii.

Then, develop an assessment and reporting process that monitors how you are doing with respect to each marker of excellence for each program, activity, or initiative. And make sure the reporting process addresses the question “How do we know this?”

# Recap

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1. Mission and purpose
2. Financial health targets
3. Programs, activities, and initiatives
4. Markers of excellence for each program, activity, or initiative
5. Assessment and reporting on markers of excellence



**Thank You**