



FISCAL TRAINING FOR YOUR TRUSTEES



Rev. Dr. Perry J. Hopper

Though the term trustee is never mentioned in the Bible, there are references to a role which lays the groundwork for some of the church trustee's responsibilities.

It is no coincidence that "trust" is the root word and notable descriptor in the title; trustworthiness and dependability are essential characteristics for carrying out many of the trustee's duties. Ideally, church trustees should possess skills in property and asset management, budgeting, and legal matters.

It is wise for churches to invest in regular fiscal training to ensure that trustees are knowledgeable and competent.

Annual fiscal training should cover the following basic areas:

Structure and governance of a non-profit organization

Trustees need to be familiar with any state mandates for religious nonprofits, which vary from state to state. They should be acquainted with church by-laws, denominational structure, and mandates.

Working with the deacon board or other designated group in the church and the pastor, trustees need to ensure that all programs and activities focus on the church's mission.

Structuring/negotiating fair compensation (including retirement, health, life, and disability insurance)

Trustees should understand the components of compensation, including salary, benefits, and reimbursable ministry-related expenses and how to determine fair compensation for those employed by the church. They will need to be knowledgeable about forming a compensation or pastoral relations committee that is balanced and includes church members from diverse ministries when negotiating pastoral compensation.

Financial and tax reporting

Trustees need to know about clergy taxes, the dual tax status of clergy who are both W-2 employees and self-employed, and the housing allowance and the role it plays in structuring a beneficial tax strategy. They will need to know if there are any taxes which the church is responsible for paying — especially for churches that own additional properties.

Trustees should be trained to balance communicating with transparency on fiscal matters to the congregation. They should periodically arrange for an audit and review of their church's financial records.

Risk management

Trustees need to provide for the safety and security of the church's members and property. This means making sure the church complies with local and state safety regulations and has property and liability insurance for fire and theft. Trustees must also arrange for periodic inspections by the police and fire departments to determine unaddressed security and safety hazards. With older church buildings, annual inspections for structural concerns, water heaters, and kitchen safety are critical to having advance warning about potentially expensive repairs.



Rev. Dr. Perry J. Hopper, MBA serves as the associate executive director and chief client services officer at MMBB [www.mmhb.org]. He joined MMBB's staff in 1987 and is responsible for coordinating special programs that support MMBB's mission. He works in various capacities to best serve existing members, to reach prospective members, and to maintain solid relationships between MMBB and its affiliates.

Rev. Dr. Hopper's education includes a B.A. in political science (with a minor in business administration) from the University of Washington and an MBA from Penn State University. He also holds a Master of Divinity degree from the Harvard University Divinity School and a Doctor of Ministry degree as a Samuel DeWitt Proctor Fellow at the United Theological Seminary of Dayton, Ohio.