

# YOUR CHURCH

## Cash Flow Management Strategy

### Level 4 – Crisis

- Reduce staff to essential service-related personnel only
- Create and initiate church re-launch strategy
- Evaluate possibility of selling assets
- Lead staff and congregation in fasting/prayer campaign

### Level 4 – Action Trigger Criteria

- Activated after 8 consistent months at the Level 1 triggers and from fiscal year start, or
- Offering dropped by 40% under expected
- Past-due A/P more than \$10K
- Active until budget is met and deficit resolved or LT changes criteria

### Level 3 – Critical

- Release additional staff
- Cancel non-critical programs and focus strictly on weekend services and small groups
- Draw funds from emergency accounts
- Launch special campaign to raise additional funds

### Level 3 – Action Trigger Criteria

- Activated after 6 consistent months at the Level 1 triggers and from fiscal year start, or
- Offering dropped by 30% under expected
- Past-due A/P more than \$7-10K
- Active until budget is met and deficit resolved or LT changes criteria

### Level 2 – Concerned

- Freeze salary increases for pastoral staff
- Freeze spending for staff and leadership development including all conferences and seminars
- Reduce to one or two international missions trips
- Freeze and reduce non-essential fixed expenses
- Cancel non-essential leases and contracts, if any
- Challenge congregation with messages, e-mail, letter, etc.
- Start personal studies and prayer/fasting initiatives

### Level 2 – Action Trigger Criteria

- Activated after 4 consistent months at the Level 1 triggers from fiscal year start, or
- Offering dropped by 20% under expected.
- Past-due A/P more than \$5-7K
- Active until budget is met and deficit resolved or LT changes criteria

### Level 1 – Caution

- Ask leaders to reduce their budgeted expenses by 10-15%
- Re-evaluate rehiring staff that leave
- Cancel all general fund major projects
- Share budget issues with ministry and small group leaders

### Level 1 – Action Trigger Criteria

- Activated after 2 consistent months
- Weekly Short-Fall = 10-15% of Expected
- Average Monthly Short-Fall  $\geq$  \$14K
- Expected Annual Short-Fall  $\geq$  \$168K
- Past-due A/P more than \$3-5K
- Active until budget is met and shortfall resolved or LT changes criteria

### Level 0 – Business as Usual

Meeting budget most months and  
expected for the entire year