



The Stewardship Coach Volume 7 / Issue 13



"I could potentially lose \$300,000 in offerings the next eight weeks." That was the comment a pastor made to me in a 7 AM call this past week. He is thinking, can we sustain our missions and ministries? I believe the answer is yes! *If you plan and prepare, you can weather this storm.*

How will it impact giving? That is the question I ask every time I see the news. God has gifted others to meet this crisis using their skill set of ministry. My calling is to help sustain your ministry through this crisis we are experiencing.

Sustainability. That will be my focus for the next few weeks. What can we do in the next few weeks to ensure that your church is financially secure? Early in this crisis, I created a **3-Pronged Approach to COVID-19**. Caution and compassion are the first two prongs. Previous issues of The Coach dealt with that. The third prong is sustainability. I am going to deal with that prong with this Coach entitled ***The Sustainability Prong Part 1.***

Immediate and future sustainability must be on every leader's mind right now. You *must* deal with this crisis ***now!*** You are doing that. However, the test of a leader is in how well you manage both the present issues of sustainability, while at the same time keeping your eye on the future.

While we don't know a lot about COVID-19, we do know that at some point, it will pass. Is that weeks or months? No one knows. Here is what you do know, **you will face a giving decline even with my excellent coaching!** I am working to help you *minimize* the damage in the present. So, here is my advice.

CUT YOUR BUDGET AND SPENDING NOW!!! That is not panic. That is reality. I am not being a defeatist; I am being a realist. People in your church are cutting their budgets and they will be expecting the same from you. The longer this continues, the greater the impact upon your giving. Act today so that you will be open tomorrow.

Reach out to everyone of your top donors asking how you can pray for them. Call every small business person in your church. Right now, the guy who owns a McDonald's franchise is wondering if he will lose his house, car, let alone his business. They need to hear from their pastor! NOW! Pray for them right there on the phone. Invest in them and they will invest in you!

Think sixty days, ninety, one hundred and twenty days out. This is a test of leadership. You are consumed by the immediate but don't lose sight of your future. **This doesn't have to kill your dream!** Did 9/11 stop the Church? Did the Great Recession stop the Church? No, we adapted, we adjusted, and we survived. You will survive this.

Stay on good terms with your bank! How will banks react to churches during this crisis? I have clients with building projects about to come off the planning table. Will they be able to find financing for those projects? Will banks even make loans to churches? What about existing loans? Will banks allow churches to restructure their loans? I know the questions, but I don't know the answers.

For the rest of this column I want to deal with how COVID-19 is and will impact banking for churches.

Like you, I turn to those that I know are experts in their field. My long-time friend, Dennis Moses, CEO/Managing Director at Church Capital Resources, <http://churchcapitalresources.com/>.

Dennis has been in the banking industry for years. He and the team at CCR provides financing for churches. Dennis has helped many of my clients, and I wanted to ask him the questions that I knew you would be asking. When I first talked to Dennis about this interview, COVID-19 was some virus in China. The events of the last two weeks have changed the tone of this interview.

MB: Dennis, thanks for your time. Every church leader is grasping for answers when it comes to their financial security. Dennis, in a private conversation with me, you talked about what you call The Big Reveal. Can you tell us what you mean by that?

DM: Mark, thanks for this time. Lending institutions are going to be more closely scrutinizing churches' finances. For many churches, COVID-19 unfortunately will reveal embarrassing discoveries that will show how fragile many of them are financially. So, I coined the term The Big Reveal. For instance, many churches have a lack of cash reserves to pay monthly operating expenses. Banks will be looking for a minimum of 3 to 6 months cash in reserve before they will talk about a loan. In my experience, most churches don't have that kind of reserve.

MB: I would agree, most churches don't have one month's cash in reserve! So, what should churches be doing right now?

DM: Lenders will be scrutinizing the leadership of the church during this new reset period. They will look at what actions church leaders are taking to keep afloat. For instance, I received a "COVID-19 Church Questionnaire" from one of our corresponding church lenders. Here are some of the questions they are asking...

1. Has the church instituted E-giving?
2. When (date), and how is it going?
3. How much cash reserves does a church have?
4. What contingency plans are being instituted (cost reduction)
5. Does your church have online services? If not, what steps are you taking to do so?

Churches need to be prepared for more intense scrutiny.

MB: So, I guess the million-dollar question is, are banks still going to be loaning money to churches?

DM: I have spoken to several friends who serve with the largest church lenders in America and they are anxious for loans. But they are looking for Quality A+ grade church loans. That means a church must have no declining trends in revenue or attendance. I mentioned before at least 3 to 6 months of cash reserve. Churches need to understand that they will be looking at a debt coverage ratio (DCR) of 1.2 to 1. Simply put, that means for every \$1.20 in revenue a church has, they can borrow \$1.00. We are looking at maximum loan rates based on 2 ½ times revenue.

MB: What can churches do immediately?

DM: Mark, here is what we are advising all our clients:

- 1) Regarding your 2020 budget: Cut further than you think you'll need to, and faster than you think you should! This is harsh but it is better than closing the church doors for good!
- 2) Stop spending immediately.
- 3) Postpone all mission trips – domestic and abroad.
- 4) Get used to the new normal.
- 5) Protect your cash position.
- 6) Determine and quantify how much revenue (tithes and offerings) comes in on a Sunday (Plate Offering) and during the week, by check and direct deposit, plus how much comes in electronically. If you don't have E-giving, start!

Thanks Dennis, this is some sobering and good advice.

I will be doing a live interview with Dennis on the March 23rd at 11 AM EST Monday Mornings With Mark The Stewardship Coach. Register here: <https://attendee.gotowebinar.com/rt/7081778876232214541>

Right now, all of us are trying to figure out what the path ahead is. We have been in times of crisis before. My advice?

This, too, shall pass, so keep planning for your future now! As always, please let me know how I can be of service to you!



Mark Brooks – The Stewardship Coach
mark@acts17generosity.com

This Week's Offering Talk

The offering is not dead; it is simply changed! The easiest way to increase giving at your church is through your offering time. You have already felt, and will continue to feel, the financial hit on closing your doors. Don't make the mistake of failing to ask for people to contribute to your life changing ministry. Now more than ever we need the Church. So, make your case and ask boldly in Jesus' name! I pray this offering talk helps to that end.

The Offering is Not Dead!

How many of you are watching today's service in your PJ's? I am glad that I can't see all the hands being raised throughout town right now. Please don't email me to tell me you watch our services in bed! These are crazy times and all of us are trying to adjust to the COVID-19 crisis.

Like you, I have had a lot of TV time and time on the Internet. Like you, I keep hearing that this crisis has and will change forever how we do business and how we interact with one another. There is talk of keeping virtual classroom teaching available, for instance. If you can teach your students via the Internet why spend thousands of dollars on new schools? That might be an extreme example, but you are probably hearing things like that. One thing we know for sure, COVID-19 has and will continue to change our world.

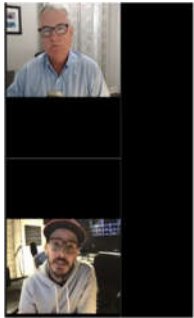
One thing COVID-19 will not change is our mission as a church. Our church does not comprise of a building. The fact that you are watching this now is a clear demonstration of our resolve to do whatever it takes to stay on mission! COVID-19 will not change our theology, but it has and will continue to impact our methodology.

The offering time is a clear demonstration of a required change in our methodology. Thanks to technology, the offering is not *dead* it is simply *different*. We have multiple ways by which you can give. The best way is to set up your giving to be recurring. That way, when you are at home in bed watching us, your offering is present. It is easy to set up. Simply go to our website, click on the give button, and then follow the instructions.

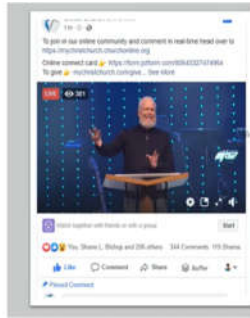
Let me be frank, due to our closure we will face a major reduction in giving. We are working hard to assure that ministries like VBS, Student Camp, our mission trips and other ministries are fully funded. Your generous gift today will help us continue to fulfill our God given mission. Thank you for your generosity. One gift at a time, you are helping us extend the love of Jesus to a world now in confusion and chaos.

Bonus Section

In the next few weeks, I will be passing along any information that I feel might be helpful for you as we all navigate through the present crisis.



How to do it right!



Last week's webinar was an interview with Tim Drury, Video Director at Christ Church. We talked about how to use Facebook to live stream your services. Check out the webinar here, <https://youtu.be/kZ7OhO-Cun0>

Tim mentions several links that he sent me. Those links are listed below.

<https://www.facebook.com/groups/ChurchSoundMediaTechs/>
<https://sundaysounds.com/church-coronavirus-response-resources>
<https://churchonlineplatform.com>

Special Coronavirus Edition: Your Church's Response to the Coronavirus – This webinar was taped on Monday, March 2nd. It contains helpful advice on plans of action. Here is the link:

<https://youtu.be/wASesfV5WM0>

Here are some samples of what other churches are doing:

The Summit Church in Arkansas - <https://thesummitchurch.org/covid19>

Woodside Bible Church in Michigan - <https://woodsidebible.org/stories/coronavirus/>

Here are some good articles to read:

If Thom Rainer writes it, we need to read it. Here are his thoughts on what this will mean post COVID-19.

<https://thomrainer.com/2020/03/what-will-the-post-coronavirus-church-look-like/>

Benjamin Windle talks about how churches need to do more than simply live cast their worship services.

https://www.benjaminwindle.com/post/why-live-streaming-is-not-the-full-answer-for-churches-during-covid-19?fbclid=IwAR3JT-QYTKTvC4b8_W1Cr4PIKVuWATQPhPUefgZlDbml6bUxFjKmN5seX4

Like Rainer, if Rick Dunham writes, I read it. Here is a good review of the impact of COVID-19.

https://www.dunhamandcompany.com/news/will-the-coronavirus-impact-giving/?utm_campaign=2003&utm_medium=email&utm_source=nl&utm_content=blog&utm_term=corona&goal=0_b82a25e92a-f63d4d149e-429379909&mc_cid=f63d4d149e&mc_eid=f6809fa6f1

Forward to me any articles or sites you have found helpful!
