

Hawaii Pacific Baptist Convention  
hpbaptist.net

We are  
**HAWAII  
PACIFIC**  
Missions.

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Basic Business Practices  
in the Church

Session #5 – Risk Management and Cash  
Management

Mike Martin,  
HPBC Assistant Executive  
Director for Business &  
Finance

We are  
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**Risk Management**

What is Risk Management?

- Risk Management is the **process** of **protecting** the **tangible** and **intangible** assets of the church and/or ministry.

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## Risk Management

Tangible Assets are:

- Physical Properties
- Cash
- Buildings
- Furnishings
- Equipment

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## Risk Management

Intangible Assets are the reputation, public image, or “brand” of the church/ministry:

- People attending church
- Church staff
- Volunteers
- Intellectual Property
- Copyright Laws

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## Risk Management

5 Key Steps in protecting assets:

1. Identifying Risks
2. Analyzing Risks
3. Controlling Risks
4. Costing Risks
5. Managing Risks

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## Risk Management

### Identifying Risks:

- Physical Inspections
- Using Checklists
- Review your Insurance Policy
- Review Leases and Contracts

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## Risk Management

### Analyzing Risks:

- Determine likelihood of accident vs. potential impact of loss, if it occurs.
- Loss will cost today
- Future costs – i.e. – increased premiums, damaged reputation
- Short and Long term consequences

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## Risk Management

### Controlling Risks:

- Avoidance
- Prevention
- Reduction
- Separation and Duplication
- Transfers

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# Risk Management

## Costing Risks:

- \$ Pay for the risk we assume
- \$ Insurance helps you pay for losses you incur
- \$ Other items – deductible, self-insured, retention

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# Risk Management

## Managing Risks:

- \$ It is a process
- \$ Implementation of risk management is key along with constant monitoring
- \$ Commitment to process
- \$ Evaluate constantly for improvement

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# Risk Management

**GuideStone's Ministry Protection Plan**

Create a risk management plan for your church.

Our Ministry Protection Plan™ is an online tool that will walk you through developing a comprehensive risk management program for your church. It is free to use for the life of the church to help you protect your church.

**Why have a risk management plan?**

**Outlets.** It will help you make the choices you make. A written risk management plan enables your ministry's priority about potential risks that could adversely impact ongoing ministries.

**Problems.** It can help protect your church. Having a documented risk management plan demonstrates your diligence and safety record should you need to attend a court or claim against your church.

**Features.** It will help free you from distractions. Your risk management plan defines your risk priorities and strategies. It's customized for your unique ministry needs. When you evaluate efforts to prevent risks, safety issues can become less intimidating.

[Request Access](#)

For more information on GuideStone's Property and Casualty Program, email us at [1-800-88-GUIDE](mailto:1-800-88-GUIDE) (1-800-88-4864) or visit us on our website.

GuideStone's Ministry Protection Plan™ is supported by My Risk Management Plan, a web-based software program designed to help nonprofit leaders develop customized risk management plans for their organizations. It is provided as a free benefit to GuideStone PCC clients.

This tool is provided as a general guide and does not constitute legal protection. Consult your local attorney for information with legal judgment and legal advice to develop a risk management plan that is appropriate for your organization.

Property and liability insurance coverage provided by GuideStone Mutual Insurance Company is subject to conditions, coverages, limits, exclusions and endorsements. For precise details of coverage, please refer to the actual policy. Some coverages are only available in states where GuideStone Mutual Insurance Company is licensed and will be written in accordance with company underwriting rules. GuideStone is an equal opportunity agency of GuideStone Mutual Insurance Company in Texas and Arizona.

**Popular Items**

- Brochure
- Insurance
- Safely Travel
- Requesting a Claim

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## Risk Management

Keys to Protecting Your Ministry:

6. Protect your ministry with Employment Practices Liability Insurance (EPLI)
7. Conduct physical and financial audits
8. Develop an internal controls of accounting and assets
9. Establish "Church Safety & Security Team"

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## Risk Management

Issues with tangible assets:

- Physical Properties
- Buildings
- Furnishings
- Equipment

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## Risk Management

Issues with intangible assets are the reputation, public image, or "brand" of the church/ministry:

- People attending church
- Church staff
- Volunteers
- Intellectual Property
- Copyright Laws

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**Financial Risk(Cash) Management**

Cash management is the **process** by all **financial** assets are **protected** and **transparently accounted** for.

Six key areas:

1. Roles and responsibilities with financial matters
2. Budgetary process
3. The processing of financial information from receipting to financial reporting

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**Financial Risk(Cash) Management**

Cash management is the **process** by all **financial** assets are **protected** and **transparently accounted** for.

Six key areas:

4. Development of internal control and accountability
5. Review of financial systems – internal review, financial review, and audit
6. Handling of investment

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**Websites to Assist with Risk Management**

<https://www.guidestonepropertycasualty.org/SafetyToolkit>

<https://www.brotherhoodmutual.com/resources/safety-library/risk-management-forms/>

<https://www.guideone.com/resource-center/safety-resources>

<https://www.protectmyministry.com/>

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