



Church Financing Guidelines Checklist for Church Boards

A practical readiness guide for pastors, treasurers, finance committees, and church boards evaluating church loans, refinancing, construction, renovation, or property purchase decisions.

Central board question

What can we responsibly carry while protecting ministry, operations, and future flexibility?

Prepared by Griffin Church Loans for pastors, treasurers, finance committees, and church boards

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Use: Board review and loan-readiness discussion

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How to Use This Checklist

This PDF is a companion checklist to Griffin Church Loans' church board financing guide. It is designed for board discussion, not as a substitute for legal, accounting, tax, financial, or denominational advice.

Use it before a church applies for financing, refinances existing debt, begins a construction or renovation project, or purchases property. The goal is not to push a church toward borrowing. The goal is to help leadership decide with clarity, stewardship, and long-term discipline.

Best use

Print this checklist or review it as a board packet. Mark items as complete, unclear, or not yet ready. Use unresolved items as discussion points before speaking with a lender.

Decision Principle

A church financing decision should not begin with the question, 'How much can we borrow?' It should begin with the better question:

Board question

What can we responsibly carry while protecting ministry, operations, and future flexibility?

What This Checklist Covers

- Mission fit and ministry purpose
- Affordability and repayment capacity
- Financial documentation and lender readiness
- Board, pastor, treasurer, and finance committee alignment
- Loan structure, terms, fees, and refinancing risk
- Downside scenarios if giving softens, costs rise, or timing changes

Authority note

This checklist connects Griffin's board-level financing guidance with practical loan-readiness questions churches can use before applying, refinancing, purchasing property, or approving a project budget.

Church Financing Guidelines: What Every Board Should Confirm First

A disciplined financing decision is not just about loan approval. It is about stewardship, sustainability, and clarity. Before moving forward, every board should review the following areas.

Guideline	Board Question	Why It Matters
Mission Fit Purpose	Does this financing serve a real ministry need?	Prevents opportunity-driven borrowing.
Affordability Financial Strength	Can we repay under conservative giving assumptions?	Protects operating stability.
Documentation Readiness	Are financials, attendance trends, approvals, and property records ready?	Reduces underwriting delays.
Governance Leadership Alignment	Are pastor, board, treasurer, and finance committee aligned?	Prevents late-stage breakdown.
Loan Structure Terms & Clarity	Do we understand the term, rate, fees, prepayment rules, and refinancing risk?	Avoids surprises after closing.
Optionality Risk Control	What happens if giving softens, costs rise, or timing changes?	Preserves long-term flexibility.

Board-use note

Use this table as the first board-level scan. If any area is unclear, slow down before committing to loan terms, project scope, or a property decision.

Church Loan Readiness Checklist

Most church loan delays do not happen because the ministry has no need. They happen because the file is incomplete, the board is not fully aligned, or the financial picture is not easy to evaluate.

Documents and Information to Organize

- Year to Date Income and Expense Statement and Balance Sheet
- Last 3 Years of the church's Income and Expense Statements and Balance Sheets
- Completed Church Loan Application
- Board, trustee, or denominational approval, if needed
- Project budget, if construction or renovation is involved

What a Lender Should Be Able to Understand

- What the church wants to do
- Why the financing matters to the ministry
- How the church plans to repay
- Whether leadership has reviewed and approved the direction
- What unresolved risks or assumptions still need attention

Readiness standard

The goal is not perfection. The goal is clarity. A lender should be able to understand the church's financial position, purpose, repayment path, and leadership alignment without guessing.

Church Borrowing Capacity Worksheet

Borrowing capacity is not the same as wise borrowing. A church may qualify for a certain loan amount on paper, but the board still has to decide whether the payment fits the church's actual operating life.

Financial Inputs

Input	Amount	Notes / Source
Annual undesignated giving	\$	
Average monthly giving	\$	
Current monthly debt payments	\$	
Estimated new monthly loan payment	\$	
Operating reserves available	\$	
Monthly payroll and core operating expenses	\$	
Building maintenance and insurance obligations	\$	
Project contingency amount	\$	
Expected fundraising already received	\$	
Giving decline sensitivity test	\$	

Board-level affordability test

If giving declined or expenses increased, could the church still make the payment without cutting core ministry obligations? If the answer is unclear, the board should slow down before applying.

Borrowing Capacity Review

Use this page after the board has reviewed the financial inputs. The goal is to identify whether the proposed payment leaves room for ministry, payroll, maintenance, reserves, and unexpected costs.

Board Review Status

Review Item	Ready	Unclear	Concern	Notes
The payment fits within conservative giving assumptions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
The church can maintain core ministry and payroll obligations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Operating reserves remain adequate after the financing decision.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Project costs include contingency, soft costs, and equipment needs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Leadership can explain the repayment path in plain language.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
The board has considered what happens if giving softens or timing changes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Conservative assumption rule

The strongest church financing decisions are usually built around conservative assumptions, not optimistic projections.

Financial Documentation Review

Financial documentation is more than paperwork. It helps a lender understand financial strength, giving trends, debt obligations, cash flow, and repayment capacity. It also helps the board see whether the financing decision is grounded in reality.

Board Review Questions

- Are financial statements current, complete, and internally consistent?
- Can the treasurer or finance committee explain major income or expense changes?
- Are restricted and unrestricted funds clearly separated?
- Are current liabilities, payables, and existing debts easy to identify?
- Does the current budget support the proposed payment without relying on optimistic assumptions?
- Are attendance, giving, and membership trends understood by leadership?
- If the project involves construction, are hard costs, soft costs, furniture, fixtures, equipment, and contingency considered?

Documentation Risk Flags

- Financial statements are missing, outdated, or inconsistent.
- The proposed payment depends on giving growth that has not yet happened.
- Project costs are not defined clearly enough to support a financing decision.
- Leadership cannot explain why the loan amount is appropriate.
- The board has not documented its approval path.

When a Church Should Not Borrow Yet

Waiting is not always a sign of weakness. In church financing, waiting can be a form of stewardship. A church that is better prepared usually has more options, better conversations with lenders, and fewer surprises during underwriting.

- Giving or attendance is declining without a clear explanation.
- The board is divided about the project.
- The loan would cover operating shortfalls.
- Financial statements are incomplete or inconsistent.
- The project budget is not defined.
- The congregation has not been properly informed.
- The church is relying on unrealistic fundraising assumptions.
- The loan payment would weaken ministry operations.
- Leadership is under pressure from an external deadline.

Stewardship filter

A financing decision should be explainable to the congregation in plain language. If the board cannot explain the need, repayment plan, timing, and risks clearly, the decision is probably not ready.

Questions to Ask Before Choosing a Church Lender

Church leaders need more than a quote. They need to understand how the proposed loan structure affects ministry operations, future flexibility, and refinancing risk.

Question	Why It Matters
What is the actual loan term?	Short terms can create refinancing pressure.
Is there a balloon payment?	A low rate may hide future refinance risk.
Are there prepayment penalties?	The church may lose flexibility to pay down principal.
What fees and third-party costs should we expect?	Closing costs affect the true cost of financing.
What documents are required?	A clear list reduces underwriting delays.
What could delay approval or closing?	Boards need realistic timelines.
What happens if rates change?	Rate movement can change affordability.
Is this loan built for church cash flow?	Church income often varies by season and giving patterns.

Lender selection rule

A trustworthy lender should be able to explain terms, risks, documents, timing, and repayment expectations before pushing the church into an application.

Board Meeting Discussion Sheet

Use this page during a board or finance committee meeting. The healthiest decisions leave a written record of why the decision was made, what alternatives were considered, and what assumptions were in place.

Item	Notes
Decision being considered	
Ministry need served	
Loan purpose	Purchase / Refinance / Renovation / Construction / Other
Estimated loan amount	
Estimated monthly payment	
Repayment source	
Alternatives considered	Delay / Reduce scope / Fundraise / Use reserves / Refinance / Other
Main risks identified	
Approval path	Pastor / Board / Trustees / Congregation / Denomination / Other

Board Decision Record and Next Actions

Use this page to document the board's next step before applying, approving terms, signing contracts, or moving into underwriting.

Item	Board Notes
Decision status	<input type="checkbox"/> Ready to proceed <input type="checkbox"/> Needs more review <input type="checkbox"/> Delay recommended
Open questions	
Documents still needed	
Person responsible	
Target review date	
Next action	
Board notes	

Before final approval

Revisit the central question: What can we responsibly carry while protecting ministry, operations, and future flexibility?

Griffin Perspective: Financing Should Serve Ministry

Griffin Church Loans works with churches evaluating financing for property purchase, refinance, renovation, construction, and ministry-related real estate needs. The most useful financing conversations usually begin before the church is under pressure from a deadline.

<p>2,000+</p> <p>church loans closed</p>	<p>\$2B+</p> <p>in closed church loans</p>	<p>Founded in 1999</p> <p>specialized church lending</p>
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Use This Checklist Before

- Applying for a church loan
- Signing a purchase contract
- Approving a construction or renovation budget
- Refinancing existing church debt
- Launching a capital campaign tied to a property decision
- Presenting a financing recommendation to the congregation

Next Step

When your board is ready to discuss the numbers, timeline, documentation, and available loan paths, Griffin can help you review the next step.

Website	church-loan.com
Board guide	church-loan.com/church-board-financing-guide
Apply online	church-loan.com/check-rates-now
Phone	(800) 710-6762
Email	info@churchloans.net

Important note

This checklist is informational and does not replace independent legal, tax, accounting, denominational, or financial advice. Churches should evaluate financing decisions within their own governance, mission, and financial context.