

# PREPARING A CHURCH BUDGET



# Our Calling as Stewards

IT'S MORE THAN JUST NUMBERS - We Are Stewards

"Moreover it is required in stewards, that one be found faithful."

1 Corinthians 4:2

- ❑ Managing GOD'S resources, not ours
- ❑ Accountable to God and our church family
- ❑ Budgeting = Practical stewardship



# WHAT IS A BUDGET?

"For which of you, intending to build a tower, sitteth not down first, and counteth the cost, whether he have sufficient to finish it? Lest haply, after he hath laid the foundation, and is not able to finish it, all that behold it begin to mock him, saying, This man began to build, and was not able to finish. "Luke 14:28-30

A budget is a financial plan that outlines our expected income and expenses over a specific period of time. It helps us to manage our money by showing how much we earn and how we intend to spend it, allowing us to take control of your finances. **IT IS A PLAN BUT NOT CAST IN STONE!!!**

# WHY DO WE NEED A CHURCH BUDGET?

- ✓ PLAN FOR MISSION - Aligns spending with God's work
- ✓ PROMOTES TRANSPARENCY - Builds trust in congregation
- ✓ ENSURES FINANCIAL HEALTH - Prevents overspending and helps build reserves for future needs.
- ✓ GUIDES DECISION MAKING - Helps board make Spirit-led choices





# The Budgeting Cycle

1. REVIEW & EVALUATE (Analyze past year)
2. PRAY & PLAN (Seek God's guidance)
3. DRAFT & PROPOSE (Create with finance committee)
4. PRESENT & APPROVE (Board & church business meeting)
5. IMPLEMENT & MONITOR (Manage & report regularly)



# BUILDING BLOCKS OF YOUR BUDGET

## INCOME:

BUDGETED INCOME DOES NOT INCLUDE TITHE

BUDGETED INCOME INCLUDES : LOCAL OFFERINGS

- ❖ BUDGET COVENANT OFFERINGS
- ❖ Sabbath School Expense Collections
- ❖ Church Fund for the Needy
- ❖ Church Building
- ❖ Welfare Fund
- ❖ Special Projects - Book Drive, Air Conditioning

OTHER INCOME

- ❖ Donations
- ❖ Rental Income



# BUILDING BLOCKS OF YOUR BUDGET

## EXPENDITURE:

### LOCAL MINISTRIES (50% to 50% ) -

- Sabbath School, Youth
- Pathfinders/Adventurers
- Personal Ministries, Community Service,

### ADMINISTRATION (25 to 30%)

- Utilities, Insurance
- Maintenance
- Stipends

### BUILDING/RESERVE (10% to 15%) Future needs



# Preparing for and Planning Expenditure

## Create a Finance Committee

Each church should have a mission-driven, broadly-based consultative financial planning and budgeting process with a committee structure that can give detailed review to the ongoing financial planning and budgeting. In some cases, this may take the form of a finance committee. In other cases, in smaller churches, this process may be handled directly by the church board. If the church establishes a separate committee for this purpose, the responsibilities should include reviewing budget requests and the review of the annual operating budget as well as a review of the financial position of the church as reflected in the financial statements. The approval of the budget and the review of the financial statement shall then be recommended to the church board and onward to the business meeting of the church for action.

*SDA Church Manual 20<sup>th</sup> Edition pg 138-139*



# Preparing for and Planning Expenditure

- Prioritize strategic goals
  - EXPENDITURE SHOULD BE DRIVEN BY THE CHURCH'S STRATEGIC PLANNING – VISIONING FOR IMPACT IN OUR COMMUNITIES. DEPARTMENTAL PLANS SHOULD SUPPORT THE STRATEGIC GOALS.
- Work with ministry leaders- Departmental Budgets
- Be conservative in estimates
- Include contingency funds
- Use historical data

# DEPARTMENTAL BUDGETS

- ▶ Sample Budget Proposal Template
- ▶ Sample Budget Template

# GAINING CONGREGATIONAL TRUST



## PRESENTATION PROCESS:

1. Church Board First
2. Church Business Meeting
3. Use Visual Aids
4. Explain the "Why"
5. Answer Questions Respectfully

Transparency = Trust

# Best Practices - WISDOM FOR THE JOURNEY

## DO:

- ✓ Pray continually for wisdom
- ✓ Keep detailed records
- ✓ Use church software
- ✓ Communicate often
- ✓ Ask for conference help

## DON'T:

- X Make unbudgeted expenses
- X Operate in secrecy
- X Be afraid to ask questions
- X Forget that this is a partnership



# Monitoring & Reporting

## STAYING THE COURSE

### REGULAR MONITORING:

- ❑ Monthly: Compare actual vs. budget
- ❑ Monthly: Report to board
- ❑ Quarterly: Update congregation

### KEY PRINCIPLE:

- ❑ "No surprises!" - Regular communication prevents problems.

# Tools & Resources

YOU ARE NOT ALONE

## RESOURCES:

- ❖ Conference Treasury Department
- ❖ SDA Church Manual
- ❖ Excel Sheets
- ❖ Fellow Treasurers

# Questions