

BUILDING A
CHURCH BUDGET
B BRIDGE **E**
FOR THE KINGDOM



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BUILDING A CHURCH BUDGET BRIDGE FOR THE KINGDOM

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How to use this Resource

Building the church budget bridge has never been easy. As a church financial leader you are to be commended for your willingness to accept this major responsibility. Budget development lies at the center of a complex matrix of church activities.

Annual calendar planning, mission performance evaluation, professional staffing, building administration, and debt retirement can rise like a flood at budget planning time. The budget-planning group must act in concert with other church leaders to engineer a comprehensive approach to ministry that is inclusive and redemptive. Otherwise, the congregation may drown in confusion.

This booklet focuses on the specific task of church budget development. It assumes that the church has provided an adequate organizational structure for performing ministry and fund accounting. If this is not true, then assistance should be sought from stewardship and church administration consultants in your state convention or association.

Other resources are available to strengthen your church's mission planning, staff administration, organizational structure, and ministry performance.

Building a Budget Bridge for the Kingdom

suggests a straightforward procedure to assist the budgeting group in accomplishing its task in a redemptive context. Obviously, the primary goal is adopting a budget. However, several components are required for ensuring that the process builds congregational consensus and strengthens personal discipleship. On page 3, note and work through the necessary actions for assembling a bridge for sound financial ministry.

The Budget Development Committee/Group gives overall direction to the budgeting process. Consider including these actions as your church compiles next year's budget:

- U Seeking Spiritual Direction
- U Consulting with Church Organizational Leaders
- U Building Congregational Acceptance
- U Encouraging Personal Commitments

Several worksheets are included for your convenience and may be duplicated as necessary. Some worksheets might not be used, but be careful not to eliminate essential pieces from your budget bridge.

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ACTIONS TO BUILDING A BUDGET

BRIDGE FOR THE KINGDOM

Budget Development Committee/Group

1. Build positive regard for stewardship among other church ministries.
2. Suggest actions to assist the church in conducting comprehensive stewardship development.
3. Prepare giving histories, mission statements, and other background information.
4. Conduct a coordinated ministry planning meeting.
5. Distribute budget proposal forms; invite the participation of all appropriate church leaders.
6. Establish deadlines for budget proposals, discussions, and adoption.
7. Encourage church leaders to stay on schedule.
8. Though the goal of the budget development group is a dollars-and-cents financial statement, its main functions are coordination and communication.

Action One: *Seeking Spiritual Direction*

- Seek God through prayer before proceeding. Ask God for wisdom in how to best communicate the purpose for having a church financial ministry plan.
- Develop a clear statement of the church's mission. (page 4)
- Include personal stewardship as a primary response to fulfilling the church's mission.
- Review the Church Giving Profile. (page 7)
- Project next year's ministry priorities.

Action Two: *Consulting with Church Leaders*

- Enlist the church's best leaders in financial planning.
- Secure budget proposals from all persons responsible for church ministry performance. (page 10)
- Consult with church leaders regarding adjustments to their requests.
- Finalize a coherent plan that addresses each proposal.

Action Three: *Building Congregational Acceptance*

- Write an attractive budget proposal.
- Provide a copy for every member.
- Make a formal budget presentation.
- Communicate the Church Giving Profile for the past five years through graphics and charts.
- Allow opportunity for dialogue.
- Call for congregational adoption.
- Conduct a church-wide stewardship development emphasis.

Action Four: *Encouraging Personal Commitment*

- Interpret what the Bible says about stewardship and giving.
- Model expected behavior through testimonies.
- Ask members to declare their intentions for giving.
- Remind the congregation of progress in giving.
- Express gratitude for faithfulness in giving.
- Provide offering envelopes for each person (including children and youth).

HOW TO VIEW MISSION, VISION AND THE MIRACULOUS IN CHURCH BUDGETING

“Joshua told the people, ‘Consecrate yourselves, because the Lord will do wonders among you tomorrow.’”

Joshua 3:5 HCSB

Suppose for a moment your church was told to cross a large river. Would you swim, build a bridge, or buy a boat? Your strategy to get across would depend on your resources, people, circumstances, money, and motivation.

Before a strategy can be developed, something more crucial must be known. Why are we going and what will be on the other side? The two banks of the river can represent these two critical questions: “Why?” and “What?”

First, why are we doing church?

A simple statement of purpose is your Mission. Before you start building a bridge, developing a budget, or doing church, a Mission Statement needs to be carefully developed and known.

Second, what will our church look like if we accomplish our Mission?

This picture of the desired future is your Vision. This is the far bank of the river. With our community, resources, needs, call, and spiritual gifts, what will the preferred future look like if we do a great job of accomplishing the Mission? This Vision Statement will be unique to your church.

So, prior to the process of church budgeting, clearly define and understand your church’s Mission and Vision! Before you can build a bridge from one bank to the other, you need to accurately know these two banks of the river.

What motivates people to do their job well? Is it perks, benefits, salaries, tools, training, encouragement, rewards, or vacations? The resounding answer from millions of employees and volunteers in every work setting imaginable is: tell me why I’m doing this and what end result is desired. ¹

– “...But as soon as the priests carrying the ark reached the Jordan, their feet touched the water at its edge and the flowing downstream stood still...The priests carrying the ark of the Lord’s covenant stood firmly on dry ground in the middle of the Jordan while all Israel crossed on dry ground until the entire nation had finished crossing the Jordan.”

Joshua 3:15b and 3:17

Develop your church budget based on a biblical strategy to get your church from your Mission to your Vision! In your budgeting process, leave plenty of room for God to do something miraculous in the heart of your people in the process.

¹ Marcus Buckingham and Curt Coffman, *First, Break All the Rules: What the World’s Greatest Managers Do Differently*.

GUIDING THE BUDGETING PROCESS

Allow Ample Time

The entire budgeting process can require up to three months. Start early! Consider any fixed constitutional requirements or fiscal deadlines your church may have. Allow adequate time for coordinating the work of multiple leadership groups.

Seek and Expect God’s Leadership

Begin with a time of spiritual direction. Allow the Holy Spirit to influence the budgeting process. Developing stewards in a congregation is an awesome responsibility that promises great blessings. Lead the congregation to affirm stewardship as a high point of Christian obedience and not simply “paying the bills.”

Follow a Schedule of Key Meetings

It is often helpful to set the date for Budget Adoption first and then establish dates and timeframes for actions leading toward Budget Adoption. An initial Coordinated Ministry Planning meeting sets the tone for building trust among church leaders and challenges everyone to consider what God would have the church accomplish in the coming year.

<i>Key Meetings</i>	<i>Completion Dates</i>
Coordinated Ministry Planning	
Proposed Submission Deadline	
Budget Compilation Meeting	
Budget Presentation	
Budget Adoption	
Congregational Commitment Service	

Coordinate the Efforts of Key Church Leaders

The Budget Committee should not seek to control all financial decisions regarding the church’s ministry and operations. Rather, they should elicit the efforts of other key leaders and ensure their budget proposals are completed in a timely manner according to the budget development schedule. Budget proposal worksheets are available for each leadership group listed below. Duplicate worksheets from pages 7 through 12 as needed.

<i>KEY LEADERS</i>	<i>LEADERSHIP RESPONSIBILITIES</i>
Church Staff	Fulfill ministry assignments and submit budget proposals.
Program Organization Directors	Complete annual planning and submit budget proposals.
Mission Support Group	Analyze missions giving and propose new goals.
Personnel Group	Evaluate staff and recommend compensation adjustments.
Finance Group	Evaluate/recommend adjustments to debt and insurance.
Operational (<i>Building & Grounds Group</i>)	Evaluate facilities and transportation needs and set goals.
Treasurer/Financial Secretary	Provide statistical information to assist budget process.

Focus Budget Compilation into Four Major Components

Remember that Christ called upon us to “make disciples,” not to make budgets. Each component in budget design is influenced by the other components. Balance must be achieved to provide comprehensive ministry. Percentage allocations can be adjusted from year to year. The entire budget formula can be enlarged by efforts to increase giving. Planning each component demands careful choices. In the mission

support arena, funds for short-term volunteer mission participation should be considered. Staff support is key to church growth. It is not unusual to spend half of the budget resources on staff support. A church receives a greater return on investment in personnel than in program support, but the staff must have ministry resources with which to work. Debt service can erode a church's ministry performance and mission support. If your church struggles with operational costs, consider conducting a capital fund-raising program in addition to regular budget allocations.

Major Ministry	Typical Percentage Allocations
Mission Ministries	10-20%
Personnel Ministries	35-60%
Church Growth Ministries	10-20%
Operational Ministries	20-40%

Communicate with the Congregation

A clear budget presentation builds confidence for generous giving among church members. Compare the current budget proposal to giving strengths and trends from previous years. Highlight major changes in allocations from previous years and give justification related to the mission priorities of the church. Use visual presentations to personalize ministry expenditures. A video or photos shown in a visual format will help church members visualize what their gifts are accomplishing. Personal testimonies and open discussions add warmth and encourage greater investment in the life of the church. Mail copies of the budget to every family and distribute copies to those attending the presentation.

Encourage Personal Giving Commitment

Budget development and adoption are not complete until members have been challenged to make personal giving commitments. Budget goals and church mission statements have no integrity unless they are underwritten with the offerings of God's people. In all our efforts to write an acceptable ministry financing plan, remember that our Lord is still looking for "cheerful givers." Lead the church to participate in appropriate year-round stewardship enrichment activities.

Stewardship Calendar Ideas/Enrichment Activities

SUMMER (June – August)

- Catch-Up Sunday – Since the summer slump often affects giving, plan a make-up day. Schedule a picnic and call it "Hamburger and Catch-up Sunday."
- Train Church Stewardship Development Team.
- Conduct Coordinated Ministry Planning Meeting.
- Have someone share a tithing testimony in the worship service one Sunday.
- Have tithing tracts distributed in each Sunday School class for the member's to discuss during the first 15 minutes of class time.

FALL (September – November)

- Conduct a major stewardship emphasis including sermons, testimonies, and personal giving commitments.
- Conduct a Budget Fair to display ministries.
- Use bulletin covers that emphasize stewardship.
- Present an attractive, challenging budget proposal.
- Vote to adopt church budget.
- Send thank you notes to faithful givers.

- Have an individual from a ministry area give a testimony of how the money was used and of a life changed through the ministry.
- Obtain mission information to promote the missions ministry.

WINTER (December – February)

- New Budget Celebration Event
- Calculate year-end gifts for special projects or capital needs.
- Emphasize Missions giving.
- New year's resolutions offer an opportunity to conduct a tither's enlistment emphasis.

SPRING (March – May)

- Have a member share a tithing testimony in the worship service.
- Personal Money Management – Tax season forces families to study personal finances. Teach biblical principles for handling money wisely. Offer a personal money management course to the congregation and community.
- Capital Fund-Raising – Warm weather encourages building improvements.

CHURCH GIVING PROFILE

The following chart should be completed by the church treasurer/financial secretary prior to the Coordinated Ministry Meeting. The chart at the bottom of this page should be completed by the stewardship/budget committee.

Last 5 Years	Annual Church Budget	Annual Gifts Received	Average Sunday Attendance	Average Weekly Gifts*	Total Receipts

* Note: To determine the average weekly gifts, divide budget gifts received by the average Sunday attendance. The resulting answer should then be divided by the 52 Sundays in a year

Encourage Growth in Giving

1. The stewardship chairman should lead a discussion of any changes in your congregation's budget giving and mission support over the last five years. The church must prove it is worthy of donations through the mark it leaves on the world.
2. Giving through the church can be increased by consistently reminding members of the ministry needs which should be addressed.
3. Help your congregation understand their giving potential through comparisons with neighboring churches or state averages. Data is published each year in State Convention annuals. Calculate a tithe of the average household income from your state, county, or metro area and multiply by the number of families in your church. Sensitive persons will respond to expectations when shown a "dollars-and-cents" model.
4. Pray for God's wisdom and leadership as you project goals for next year's giving.

Truths To Consider About Giving

- We are raising money for life transformation, not institutional survival.
- People give to people and causes, not to institutions or programs.
- There is no substitute for absolute integrity. NONE.
- People give to winners; tell your stories.
- Givers do not just give; they invest.
- Listen carefully, respond strategically and thank people sincerely.
- Givers need continual evidence that they are giving money to financially efficient ministries.
- Givers look for ministries with which they have a heart connection – a shared cause that makes the ministry a compelling recipient of funds.

NEW YEAR'S GOALS FOR BUDGET GIVING

Year	Annual Church Budget	Annual Gifts Received	Average Sunday Attendance	Average Weekly Gifts	Total Receipts

MISSION SUPPORT WORKSHEET

MISSION GIVING PROFILE

Last Five Years	Annual Church Budget	Cooperative Program	%	Associational Missions	%	Total Missions

	Special Offerings		Volunteer Missions Participation
	Local Benevolence		Other

2 Corinthians 9:13

...They will glorify God for your obedience to the confession of the gospel of Christ, and for your generosity in sharing with them and with others.”

- Great Commission churches share in a special stewardship of the gospel.
- Budget planning time offers the best opportunity for enlarging mission support.
- Pray carefully as you plan next year’s goals.

NEW YEAR’S GOALS

Year	Annual Church Budget	Cooperative Program	%	Associational Missions	%	Total Missions

A MINISTRY PROGRAM BUDGET PROPOSAL

This form should be completed by the various program leaders (Sunday School, Discipleship, Women's Ministries, Men's Ministries, Music, etc.) for submission to the Budget Planning Group.

Date to be returned to the Budget Planning Group:

Submitted By: _____ **Program:** _____

Some suggestions:

1. Conduct a program planning meeting to develop a ministry plan and calendar. Include the key leaders of the program in this meeting.
2. Several events or projects might be included within the total budget for the program. Use the Ministry Project Proposal form (page 10) to develop the budget for each ministry project or event. These will be collected from the various persons/groups proposing the events or projects and reflected on this form.

	Last Year	This Year
Literature:		
<i>Leadership Resources</i>		
<i>Member Resources</i>		
Supplies		
Promotion/advertisement		
Events		
Postage		
Transportation		
Other (specify below):		

Total Expenses for Ministry Program:		

Estimated expenditures per month (cash flow) for the ministry program

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total

A MINISTRY PROJECT PROPOSAL

This form should be made available to any person or organization wishing to have budget input/requests. Complete a form for each event or project calendared for the new year.

Date to be returned to the Budget Planning Group:

Submitted By: _____ **Program:** _____

1. Please provide a description of the proposed ministry project and how it relates to the mission of the church. _____

2. Explain any significant adjustments: _____

	Last Year <i>If applicable</i>	This Year
Conference/Event leadership		
Honoraria	_____	_____
Expenses:	_____	_____
<i>Travel</i>	_____	_____
<i>Lodging</i>	_____	_____
<i>Meals</i>	_____	_____
Promotion/advertisement	_____	_____
Study materials/resources	_____	_____
Refreshments	_____	_____
Postage	_____	_____
Other (specify below) _____	_____	_____
Total Expenses for Ministry Program:	_____	_____

Estimated expenditures per month (cash flow) for the ministry program

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total

FINANCIAL SUPPORT WORKSHEET FOR CHURCH STAFF

The church financial secretary/treasurer should complete the "Last Year" column. The Personnel Committee or the group responsible for completing the recommendations for church staff financial support should complete the recommendations and submit them to the Budget Planning group.

Date to be returned to the Budget Planning Group:

Name: _____ Staff Position: _____

Itemized List	Last Year	Recommendation
<i>Ministry related expenses (not compensation)</i>		
<input type="checkbox"/> Automobile	_____	_____
<input type="checkbox"/> Convention/conferences	_____	_____
<input type="checkbox"/> Books, periodicals, media (CD/tape/video)	_____	_____
<input type="checkbox"/> Continuing education	_____	_____
<input type="checkbox"/> Hospitality	_____	_____
Total Reimbursement Funds	_____	_____
<i>Employee benefits</i>		
<input type="checkbox"/> Personal Security Program:	_____	_____
Medical	_____	_____
Disability	_____	_____
Term Life	_____	_____
Personal Accident	_____	_____
<input type="checkbox"/> Church Annuity Plan contribution	_____	_____
<input type="checkbox"/> Social Security offset (taxable)	_____	_____
Total Benefits	_____	_____
<i>Personal income</i>		
<input type="checkbox"/> Salary (cash)	_____	_____
<input type="checkbox"/> Housing Allowance (if ordained, licensed, or commissioned)	_____	_____
Total Personal Income	_____	_____

FINANCIAL SUPPORT TOTAL

CHURCH MINISTRY BUDGET MODEL

Biblical Base	Ministry Statement	Specific Ministries	Expenditures Last 12 Months	Budget Proposal	%	
<p>Jesus said, "Go...and make disciples of all nations...teaching them to observe everything I have commanded you." (Matthew 28:19-20)</p>	<p><i>Mission Ministries</i> Every church has the responsibility and privilege of extending its ministry locally, nationally, and internationally. Our efforts in this area range from proclaiming the gospel to meeting basic human needs, here and around the world.</p>	Cooperative Program				
		Association Missions				
		Volunteer Missions				
		Local Benevolence				
		Other				
		Subtotal				%
<p>"...the worker is worthy of his wages."(Luke 10:7)</p>	<p><i>Personnel Ministries</i> The Lord has led our pastor and staff to this church to equip members for ministry. Through preaching, teaching, counseling, and other ministries we are reminded of God's eternal care over us.</p>	Salaries & Housing				
		Retirement				
		Taxes				
		Insurance				
		Ministry Expenses				
		Other				
		Subtotal				%
<p>for the training of the saints in the work of ministry, to build up the body of Christ." (Ephesians 4:12)</p>	<p><i>Church Growth Ministries</i> Christian growth is a key to deepening effective service to Christ. By providing trained leadership, Bible study resources, and a strong focus on missions, our church helps Christians grow toward mature disciples.</p>	Literature				
		Music				
		Youth				
		Revivals				
		Vacation Bible School				
		Postage/Printing				
		Other				
Subtotal			%			
<p>"...I have built the temple for the name of the Lord God of Israel." (I Kings 8:20)</p>	<p><i>Operational Ministries</i> Our church building has been constructed in honor of God and as a gathering place for all who would come to learn from Him.</p>	Utilities				
		Insurance				
		Repairs <i>(Building and Equipment)</i>				
		Vehicles				
		Debt Service				
		Other				
		Subtotal				%
GRAND TOTAL					100%	



ACKNOWLEDGEMENTS

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