


# Developing Your Ministry Budget



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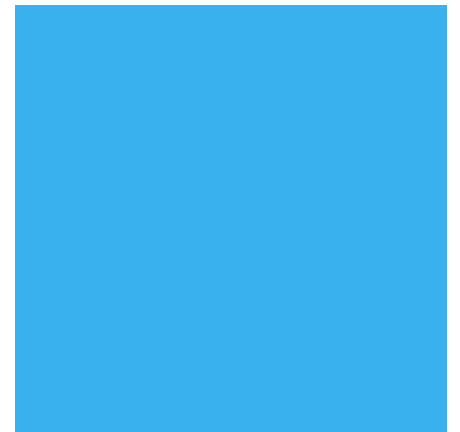
Budgets should  
reflect the true  
core beliefs of  
the church.



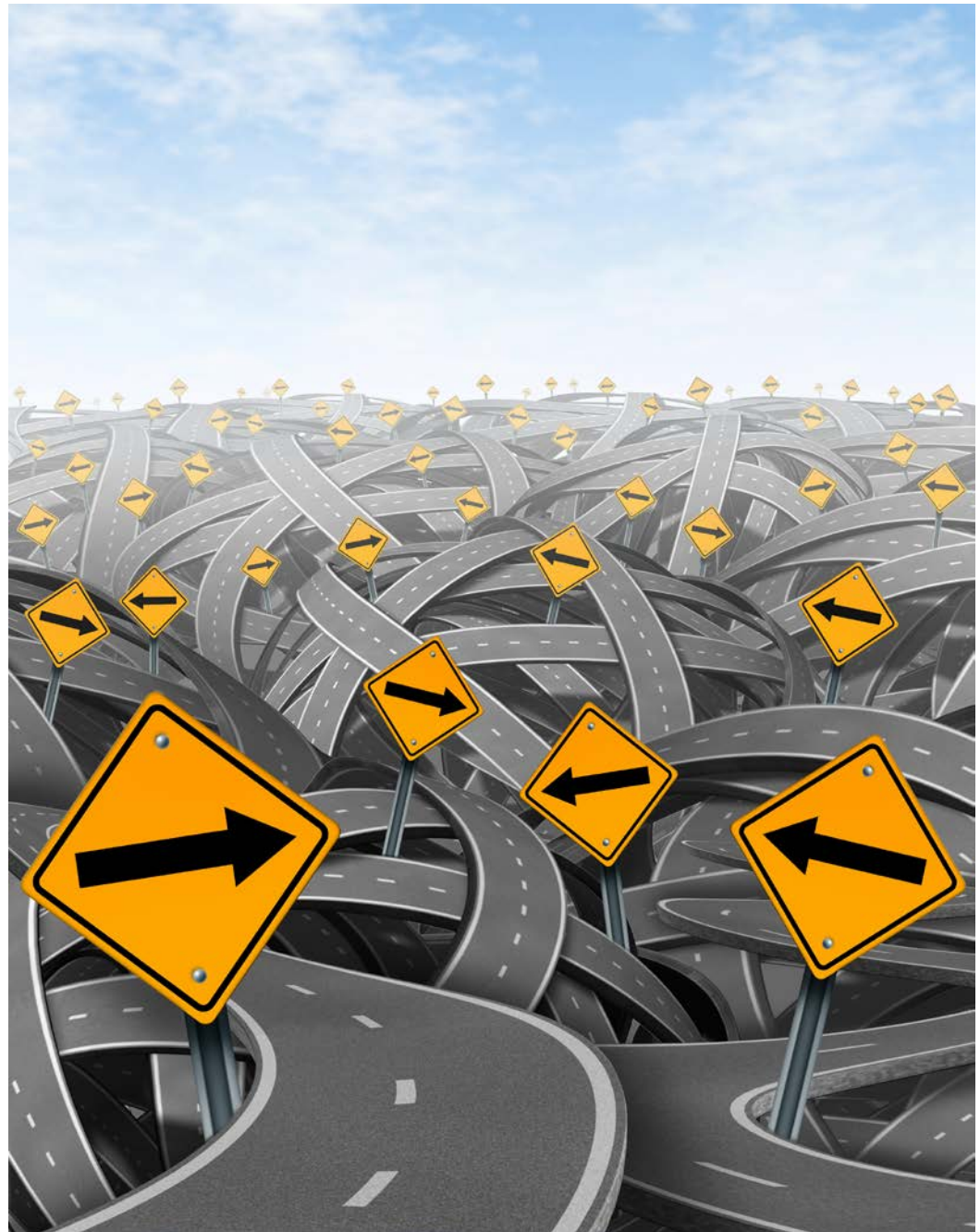
Only those things  
we fund, can we  
say we truly value.

Your most important question  
when developing your  
ministry budget:

“What is God doing in  
our mission field that  
God would like us to  
join in?”



Without God  
inspired  
leadership,  
everyone will do  
what seems right  
in their own eyes.  
Judges 17:6



Your role as pastor is to guide the church to where God is calling and you need a plan.



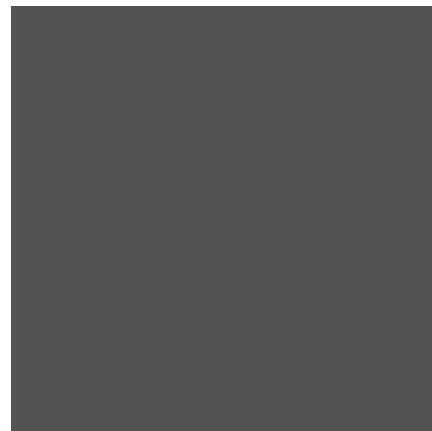
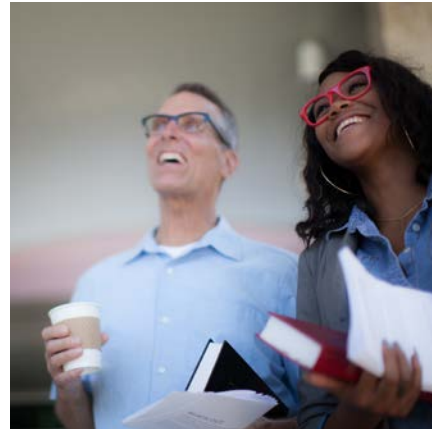
Where is  
God  
leading  
you?





Remember:  
The number one  
reason people  
give...

Belief in the  
Mission!



# Vision and the Budget

- A God-breathed Vision can be used as a powerful force to unify and mobilize the congregation and disarm the power of money in the lives of its people.
- The budget is the tool to see that resources are aligned with the Vision.



# Developing Your Ministry Budget

- **Discern** God's leading – retreat with leaders
- **Develop a Ministry Plan** to live into God's leading – staff or program volunteers
- **Budget the financial resources** to bring God's leading into reality – finance committee, board



# Before you budget- Plan

- Ministry teams or staff are generally charged to create the plans to implement the Vision.
  - “What is your area’s Ministry Plan?”
  - “How does it support our stated Mission?”
  - “What resources do you need?”
  - “What are the outcomes we should expect?”
- The budget defines how much of that Vision/Ministry Plan gets funded.

# Ways to Budget

- **Incremental Budgeting:** Starts with last year's budget and makes incremental adjustments.
- **Program Budgeting:** Divides the program budget into many smaller budgets, one for each program in the church.
- **Zero-Based Budgeting:** Building the budget from scratch. All expenses must be justified.

# Timing of Budget Years

## Calendar Year - January to December

- Coincides with Tax Year
- Coincides with Denominational Reporting

## Ministry Year - Typically July to June

- Coincides with your ministry calendars
- Christmas comes mid-year
- Breaks up the long summer giving drought
- Separates budgeting from pledging

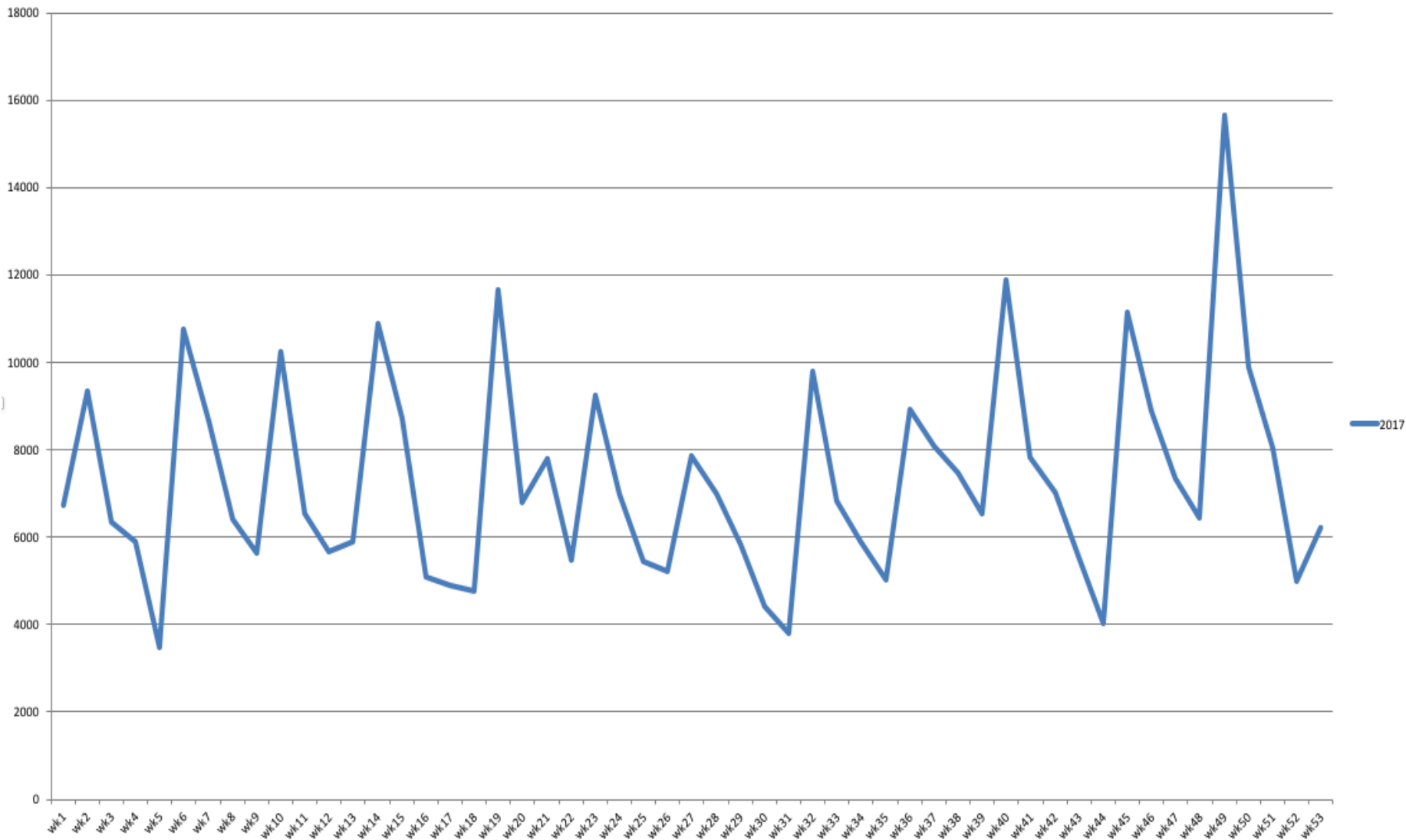
# Projecting Revenue

- Use actual giving - not pledges
- Using the previous 3 years weekly revenue totals, calculate the percentage of the annual income that is received (on average) during the 1<sup>st</sup> through the 52<sup>nd</sup> weeks.
- Count the number of Sundays when projecting monthly revenue.

# 2017 Weekly Analysis of Giving

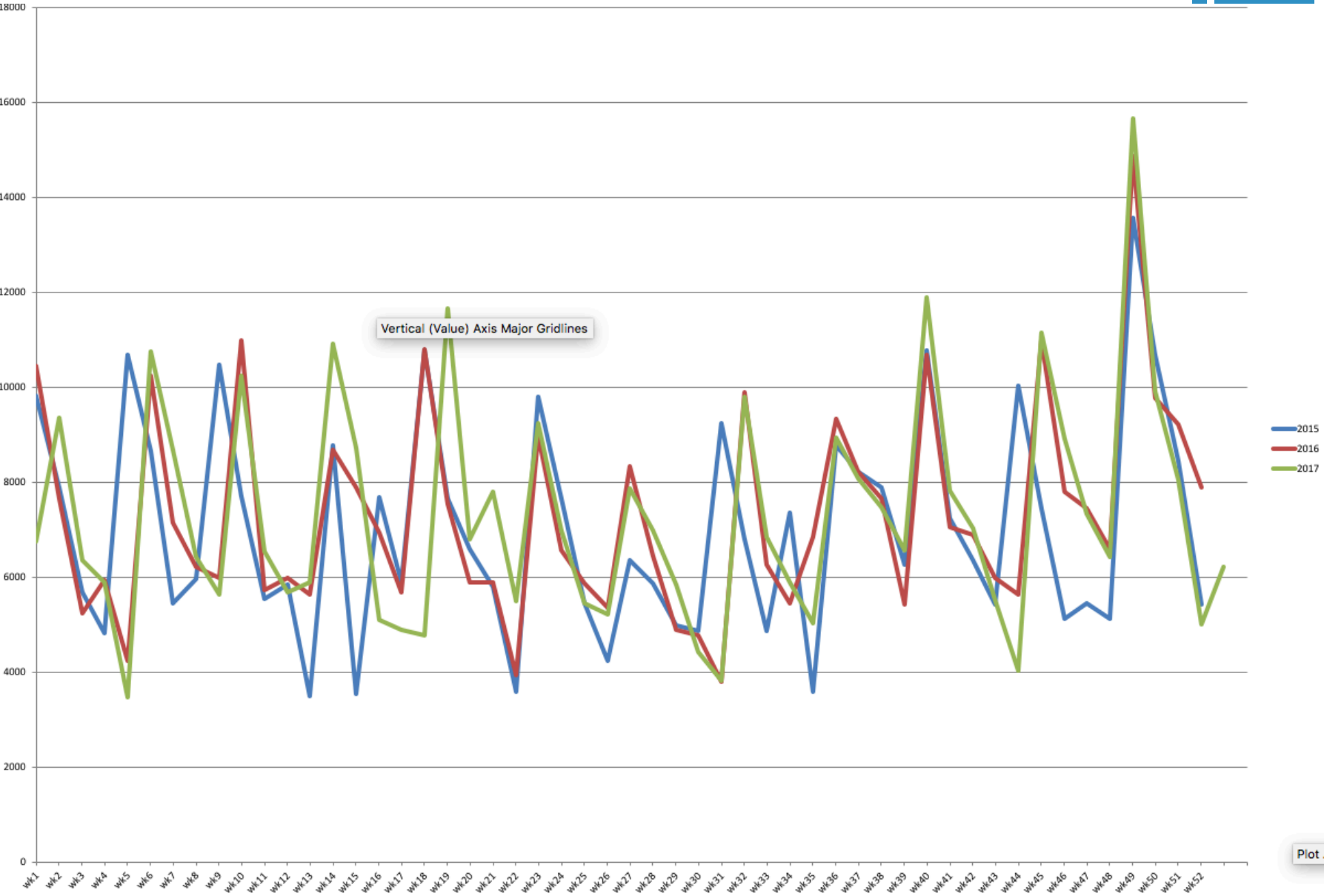


2017





# 2015-2017 Weekly Analysis of Giving



# Best Practices in Budgeting

- Separate budgeting from pledging
- Budgets should be connected to measurable outcomes which are part of the staff's ministry plan & annual evaluation process
- Utilize a Stewardship/Generosity Team
- Use Zero-Based Budgeting at least every other year
- Decision makers that know Jesus, not just money

# Best Practices in Budgeting

- Communicate using a missional or budget versus a line item budget

# LINE ITEM BUDGET

First Church 2017 Budget  
"Changing Lives for Christ"



## Income

Pledges	150,000
Non-Pledged contributions	30,000
Sunday school offering	5,000
Christmas Eve	5,000
Interest	10,000
Total	200,000

## Expenses

### Operations:

Utilities	8,000
Maintenance	5,000
Postage	5,000
Office Supplies	3,000
Insurance	8,000
Copier	2,000
Telephone	2,500
Janitor Supplies	2,000
Total	35,500

### Programs:

Music	1,500
Stewardship	100
Missions	500
Children's Ministry	1,000
Youth Ministry	1,000
Adult Ministry	500

### Programs (cont):

Boy Scouts	500
Archives	400
Total	5,500

### Conference - Cooperative Giving:

Support Services	12,000
World Missions	10,000
Russian Initiative	5,000
Retired Pastor Fund	5,000
Total	32,000

### Staff:

Pastor	50,000
Pastor Utilities	4,000
Pastor Expense	10,000
Pastor Insurance	10,000
Secretary	20,000
Music Director (PT)	10,000
Youth Director (PT)	6,000
Pulpit Supply	2,000
Continuing Education	5,000
Janitor	10,000
Total	127,000

Total Budget 200,000

# MISSIONAL BUDGET

While we have a detailed chart of accounts, an annual financial review and a comprehensive financial statement, our narrative budget best explains how we currently organize and financially support our work. Our 2009 budget is divided into eleven categories which include all ministry areas and staffing:



Missions and Outreach	\$ 153,723
Sports Ministry	\$26,295
Children's Ministry	\$139,540
Student Ministry	\$125,188
Adult and Hospitality Ministry	\$81,727
Congregational Care	\$30,920
Music Ministry	\$236,368
Worship and Media Ministry	\$198,816
Communications	\$33,978
Facilities	\$672,102
Administration	\$251,343
<hr/>	
<b>Total:</b>	<b>\$1,950,000</b>

The church's budget is determined after the annual stewardship campaign we have each year. After the campaign, the Financial Ministries team sets the budget based on the response of our church family in making their estimates of giving and the budget requests by staff and ministry leaders for projected programs and services. The 2009 budget above includes staffing costs by area and gives a true cost of providing for those ministries. All staff expenses are managed by the Staff Parish Relations team. Personnel costs, considered as a total, represent about 51% of the total budget. The average for Methodist churches of our size is between 48% and a little over 60%. With our projected growth rate of 5-7% a year for the next five years, staffing increases will include both pastoral and administrative staff. The Financial Ministries team will be looking very carefully at the 2010 budget to make the best use of every dollar given.

# Best Practices in Budgeting

- Communicate using a missional or budget versus a line item budget
- Communicate stories of changed lives to everyone weekly
- Communicate money matters to your donors
- Kitchen table letters & ministry updates regularly



# Resources

*Ministry and Money: A Practical Guide for Pastors*, Janet Jamieson & Philip Jamieson (2009)

*2013-2016 UMC Church Financial Records Handbook*, download from [www.cokesbury.com](http://www.cokesbury.com)

*Holy Conversations: Strategic Planning as a Spiritual Practice for Congregations* by Gil Rendle and Alice Mann

