

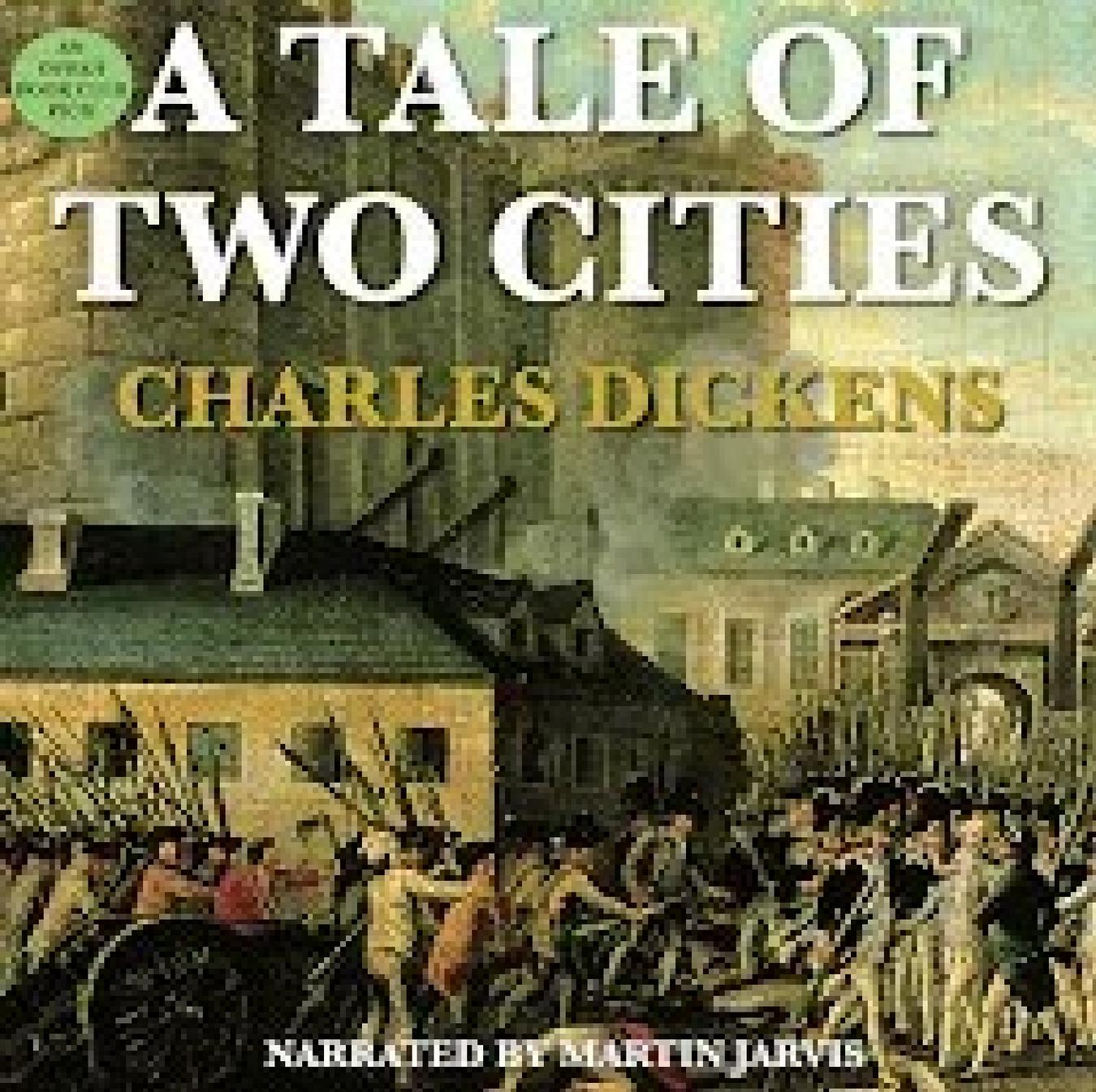
Budgets and Boards: Planning for Success

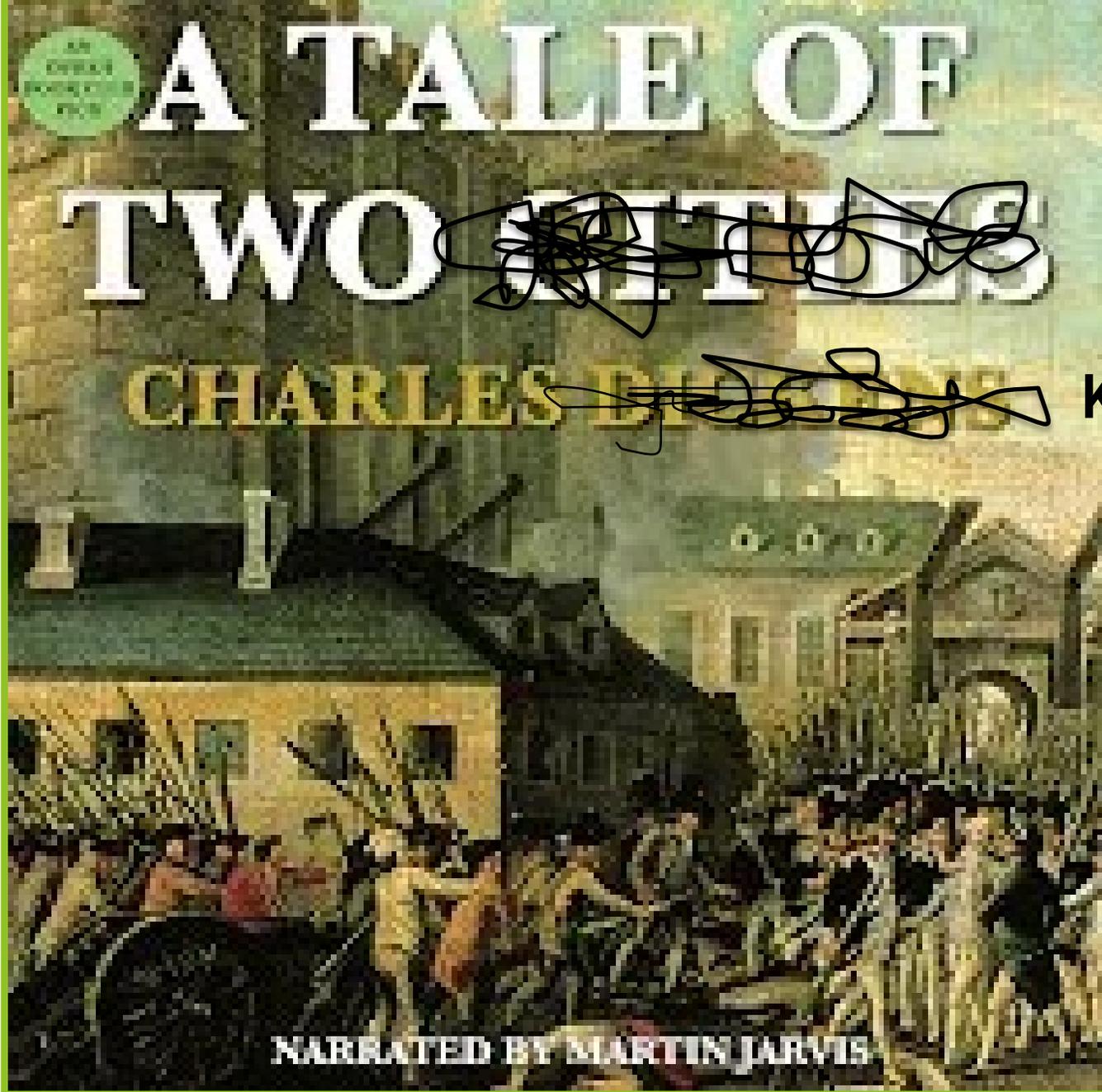
Chesapeake Conference Youth Leaders Enrichment Day

March 12, 2022

Charlie Koerting







Church
Boards

Koerting



Tale of Two Boards

- ▶ Do these scenarios resonate with your board experiences?
- ▶ How did you feel being on the board for each proposal?
- ▶ Which proposal would you feel confident about supporting?



What are the goals of this course?

- ▶ Learn about the role of the church board in church finance processes
- ▶ Understand the relation between budgets and church mission
- ▶ Understand the importance of budgeting as a planning tool
- ▶ Learn some tips on how to create credible budgets
- ▶ Using Church Board relationships to build momentum for your ministry



So who is ultimately responsible for local church finances?

- ▶ Not the Pastor
- ▶ Not the Head Elder
- ▶ Not the Church Board Chairman
- ▶ Not the church treasurer
- ▶ It is the church board



The Function of the Church Board

- ▶ Setting policy for the church
- ▶ Establishing, instituting, and supporting the mission and purpose of the local church
- ▶ Serving as fiscal agent; ensuring adequate resources and managing them
- ▶ Conducting periodic assessments and evaluations
- ▶ Planning evangelism for the church
- ▶ Acts in the best interest of the entire church, not just particular ministries



So how do you interact
with your church board?



Goals of the Church Budget Process

- ▶ Provide a way in which to plan expenditures for a fiscal year.
- ▶ To help the ministries plan their programs for the year.
- ▶ Provide the Church Board with a tool to establish spending and program priorities.
- ▶ Provide a process to fund the programs of the church.
- ▶ Avoid having the ministries do their own fund raising to support day-to-day operations.



Budgets and Mission

- ▶ Developing a budget is part of the planning process
- ▶ The church budgeting process helps show you if your ministry is aligned with the mission of the local church
- ▶ Participating in the budgeting process provides opportunities to work cooperatively with other ministries in the church



Things to Remember

- ▶ A budget is only a guide, final spending authority rests with the Church board. The board is ultimately responsible for how the church's funds are spent.
- ▶ Be realistic
- ▶ Sometimes un-anticipated things happen
 - Special opportunity
 - Something breaks
 - Income or expense situation changes
- ▶ Be flexible



The Purpose of Planning: Getting From Here to There



Always ask the “why” question
about our events/programs
because if you don’t someone
else will.



Accounting



Some thoughts on accounting

- ▶ There are many different variations of accounting systems
- ▶ No two churches do accounting in exactly the same way
- ▶ Take the time to understand the particular system you will be working within
- ▶ Separate operating accounts (yearly Pathfinder budget) from funding for large events (i.e. International Camporee) that require fundraising over several years
- ▶ Understand your church's policies on cash advances, requirements for reimbursements etc.



Some Tips from an Insider in Dealing with a Church Board

- ▶ Plow the ground - Let the board know what you are planning early in the planning process
- ▶ Provide at least a rough financial analysis by the beginning of the church fiscal year in which the event is occurring. If the event comes very early in the church fiscal year, have this information at least 6 months ahead of the event
- ▶ Show how attending this event helps fulfill the mission of your ministry as well as that of the church.



Some Tips from an Insider in Dealing with a Church Board (cont.)

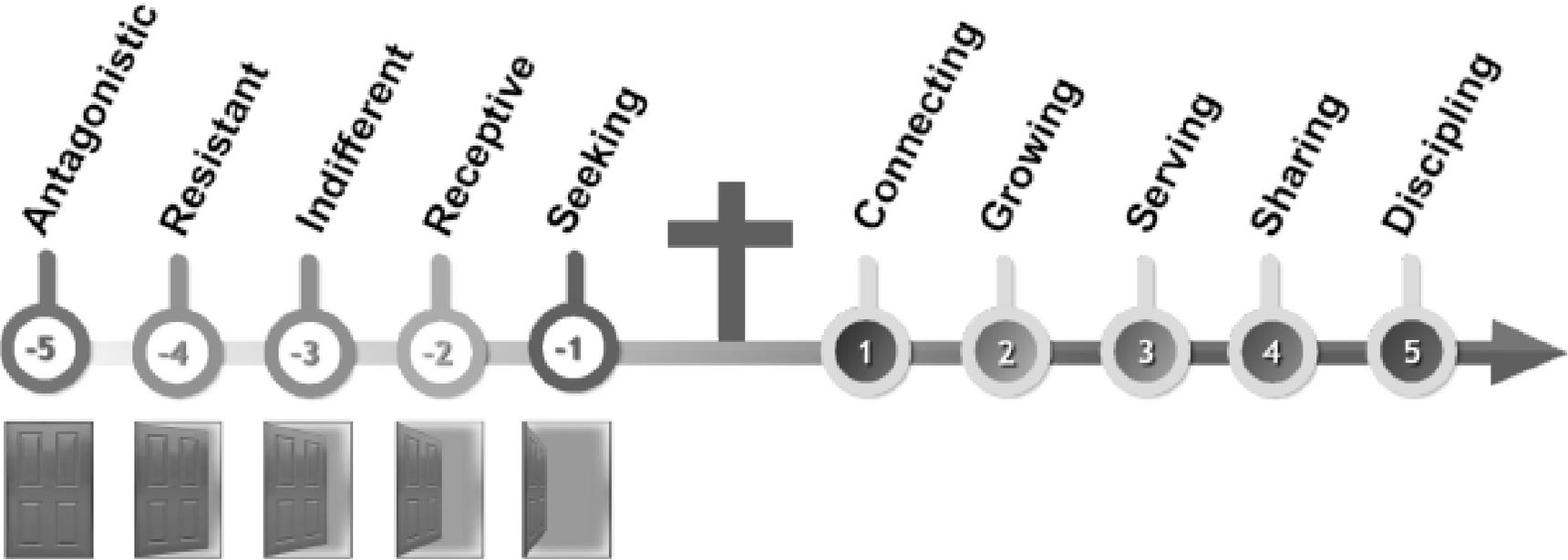
- ▶ Generate excitement among the board members about the event
- ▶ Communicate, communicate, communicate
- ▶ Enlist board members to help
- ▶ Be realistic
- ▶ Be flexible
- ▶ Remember that the Board must approve you going to the event (if travel is involved) as well as approve any fund raisers you plan to run



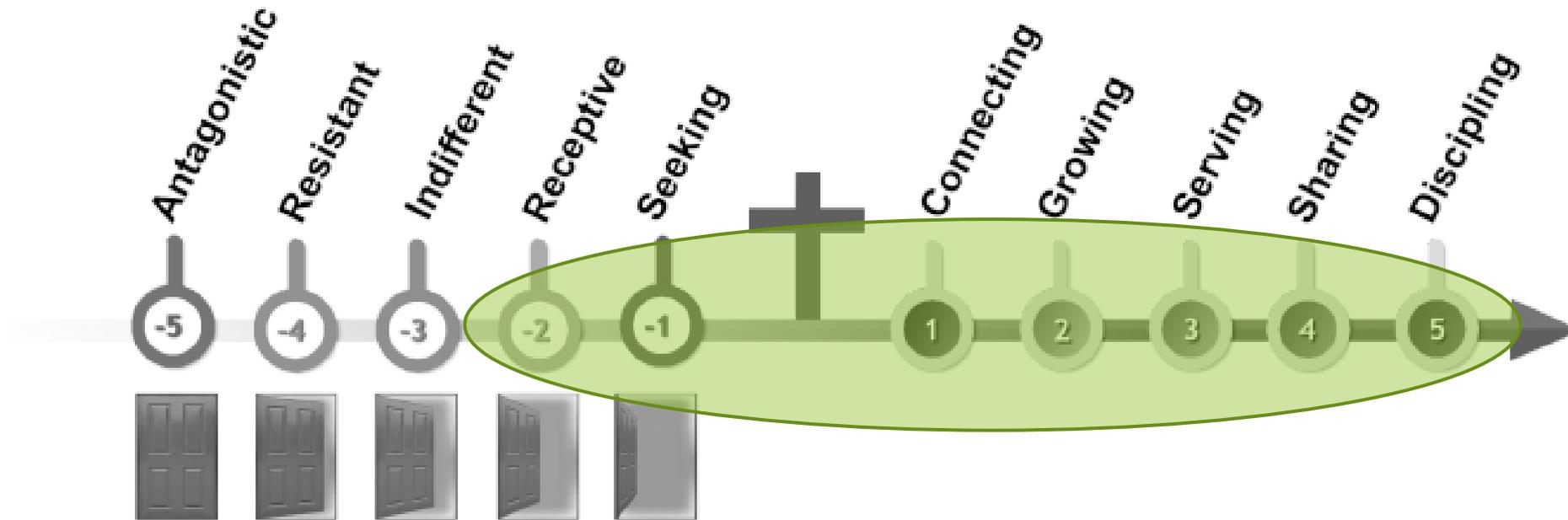
Some Planning Aids



Engel Diagram

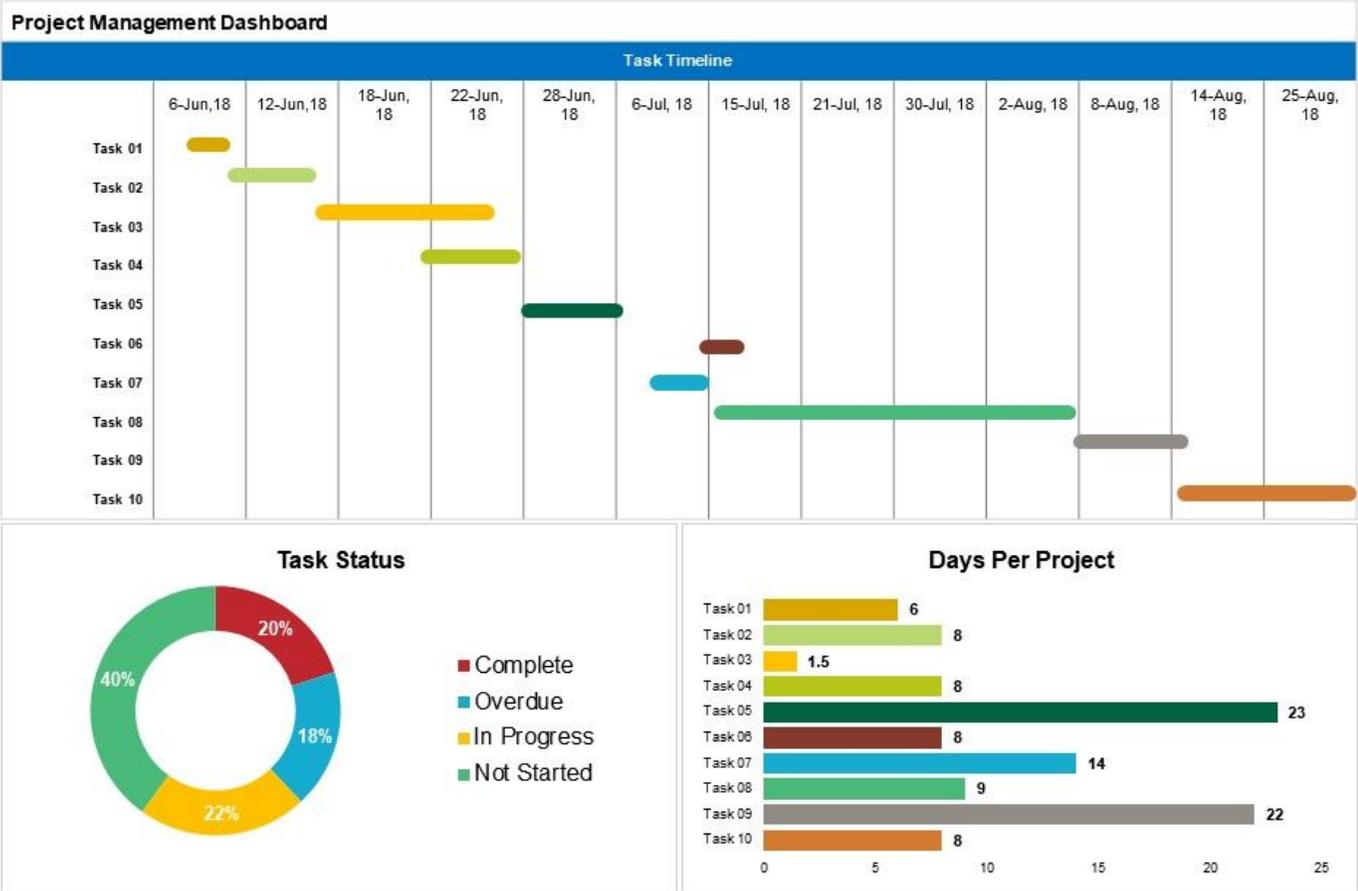


Engel Diagram - Pathfinders



Project Management View

Project Management Task Timeline Days Per...



This graph/chart is linked to excel, and changes automatically based on data. Just left click on it and select "Edit Data".



Some Important Policy Considerations

- ▶ Who will be allowed to attend
- ▶ Cancellation policies
- ▶ Numerical limitations on attendees
- ▶ What will be provided
- ▶ Staff expense reimbursement
- ▶ What happens with leftover funds
- ▶ What happens if budget is overspent



Let's Talk About Items to Consider in an Event Budget



Budget Categories

- ▶ Event entrance fee
- ▶ Lodging
- ▶ Transportation
- ▶ Food
- ▶ Miscellaneous
- ▶ Equipment
- ▶ Income



Event Entrance

- ▶ Ticket costs
- ▶ Additional event fees
- ▶ May include lodging



Lodging

- ▶ Lodging at the event (may be covered in the event fees)
- ▶ Lodging during travel
- ▶ Lodging of support staff (drivers/cooks/etc)



Transportation

- ▶ Fuel
- ▶ Bus rental
- ▶ Mileage for staff hauling equipment/Pathfinders



Food

- ▶ Meals during the event
- ▶ Meals during travel
- ▶ Meals for staff



Miscellaneous

- ▶ Keepsakes
- ▶ Pins
- ▶ Insurance
- ▶ Activities along the way



Equipment

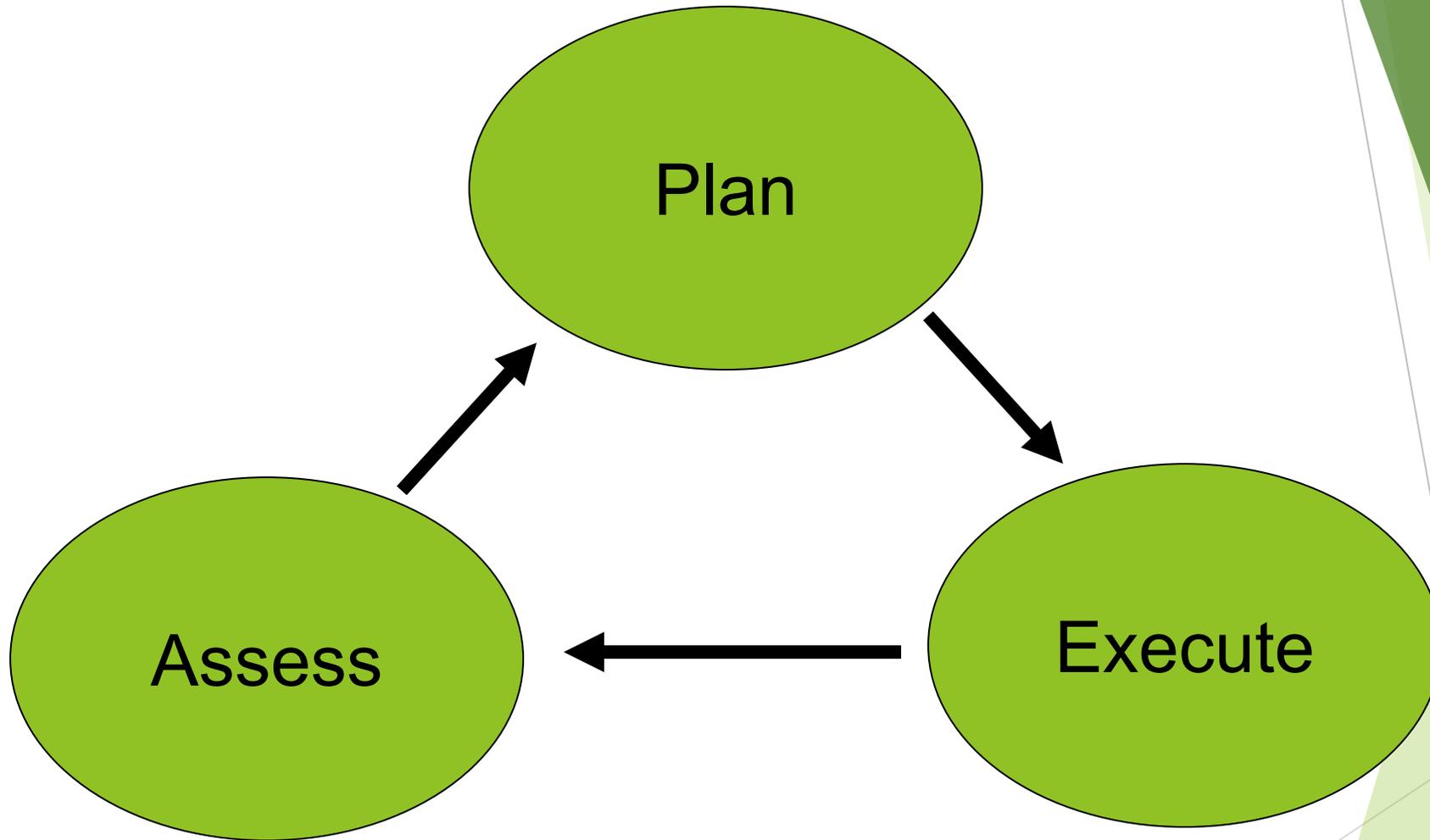
- ▶ Camping equipment
- ▶ Kitchen equipment
- ▶ Canopies



Income

- ▶ Funds on hand
- ▶ Income from parents
- ▶ Income from fundraisers
- ▶ Funds needed from the church





**It's all about building
trust!**



“Trust is the church’s most important human resource. We live in an age that exhibits a crisis of confidence in leaders. Strategy, technique, innovation, technology, performance, and social media are important words for organizational success. It’s easy to become preoccupied with them. But they are ineffectual without trust. Where trust exists, other resources become available. Where trust is lacking, other resources will diminish.”

Lowell Cooper, *Adventist Review*, March 2020



Any questions?



Exercise - Develop a Budget

- ▶ A club with 25 Pathfinders and 8 staff
- ▶ Headed to the Union Camporee in West Virginia in August

