

RETHINKING THE CHURCH BUDGET

Practical Steps for a Balanced Future
Rev. Stephanie Rice



SOME BASICS

- Budgets are moral documents
- There are things out of your control
- There are many factors within your control
- Budgets are a best guess
- Be transparent

WHAT IS A BUDGET

➤ Income

➤ Expenses

...and that's it (mostly...)

(This top table auto-populates. Add your data to the tables further below)

BUDGET OVERVIEW	BUDGET	ACTUAL	\$ VARIANCE	% VARIANCE
REVENUE CATEGORIES	\$ 1,235,000.00	\$ 1,287,855.00	\$ 52,855.00	4.28%
EXPENSE CATEGORIES	\$ 530,000.00	\$ 537,300.00	\$ (7,300.00)	-1.38%
NET PROFIT (LOSS)	\$ 705,000.00	\$ 750,555.00	\$ 45,555.00	6.46%

REVENUE CATEGORIES	BUDGET	ACTUAL	\$ VARIANCE	% VARIANCE
Product Sales	\$ 500,000.00	\$ 550,351.00	\$ 50,351.00	10.07%
Service Revenue	\$ 200,000.00	\$ 190,000.00	\$ (10,000.00)	-5.00%
Subscription Fees	\$ 150,000.00	\$ 160,000.00	\$ 10,000.00	6.67%
Licensing Income	\$ 120,000.00	\$ 133,504.00	\$ 13,504.00	11.25%
Consulting Services	\$ 90,000.00	\$ 85,000.00	\$ (5,000.00)	-5.56%
Training Fees	\$ 60,000.00	\$ 58,000.00	\$ (2,000.00)	-3.33%
Event Sponsorships	\$ 40,000.00	\$ 42,000.00	\$ 2,000.00	5.00%
Advertising Revenue	\$ 35,000.00	\$ 33,000.00	\$ (2,000.00)	-5.71%
Affiliate Revenue	\$ 25,000.00	\$ 22,000.00	\$ (3,000.00)	-12.00%
Investment Returns	\$ 15,000.00	\$ 14,000.00	\$ (1,000.00)	-6.67%

REVENUE CATEGORIES	BUDGET	ACTUAL	\$ VARIANCE	% VARIANCE
Salaries and Wages	\$ 300,000.00	\$ 310,000.00	\$ (10,000.00)	-3.33%
Office Supplies	\$ 25,000.00	\$ 26,500.00	\$ (1,500.00)	-6.00%
Rent and Utilities	\$ 50,000.00	\$ 48,000.00	\$ 2,000.00	4.00%
Travel Expenses	\$ 15,000.00	\$ 14,000.00	\$ 1,000.00	6.67%
Marketing and Promotion	\$ 45,000.00	\$ 43,500.00	\$ 1,500.00	3.33%
Insurance Premiums	\$ 20,000.00	\$ 19,500.00	\$ 500.00	2.50%
IT and Software Expenses	\$ 35,000.00	\$ 37,000.00	\$ (2,000.00)	-5.71%
Training and Development	\$ 10,000.00	\$ 9,800.00	\$ 200.00	2.00%
Legal and Professional Fees	\$ 18,000.00	\$ 17,500.00	\$ 500.00	2.78%
Maintenance and Repairs	\$ 12,000.00	\$ 11,500.00	\$ 500.00	4.17%



INCOME

- Pledges
- Contributions (non-pledged gifts)
- Loose Offering
- Special Offerings
- Investment Income
- Grants, Equitable Comp, etc.
- Rental Income
- Any money coming in from any source



EXPENSES

- Apportionments
- Salaries
- Taxes
- Insurance
- Ministries
- Administration
- Buildings
- Any money you anticipate spending based on previous years, plans for the future, etc.

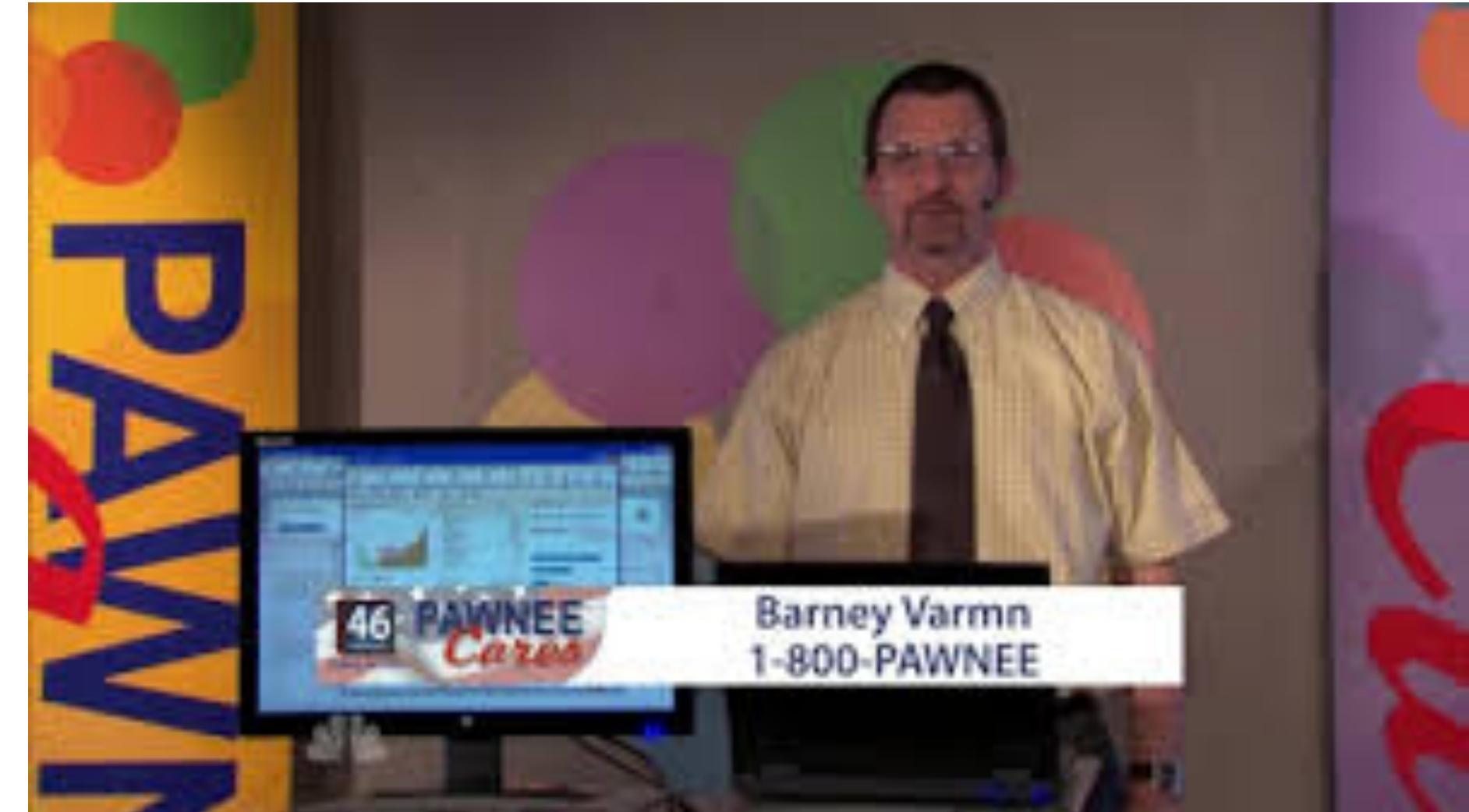


TYPES OF BUDGETS & ACCOUNTING

- Line Item
- Program based
- Cash Basis
- Accrual Basis

TOOLS

- Accounting Software (Quickbooks, church specific, more involved if needed)
 - Budget Tool
 - Monthly Statements of Activities
 - Bank Reconciliations
 - Dedicated Funds and/or Project Funds
 - Accounts Receivable if you have a preschool, etc.
 - Investment tracking
- Online Giving options and tracking (great if it can also do Membership)



STEPS FOR CREATING A BUDGET

- Find your knowns
- Data from previous years, both budget and actuals
 - It's ok to assume pledges and adjust once stewardship is done - just be realistic
 - Assume inflation, especially for things like utilities, supplies, repairs, etc.
- List ongoing contracts, leases, and costs
 - Contact contractors to find out about increases. Get everything in writing.
- Info from the Conference (Apportionments, liability and property insurance, health insurance, pensions)
- Clergy/LPA Salary and Benefits
- Employment costs

A FEW HR NOTES

- Know the minimum wage (\$16.90/hr starting Jan. 1, 2026 for CA - local can be higher)
- Exempt vs. Non-Exempt Employees
 - Exempt must make twice the minimum wage (\$70,304/yr. starting Jan. 1, 2026)
- Employee vs Contractor
- You get to set certain benefits
- Paid sick time required by law
- Paid and unpaid breaks required by law
- Be vigilant with HR requirements



BACK TO BUDGETING!

- Figure out the rest - The Theological Work Begins!
- What's left and where will you focus?
- Staffing requirements vs. volunteers
- What's important to your congregation?
- Where do you need to be cautious?
- Where can you have a little faith?

