Leadership Academy—October 10, 2019
Church Budgeting and Bookkeeping
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Disciples Church Extension Fund
Stewardship vs. Financial Administration

**Stewardship**
- Christian stewardship is grateful and responsible use of God’s gifts in the light of God’s purpose as revealed in Jesus Christ (Center for Faith and Giving)*
- Stewardship allows you to carry out the resources given to you.

*see resource page

**Financial Administration**
- Effective finance helps to do more ministry.
- Helps manage liquidity to do the mission of the church.
- Reduces and manages internal controls
It Starts With A Budget...

Narrative
• A budget that tells a story expressing the ministry to be carried forth. Providing clearer picture of mission & ministry.

Traditional
• Gives a list by dollars to be spent on each line item (i.e. salary, outreach, education evangelism etc.)

You Need A Budget.
Factors of Debt to Budget

There are two factors to consider in your budget:

1. Operating Income
2. Operating Expenses
Ideal Budget for Church

Sample Christian Church

- Salaries: 50%
- Buildings: 25%
- Programs: 15%
- Mission: 10%
It Starts With A Budget

<table>
<thead>
<tr>
<th>Budget For</th>
<th>Name:</th>
<th>Month:</th>
</tr>
</thead>
</table>

### Income:

<table>
<thead>
<tr>
<th></th>
<th>Planned</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages/Salaries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Income</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Expenses:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Church Donations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Total Expenses

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income less Expenses</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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* Income should be more than expenses.
GROUP EXERCISE

10 MINUTES
Financial Principles for Congregational Leaders

- **Legal Structure**
  - Request region to include congregation in Office of General Minster and President’s filing for 501(c)(3)
    - *No cost, easy and information congregations can be included*
  - Obtain State Sales Tax Exemption from Secretary of State
  - Church must be Incorporated and Good Standing Papers (SOS)

- **Handling of money**
  - Monies never left unattended
  - Two persons or more counting the money
  - At least two signatures for transactions at bank
  - Separation of duties
  - Recordkeeping

- **Audit**
Financial Principles for Congregational Leaders

- Financial Structure of Congregation

- Finance Committee
  - President/Moderator
  - Treasurer
  - Bookkeeper

- Treasurer
  - Bookkeeper or Office Worker (disbursements)

- Financial Secretary
  - Count Team
  - Record Gifts
  - Prepare Bank Deposit
How Too....

- Treasurer Handbook is a church “Financial Bible”

Top Five Things

1. Accountability and Transparency
2. Develop Charter for Teams, Committees, Task Groups
3. Establish a Finance/ Audit committee
4. Develop Job Descriptions for Treasurer and Financial Officers
5. Basic and General Fiduciary responsibilities
Financial Statement Case Study

Offering: $167,076.00
Other Income: $83,668.00
Designated Income: $29,002.00
**TOTAL INCOME**: $279,746.00

Payroll: $121,892.00
Administrative: $37,378.00
Property: $59,050.00
Programs/Outreach: $52,390.00
Designated Expenses: $3,420.00
**TOTAL EXPENSES**: $274,130.00

**Net Income**: $5,616.00
# Financial Budget

## Income and Expense Statement

### INCOME / Ingresos:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tithes and Offerings</td>
<td>$</td>
</tr>
<tr>
<td>Diezmos y Ofrenda</td>
<td>$</td>
</tr>
<tr>
<td>Permanent funds</td>
<td>$</td>
</tr>
<tr>
<td>Rental Income (Net of Expenses)</td>
<td>$</td>
</tr>
<tr>
<td>Building Use Income (Net of Expenses)</td>
<td>$</td>
</tr>
<tr>
<td>Program Income</td>
<td>$</td>
</tr>
<tr>
<td>Special Fund Raisers</td>
<td>$</td>
</tr>
<tr>
<td>Capital Fund Income</td>
<td>$</td>
</tr>
<tr>
<td>Special Day /Outreach Offerings</td>
<td>$</td>
</tr>
<tr>
<td>Other: Include Regional Support here (Please describe the source)</td>
<td>$</td>
</tr>
<tr>
<td><strong>TOTAL INCOME:</strong></td>
<td></td>
</tr>
</tbody>
</table>

### EXPENSES / Gastos:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel/ Administration</td>
<td>$</td>
</tr>
<tr>
<td>Building Payments</td>
<td>$</td>
</tr>
<tr>
<td>Building upkeep / Maintenance</td>
<td>$</td>
</tr>
<tr>
<td>Utilities</td>
<td>$</td>
</tr>
<tr>
<td>Insurance</td>
<td>$</td>
</tr>
<tr>
<td>Program Expenses</td>
<td>$</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES:</strong></td>
<td></td>
</tr>
</tbody>
</table>

### NET INCOME (Loss) for Year

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Income</strong></td>
<td>$</td>
</tr>
<tr>
<td><strong>Total Annual Loss</strong></td>
<td>$</td>
</tr>
</tbody>
</table>
Best Practices

- Effective Finance = Greater Ministry
- Prepare Ahead
- Financial Transparency
- Healthy Financial Boundaries and Receiving Donations
- Start with a Ministry Budget (Habakkuk 2:2)
- It’s okay to get help
- Financial Mismanagement is Failure To Lead
- Celebrate $$$ money
- In business to “CHANGE LIVES” and do ministry NOT balance budgets
What’s On Your Mind
Please find the websites and tools mentioned in this presentation today.............

- Treasurer Handbook
  https://www.disciplescef.org/assets/docs/treasurers-handbook.pdf

- www.centerforfaithandgiving.org/
- www.disciplescef.org
- Investment and Savings Options
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  – 1-800 274-1883
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