

Tips on the Budgeting Process

First, I'd like to start with thanking everyone for getting their parochial reports in. I now have 100% of the reports in! These are a very valuable tool for our Diocese and for the National Church.

Secondly, with 2007 just around the corner, I thought I'd go over some basics in budgeting. Your parish budget is a vital tool in guiding your parish in setting objectives and goals, and maintaining the church's assets. It also enables your Vestry to fulfill its obligation of fiduciary responsibility and proper stewardship.

- Establish a plan and timeline for the budget process and stewardship campaign. If you haven't started the process already, you will need to get started as soon as possible.
- Establish projected revenues either based on actual receipts of the current and prior years, or conduct a stewardship campaign to project the revenues based on the goals of the parish.
- Project expenses based on the actual expenses of the current and prior years, but also keep in mind the mission and ministry of your parish. The congregation's mission and ministry is the foundation of the budget, and should involve all members of a parish, if possible. Refer to the congregation's mission statement.
- The finance committee should prepare the budget in line item format, including the amounts and sources of income, and line item expenditures, which may include narrative descriptions of each line item or budgeted program. The printed budget should be easy to understand and is informative.
- The finance committee prepares a tentative budget to present to the Vestry, which reviews, discusses, makes changes and approves the budget. The finance committee then presents the approved budget to the congregation. Don't forget about budgeting for the capital needs of your parish.
- Establish a specific time during the year for formal review and revision of the budget, if revision is necessary. The budget is a flexible document which reflects the sources and uses of resources in order to accomplish the mission and ministry of the congregation. Periodic reviews assure that the budget reflects current financial conditions.

I suggest a Budget vs. Actual Report format to be used and any deviations from budgeted amounts should be fully explained. Please don't hesitate to call (269) 381-2710 or e-mail me with any questions you may have. Also, please let me know if your treasurer or finance committee would like me to help them in any way, I would be happy to!

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