

The earth is the LORD's and all that is in it, the world, and those who live in it; Psalm 24:1 (NRSV)

BUDGETING FOR 2021: SOME NEW CONSIDERATIONS

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AGENDA

- Current Environment
- Budget Impacts
- Budget Methods
- Narrative Budget
- Communicating the Budget
- Resources

Good planning and hard work lead to prosperity, but hasty shortcuts lead to poverty. Proverbs 21:5 (NLT)

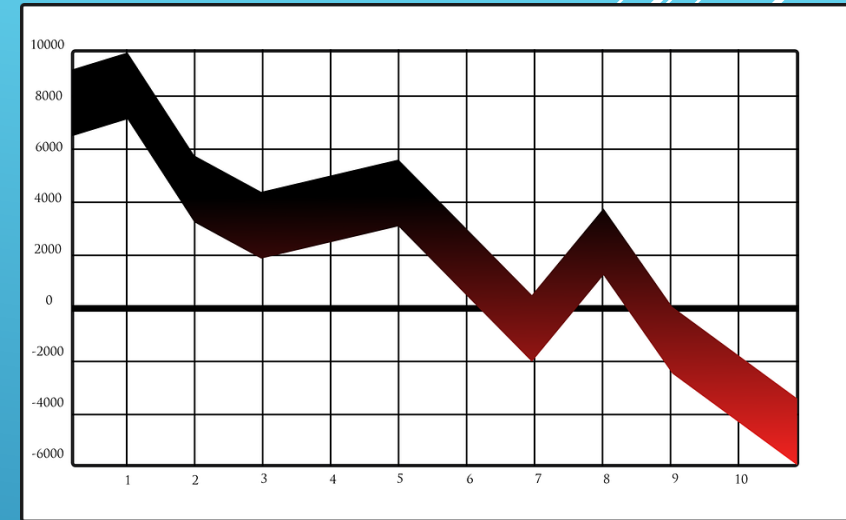
CURRENT ENVIRONMENT

- Ways of giving changed?
- Missions changed?



CURRENT ENVIRONMENT Cont'd

- Offerings/income changed?
 - Pledges accelerated or added?
 - Special grants or loans?



BUDGET IMPACTS

"But don't begin until you count the cost. For who would begin construction of a building without first calculating the cost to see if there is enough money to finish it? LUKE 14:28 (NLT)"

- Big ticket items deferred?
- Big IT adjustments needed?



BUDGET IMPACTS Cont'd

- PPP forgiveness?
 - Payroll saved set aside?
- Staff/payroll changes?
 - Resigned, Retired, Laid off?



BUDGET METHODS

Mission drives budget!
(Not the other way around)

- Separate Dedicated Capital Budget
 - Improvements/Major Repairs
 - Mix of fixed/invested
- Emergency Fund
 - 2 - 3 months expenses
 - Liquid, NOT invested



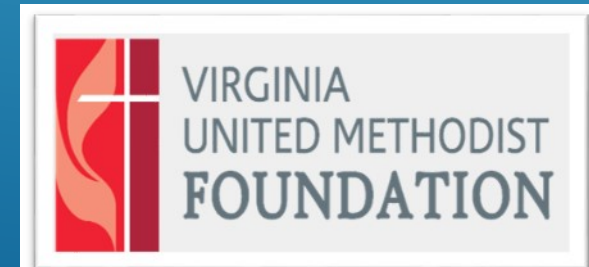
BUDGET METHODS Cont'd

*Mission drives budget!
(Not the other way around)*

- **52-week comparative income**
(2 years back & current year, week by week)
 - Improves tracking accuracy
- **Create detailed list of all income sources**
 - Distinguish btwn recurring/pledged and one-time gifts

Wk Yr	2019	2018	2017
1	\$5000	\$5100	\$4900
2	\$3500	\$3400	\$3300
*16	\$2400	\$12,000	\$2300
**17	\$13,000	\$7200	\$6900
27	\$1800	\$1900	\$1800
49	\$8000	\$7800	\$7900
51	\$21,000	\$20,000	\$22,000

* Easter 2018; **Easter 2019



NARRATIVE BUDGET Prep

*Do Mission & Vision
sync with budget?*

- Determine an accurate picture of where you are and where you need to go*
 - In what missions can you excel?
 - Are any missions past their prime?

* Consider Purposeful Abandonment

First step in growth is not to decide where and how to grow...

It is to decide what to abandon

PRIORITIZE
TO BE
MORE
PRODUCTIVE



NARRATIVE BUDGET

Show how Mission & Vision drive your budget

- Build a Narrative Budget to tell your story

“Our Food Pantry mission provides food to 60 families a week at a cost of \$1500 per month. For an extra \$500/month, and \$2500 for an additional large refrigerator, we could feed approximately 75 -80 families.”



NARRATIVE BUDGET cont'd

Show how Mission & Vision drive your budget

- *The narrative is imperative!*

“Worship Committee would like to count on \$750 next year for worship supplies. We would also like to add several more Biblically-inspired wall hangings for the Sanctuary. For an extra \$500 for the fabric, we can make them ourselves.”



NARRATIVE BUDGET *cont'd*

- Narrative Budget

- How to get started
- Prioritize!
- Supplements, not replaces spreadsheet
 - Some things best as line items

- ❖ Start with Mission Needs; Total All Requests; & Share with Congregation

What will our Missions be in 2021?

MISSIONS
across the street & around the world

COMMUNICATING THE BUDGET

- How do you provide financial transparency?
 - From the pulpit? (not recommended)
 - In classes or a monthly newsletter?
 - At town halls or special meetings?
- Why does it matter?

Whoever is faithful in a very little is faithful also in much; and whoever is dishonest in a very little is dishonest also in much.

13 Luke 16:10 (NRSV)



LET'S SUMMARIZE

- **Assess your current financial situation. What specific income and expenses have changed?**
- Make note of necessary or deferred capital expenses
- **Prepare PPP forgiveness documentation; but don't assume it**
- Note staffing changes, and plan for resuming full staff
- **Consider a capital and emergency fund**
- Utilize week-to-week budget instead of straight-line
- **Actively seek “purposeful abandonment”**
- Produce a Narrative Budget
- **Communicate your budget in a transparent way**

THANKS FOR JOINING US

