

## Building the tower: the church budget

A budget will reflect our church's past, present or future – but only a vision of the future will motivate serious giving. This paper suggests why a church budget is so important and what should guide its creation.



In Luke 14:28-30 Jesus tells a parable about building a tower and checking out there is enough money first. To start and not finish is to invite ridicule. So plan; budget. Thing is, for many of us, 'a budget is just a way of worrying before you spend money, as well as afterwards'! But budgets matter so let's note three things in Jesus' teaching here.

### Counting the cost

First, a budget is an operational necessity. We need an idea of our costs and income to exercise our duty of care before society and God (2 Cor. 8:21). Now, generous discipleship is not nurtured by or constrained by the cost of ministry. But people also need guidance on giving and we do not give into a vacuum. Our missional ministry is our giving context.

Too many churches do not have a budget at all. Some have great budgets. Some have a budget but, by choice or necessity, it's the preserve of the treasurer. (Actually, budget responsibility sits legally and spiritually with the church council as trustees.) In other churches budgets are for a select few on the leadership team with little thought to creative congregational communication. And some budgets just lack imagination. This year is as last year, plus inflation and in hope of some savings in expenditure.

### Building for the future

The tower in Jesus' parable is a new build. The purpose of any budget is to build for the future, not to recreate the past. Why would we give more to do more of the same as last year? The annual budget is a tool for planning ministry; it is missional ministry in numbers. An operating deficit is not just a loss of money it is a loss of missional choice. Failing to plan or planning without allocating resources is a recipe for slow but sure decline.

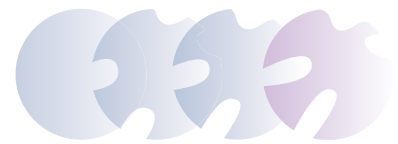
### What are they saying about us?

Finally, it is worth noting that a failure to budget properly can cause reputational damage: 'everyone who sees it will ridicule you' (v29). People may not laugh but persistent financial struggles can corrode congregational confidence. Worse, financial struggles can create a culture in which we become judgemental, sceptical, fearful, critical or dismissive of attempts to invest in ministry and mission.

### A limited purpose

This budget in the case statement is a limited tool for a specific purpose. For churches completely unused to preparing a budget it is a good place to start. But this simple budget plan is not the tool for the annual budget-setting task and planning a stewardship programme is not the place.

This simple budget is a rough and ready guide to annual operational costs. It captures some mission and ministry objectives. It is realistic about both income and expenditure. But the prime purpose is to generate a weekly target for increased giving and thereby to generate a *gift array target* for increased giving.



### Building the church budget

1. Download the *Budget and Gift Array* spreadsheet from the [Budget tab](#). There are three worksheets: *Plan, Chart and Gift Array*. The sheets are protected to aid data entry; unprotect under the Review menu in Excel. There is no password.
2. Select the *Plan* sheet. Enter the church's last full financial year into the orange cell D7 (Actual). The current year (Estimate) and next year (Plan) auto-complete in cells F7 and H7 respectively.
3. The light yellow expenditure cells with **bold** sub-headings are locked. Any changes are picked up in the pie-chart. The headings are reflected in the customised congregational [brochure](#).
4. The operational budget lines in column B can be amended to suit your church. Comments suggest the kind of content for the default lines. Create new rows as needed, but beware too much detail.
5. From the church's finished accounts, calculate and enter the values for 'last' year in the light orange highlighted cells in 'Actual' column (D).
6. Next, complete the 'Estimate' column (F), the pale blue cells, following the headings in column B. Use the current 'year to date' information available. You want a best estimate of likely year end income and expenditure. However, if you are planning very early in the current financial year you can skip this step; leave Column F blank.
7. Complete the pale green cells in the Plan column (H) using the information already entered in the Actual and Estimate columns (where relevant) to estimate the most likely values for Plan year.
8. Under *Enable our Projects* amend cells B29–B31 only if you want to specify particular projects. It may be a significant current project, such as supporting a food bank. It may be a new item of missional ministry identified in the case statement. Enter costs into the Plan column (cells H29–H31). This section can be left blank; if blank it will not appear in the expenditure pie-chart
9. Finally, under *Additional income to fund Plan Items* amend cells B57 and B58 if you have sources of additional income for Plan items or more general missional ministry. Enter the additional income in cells H57 and H58.

### Weekly shortfall

As data is entered, weekly costs for the Plan's income and expenditure appear. Weekly equivalent expenditure shows in blue cell J34. Weekly equivalent income shows in green cell J49.

The purple cell J52 calculates the weekly shortfall in income. This shortfall may be offset by Additional Income, either to fund a specific Plan item or to contribute to a balanced plan. Examples of additional income might include: a Gift Day, grant funding for a project, interest free loans from the congregation (held as liabilities on the balance sheet until repaid). Additional income may also be a considered transfer of reserves to reduce the weekly shortfall to a level that can be addressed by increased giving.

### Overall weekly shortfall

Cell J60 gives a final figure, an overall weekly shortfall. If there is a Plan deficit this cell will be coloured red. If the plan is in surplus Cell J60 will be highlighted green and so no Gift Array target.

This figure is restated in red cell H63 as the target figure carried over into the *Gift Array*, addressed in Section 6 of the Case Statement.



### Charting the budget

Click to the second worksheet, titled *Chart*. This worksheet contains summary of the budget Plan and a pie chart of the three expenditure sub-headings - four if your Plan includes Project expenditure data. You can edit the chart colours as desired. It can be copied and pasted as a graphic into the editable congregational brochure at [Preparing the Literature](#).

### Including in the Case statement

The final step is to print off the budget worksheet, for hard copy or as a PDF for a shared drive or email distribution. It is already paginated as Page 9.

Alternatively, the plan can be highlighted, copied and pasted into your case statement, either as text or as a graphic if the resolution is adequate. A screen grab is also possible (key: Windows/Shift/S) again with an eye to the resolution.