

# BUILDING A Better Budget

HOSTS: Ken Sloane & Manet Shettle



 Heartland Methodist  
**FOUNDATION**

 **DISCIPLESHIP MINISTRIES**  
The United Methodist Church

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## Introducing Manet Shettle



Heartland Methodist  
**FOUNDATION**

- President, Heartland U.M. Foundation
- of Indiana
- President, IN U.M. Loan & Savings Ministry
- CPA
- Former Indiana Conference Controller
- Former District Lay Leader
- Current Lay Leader of her local church



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## FOUNDATION

Stewardship is a **spiritual discipline** and is about our **relationship to God** and how we use our resources to serve God.

Often, an increase in financial resources is a by-product of the development of faithful Christian stewards.



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## FOUNDATION

### Purpose of detail budget

- Set ministry priorities
- Engage leadership
- Provide leadership tools for management
- Establish accountability metrics



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## PROCESS

### 1. Utilize the Ministry Action Plan

### 2. Zero based budgeting

### 3. Identify all resources

1. Budget
2. Endowment
3. Restricted Gifts
4. Fund raisers

### 4. Balanced budget

1. Budget Income
2. Budget Expense



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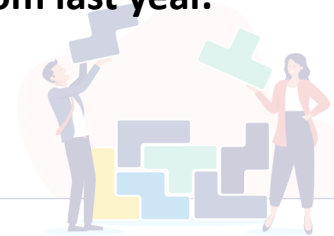
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## PROCESS

### Zero based budget process:

1. **Everything starts with \$0**
2. **Begin estimate using income/expenses from last year.**
3. **Refine the estimate based on new information**
  1. Increased/decreased costs
  2. Changes in ministry plan
  3. Impact of external situations



## PROCESS

1. Each budget section should have a team responsible for oversight.
2. Each section should provide enough detail for the team to manage their ministry area.
3. Budget all income and expense.
4. Utilize a ministry action plan form.
5. Begin with a zero-based budget.



## PROCESS

### • Staff Parish

- Staff compensation
- Employee benefits
- Payroll taxes
- Training
- Contract labor
- Office Supplies
- Administration
- Annual Conference

### • Outreach

- Visitor Care
- Advertisements
- Community Engagement
- Seasonal Activities
- Mission Support



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## PROCESS

### • Finance

- Stewardship
- Tithe
- Bank fees

### • Trustees

- Utilities
- Rent & Leases
- Insurance
- Mortgage
- Maintenance & Repairs

### • Congregational Care

- Worship supplies
- Music supplies
- Instrument maintenance & repair
- Small Group supplies
- Youth Group
- Children's Worship
- VBS
- Leadership Development



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INCOME		202,950	EXPENSES		204,635
INCOME SUBJECT TO TITHE			CONGREGATIONAL CARE		
Tithe & offerings	100,000		Children's Worship Service	1,000	
On-line tithes	50,000		Worship & music supplies	700	
Loose offering plate	12,250		Adult Education	700	
Rent	5,000		Children's Ministries	500	
Fund Raisers	5,000		Youth Ministries	700	
Altar Flowers	2,700		Devotional	100	
Interest	<u>1,000</u>		Library	100	
TOTAL TITHE INCOME	175,950		Leadership Development	<u>400</u>	
OTHER INCOME			TOTAL CONG. CARE	4,200	
Special Offerings	14,000		FINANCE		
Registration	10,000		Tithe	19,355	21,405
Restricted Purpose Income	<u>3,000</u>		Bank & online fees	850	
TOTAL OTHER INCOME	<u>27,000</u>		Stewardship campaign	<u>1,200</u>	
TOTAL INCOME	202,950		TOTAL FINANCE	21,405	

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## ANALYSIS

### 1. Analyze distribution of budget

- Benchmarks by % of budget
  - Staff 45% - 55%
  - Facility 20% - 30%
  - Programs 10% - 20%
  - Missions 15% - 20%

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# ANALYSIS

## 2. Communication

- Distribute monthly detail budget expense comparisons to leadership
- Provide a narrative budget to the congregation



# COMPARE

1. Ministry goals on Ministry Action Plans.
2. Current income & expenses to current budget.
3. Current income & expenses to prior year actual.

**Adjust the budget as needed throughout the year.**





## EXAMPLE COMPARISON INCOME STATEMENT

INCOME	Annual Budget	YTD Budget	Income for August	YTD Income	Prior Year YTD Income
<b>INCOME SUBJECT TO TITHE</b>					
Tithe & offerings	100,000	66,667	8,333	65,123	43,867
On-line tithes	50,000	33,333	4,167	38,294	42,965
Loose offering plate	12,250	8,167	1,021	7,553	3,680
Rent	5,000	3,333	417	3,333	3,267
Fund Raisers	5,000	3,333	0	0	1,546
Alter Flowers	2,700	1,800	225	1,925	662
Interest	<u>1,000</u>	<u>667</u>	<u>83</u>	<u>600</u>	<u>653</u>
<b>TOTAL TITHE INCOME</b>	<b>175,950</b>	<b>117,300</b>	<b>14,663</b>	<b>116,828</b>	<b>96,640</b>
<b>OTHER INCOME</b>					
Special Offerings	14,000	9,333	1,167	13,000	9,147
Registration	10,000	6,667	833	11,000	10,125
Restricted Purpose Income	<u>3,000</u>	<u>2,000</u>	<u>250</u>	<u>2,000</u>	<u>2,500</u>
<b>TOTAL OTHER INCOME</b>	<b>27,000</b>	<b>18,000</b>	<b>2,250</b>	<b>26,000</b>	<b>21,772</b>
<b>TOTAL INCOME</b>	<b>202,950</b>	<b>135,300</b>	<b>16,913</b>	<b>142,828</b>	<b>118,412</b>

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## NARRATIVE BUDGETING Step 1

	BUDGET REQUEST	Worship	Youth & Children	Adult	Outreach	Distribution Method
CONGREGATIONAL CARE	4,200					
Children's Worship	1,000	1,000				% Purpose
Worship & music	700	700				
Children's Ministry	500		500			
Adult Education	700			700		
Youth Ministries	700		700			% Purpose
Devotional	100			100		% Purpose
Library	100		50	50		% Purpose
Leadership Development	400		100	300		% Purpose
<b>TOTAL</b>	<b>4,200</b>	<b>1,700</b>	<b>1,350</b>	<b>1,150</b>		

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**Children & Youth**

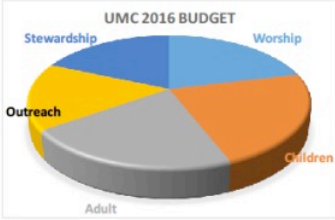


We had 35 children youth who attended various church camps this year and 21 adult volunteers. Seven of these children and youth made a first time commitment to Christ and 1 is now exploring ministry as their calling.

We also host an after school project where we serve on average 63 elementary and middle school children. These children receive help with homework, a nutritious snack and most importantly a safe place to play and enjoy friends while their parents work.


22% of our budget is dedicated specifically for children and youth ministries.

**UMC 2016 BUDGET**




Passionate worship, caring for our congregation, both adults and children, vibrant outreach, and faith filled stewardship are the keystones of First UMC. We believe through the development and nurture of these practices, we together can change the world, beginning with our community.

Our total budget this year was \$185,071.  
 23% is for Worship  
 23% is for Children & Youth Ministry  
 21% is for Adult Ministries  
 16% is for Outreach  
 19% is for Stewardship




Our early service had an average attendance of 85 reaching primarily our empty nester and older adults. This service saw a slight increase of 2% over last year.

**Worship**




Our Praise & Worship service grew by 15%, which continues the trend from last year. This is a high energy service where we worship with all ages.

The new Saturday night coffee time is beginning to steam. We average 20 adults, most are currently unchurched.



Passionate service to God through our love for all.

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Registration  
Opens July 28<sup>th</sup>  
2025!

CREATING A

# Narrative Budget

THE STORY BEHIND THE NUMBERS

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# QUESTIONS?

# THANK YOU!



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Did the **Building a Better Budget** webinar meet your expectations?

It exceeded my expectations

Yes

Somewhat

No

During the webinar, the presenter broke down the components of the detail budget. How useful was this for you?

Not at all useful

Slightly useful

Moderately useful

Very useful



12:29

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