

Building the 2015 Budget

We want to see God get serious credit at Colonial Church by helping men and women find Jesus and then follow Him well. To help accomplish that goal, we need be good managers of the resources God provides to do His work. Hence every year we build and operate with a budget.

I am not going to lie: budgeting is a discipline, and like any other discipline, there can be pain and frustration, struggle and testing. After all, disciplines are there to change us, to get us to do something that doesn't necessarily come naturally. So we don't embrace disciplines willy-nilly—or at least, we shouldn't. We adopt them so that we may enjoy the fruit they bring to our lives. And just like the discipline of working out or studying the Scriptures, the quality of the fruit born from practicing this discipline is a function of how much we invest in it. Well-prepared budgets make decision-making easier. They give clarity and focus. They engender trust between the staff, elders, and congregation.

Now each person on our staff team has had different experiences with how budgets are built and how they are used. Some of us have experiences from the business world; others, from the military; and still others, from how Colonial's recent and not-so-recent past. As a result, in developing our 2015 budget, part of the challenge is to get the team on the same page, to develop a shared vocabulary and understanding of the process for budgeting.

So, at a high level, let me talk about budgets and how I envision the budgeting process. A budget is a financial plan. It is a road map for how we anticipate spending money. A good budget is a strategic financial plan. It is a plan designed to intentionally resource a thought-out ministry design. That's what I want us to build. I don't want to take last year's numbers across the board and merely multiply them by a percentage. I want us to prayerfully look ahead, to map out what ministry in our respective areas should look like in 2015, and then to determine the costs of doing that ministry.

I should also say a couple things about what a budget is not:

- A budget is not a guarantee that monies can be spent—the money has to actually be available in order to spend it. So for us, a budget is a spending plan predicated on people's actual giving lining up what we expect they will give.
- A budget is not infallible. Last time I checked, none of us were omniscient. Consequently, our budgets are built on limited information. Our task is to prayerfully make our best discernments and well-reasoned estimations.
- A budget is not God. We value financial stewardship, but it is not our only value. I want us to be stewardship-conscious while we are mission-driven. That means that we will lay out money—and in large sums when warranted—for the pursuit of helping people find and follow Jesus. We just want to be smart when we do so. We want to be able to stand before God and our church body and explain why we are spending what we are spending.

On the pages that follow, Barbara and I have created several tools to help you and us together move forward in the budget process. The first is a framework for you to build your strategic financial plan. The second is a worksheet for you to complete and submit to me.

Budgeting Framework

I want you to think through what financial resources you need in 2015 using the following categories:

1. Ministry Supplies
 - a. Definition: Purchases unique to the on-going functions and activities in your ministry that get used up (a.k.a. consumables).
 - b. Examples: paper bags for food pantry, curriculum for children, Cat-5 cabling
 - c. Not included: general office supplies, postage, bottled water for the office (these are handled in the operations budget)
2. Leadership Development
 - a. Definition: Expenditures expressly related to the development of leaders in your ministry area.
 - b. Examples: books for ministry leadership, training events for your team (including materials, speakers, food, childcare), teams attending conferences (including conference fees, gas, transportation, food, and lodging).
 - c. Not included: books for just you personally, conferences for just you
3. Volunteer Appreciation
 - a. Definition: Expenditures that demonstrate to the volunteers our recognition of their contribution and sacrifice.
 - b. Examples: thank you cards and gifts, food at meetings with volunteer, volunteer parties, food for volunteers while they are serving, and taking a volunteer to lunch
 - c. Not included: meals or coffee with just staff members
4. Special Ministry Events
 - a. Definition: All the expenditures associated with conducting a one-time ministry event.
 - b. Examples: camps (including transportation), mission trips, annual seminars (including speakers fees, lodging, and meals as well as costs for childcare and food)
5. Childcare
 - a. Definition: The costs for church-provided childcare associated with your ongoing ministry.
 - b. Example: childcare for Newcomers' Gathering, childcare for Grow U
 - c. Not included: childcare for special, one-time events
6. Personnel
 - a. Definition: Expenses incurred from the wages of proposed new positions (part-time or full-time) and from changes in hourly personnel in your ministry area.

- b. Example: new missional discipleship pastor, additional hours for an existing, part-time position
- 7. Contract Labor
 - a. Definition: Expenses incurred when compensating for work performed by someone other than an employee.
 - b. Examples: guest speakers when not associated with a special event (including transportation, lodging, and meals), temporary workers (someone working less than 12 weeks), summer intern, off-duty police officers
 - c. Not included: hourly employees
- 8. Equipment Repairs/Replacement
 - a. Definition: Expenses incurred to fix or replace a broken piece of hardware that is unique to your ministry.
 - b. Examples: sending damaged instruments to a repair shop, replacing a broken nametag printer
- 9. Leased Equipment
 - a. Definition: Expenditures for the temporary right to use equipment that is not owned by Colonial Church
 - b. Example: the lease payments for the banner printer
- 10. New/Upgraded Equipment
 - a. Definition: Purchases of hardware new to Colonial or to replace antiquated hardware
 - b. Example: Buying an additional video processing computer, buying a computer to replace the Dell computer in the Blue Lagoon and outside
- 11. Miscellaneous
 - a. Definition: Expenditures not falling under any of the aforementioned categories.
 - b. Example: Licenses

Budgeting Worksheet

With those categories in mind, we've crafted a worksheet for your ministry area in order for you to build a budget proposal for next year. This worksheet is at the end of this document. Warning: this is not a 1-page document. In fact, when you're done, these will be many pages long. I have given notes for completing the form on the first item. Be sure to replace any bracketed text with what the brackets ask for.

Budgeting Assignments

Below are the different ministry areas for which I want to receive worksheets. My apologies if I missed an area. Please don't take that as an intentional slight. This part of the document was sketched out rather hastily, so please bring any missing pieces to my attention ASAP.

Also, for some areas, I've written more than one name. This is because I anticipate that those areas will require a higher level of collaboration with specific people.

Family Ministry

- Family Ministry (for items shared by Family Ministry Team) – Page
- College – Mike
- Student Ministry – Mike
- Club 56 – Page/Lori
- Elementary – Page/Lori/Amanda
- Preschool – Page/Lori/Courtney
- Learn & Grow – Lori

Missional Discipleship

- Leadership Development – Karl
- Local Missions – Dan
- Global Missions – Dan
- Guest Services – Doyle
- Grow U – Doyle
- Small Groups – Karl
- Pastoral Care – Dan
- Care Ministries – Dan
- Men's Ministry – Karl
- Women's Ministry – Karl
- Singles' Ministry – Karl

Creative Arts

- Creative Arts (for church-wide events, namely Christmas, Easter, At The Movies) – Stephen/Tanner
- Worship Arts – Tanner
- Technical Arts – Stephen

Communications

- Graphic Design & Production – Stephen
- Video Production – Stephen
- Website – Stephen
- Social Media – Stephen

Operations

- Facilities – Ronnie
- Financial Services – Barbara
- Human Resources – Barbara
- Information Technology – Stephen
- Information Systems – Doyle
- Receptions/Office – Doyle

Budget Timeline

Here is the timeline for developing the 2015 Budget:

- November 11: Draft of Budget Worksheets presented to Karl
- November 18: Final Drafts presented to Karl
- November 19 to December 15: Conferences with Karl & Budget Team to iron out final budget plan.
- December 16: Present final budget for Elder approval

Thank you for your efforts in planning out 2015 and striving to be a good steward of the resources that God will entrust to your care! I look forward to seeing what God stirs in this process.

Karl

Ministry Supplies

1. [Ministry Supply Item 1]
 - a. Priority: [A, B, or C; I want you to prioritize what your asking for. A is must have, B is good to have but we could trim here if need be, and C is nice to have if we have the money. If you rank everything as A, you will likely lose credibility and your budget will likely come under greater scrutiny.]
 - b. What: [In 1 to 3 complete, well-written sentences, explain what this item is, who it's for, when the money needs to be spent, etc.]
 - c. Why: [In 1 to 3 complete, well-written sentences, justify why money should be spent on this.]
 - d. Cost: \$[Place the total cost for the item here]
 - i. Assumptions: [I want to know what assumptions you had to make in order to come up with the total cost. For instance, did you have to assume a certain number of people participating or using the item.]
 - ii. Math: [I want to see how you arrived at the total cost. For instance, "\$5 per person per week x 20 people x 40 weeks = \$4000." Include any income you expect. For some expenses, you may have to use the 2014 total for that expense multiplied by a factor. If so, that factor needs an explanation under *Assumptions*. Use this approach sparingly.]
2. [Ministry Supply Item 2]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$
 - i. Assumptions:
 - ii. Math:

Leadership Development

1. [Leadership Development Item 1]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$
 - i. Assumptions:
 - ii. Math:
2. [Leadership Development Item 2]
 - a. Priority:
 - b. What:
 - c. Why:

[Ministry Area]

[Name of Person Who Prepared]

- d. Cost: \$
 - i. Assumptions:
 - ii. Math:

Volunteer Appreciation

- 1. [Volunteer Appreciation Item 1]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$
 - i. Assumptions:
 - ii. Math:
- 2. [Volunteer Appreciation Item 2]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$
 - i. Assumptions:
 - ii. Math:

Special Ministry Events

- 1. [Special Ministry Events Item 1]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$
 - i. Assumptions:
 - ii. Math:
- 2. [Special Ministry Events Item 2]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$
 - i. Assumptions:
 - ii. Math:

Childcare

- 1. [Childcare Need 1]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$

[Ministry Area]

[Name of Person Who Prepared]

- i. Assumptions:
 - ii. Math:
- 2. [Childcare Need 2]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$
 - i. Assumptions:
 - ii. Math:

Personnel

- 1. [Personnel Request 1]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$
 - i. Assumptions:
 - ii. Math:
- 2. [Personnel Request 2]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$
 - i. Assumptions:
 - ii. Math:

Contract Labor

- 1. [Contract Labor Item 1]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$
 - i. Assumptions:
 - ii. Math:
- 2. [Contract Labor Item 2]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$
 - i. Assumptions:
 - ii. Math:

[Ministry Area]

[Name of Person Who Prepared]

Equipment Repairs/Replacement

1. [Repair/Replace Item 1]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$
 - i. Assumptions:
 - ii. Math:
2. [Repair/Replace Item 2]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$
 - i. Assumptions:
 - ii. Math:

Leased Equipment

1. [Lease 1]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$
 - i. Assumptions:
 - ii. Math:
2. [Lease 2]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$
 - i. Assumptions:
 - ii. Math:

New/Upgraded Equipment

1. [New Stuff Item 1]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$
 - i. Assumptions:
 - ii. Math:
2. [New Stuff Item 2]
 - a. Priority:
 - b. What:

[Ministry Area]

[Name of Person Who Prepared]

- c. Why:
- d. Cost: \$
 - i. Assumptions:
 - ii. Math:

Miscellaneous

1. [Miscellaneous Item 1]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$
 - i. Assumptions:
 - ii. Math:
2. [Miscellaneous Item 2]
 - a. Priority:
 - b. What:
 - c. Why:
 - d. Cost: \$
 - i. Assumptions:
 - ii. Math: