

## Building a Better Budget

### How to build a Bad Budget:

- 1) Start with the current year budget and don't include any income
- 2) Fill in the amounts like the Pastor's Salary that are given to you
- 3) Guess on whether or not the other lines should go up, down, or stay the same
- 4) Give it to the DS at charge conference so he'll go away

	<b>2015</b>	<b>2016</b>
	<b>Budget</b>	<b>Budget</b>
Pastor's Salary	40,000	41,000
Apport & Direct Bills	30,000	30,500
Christian Ed	1,000	1,000
ARP	3,000	3,000
Office Expenses	2,000	2,000
Trustees	10,400	12,000
<b>Total Expenses</b>	<b>86,400</b>	<b>89,500</b>

### How to build a Maintenance Budget:

- 1) Start with the actual amounts from one or two prior years and projected amounts from current
- 2) Make sure you also include the income so you know how you finished each year
- 3) Based on the trend for income, fill in that number
- 4) Fill in the expenses based on trends
- 5) Since the goal is a balanced budget, adjust expenses accordingly

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Budget</b>
Pastor's Salary	39,000	40,000	40,000	40,000
Apport & Direct Bills	29,900	30,100	30,000	30,500
Christian Ed	25	25	50	50
ARP	2,800	2,900	4,000	2,000
Office Expenses	1,900	1,950	1,975	1,750
Trustees	11,800	7,500	9,100	8,600
<b>Total Expenses</b>	<b>85,425</b>	<b>82,475</b>	<b>85,125</b>	<b>82,900</b>
<b>Total Income</b>	<b>83,200</b>	<b>83,100</b>	<b>83,000</b>	<b>82,900</b>
<b>Net Income</b>	<b>-2,225</b>	<b>625</b>	<b>-2,125</b>	<b>0</b>

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### How to build a Strategic Budget:

- 1) Start with the actual amounts from one or two prior years and projected amounts from current
- 2) Make sure you also include the income so you know how you finished each year
- 3) Also include how much you have in General Fund reserves
- 4) Decide what you want to accomplish next year and what resources it would take (strategic)
- 5) For most expenses, look at the trends. For strategic expenses, enter in the amount needed
- 5) Consider the income. What effect will our strategy likely have on income?
- 6) If the shortfall is out of our comfort zone, consider expenses to cut or ways to increase income

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Budget</b>
Pastor's Salary	39,000	40,000	40,000	41,000
Apport & Direct Bills	29,900	30,100	30,000	30,500
Christian Ed	25	25	50	5,500
ARP	2,800	2,900	4,000	3,000
Office Expenses	1,900	1,950	1,975	1,750
Trustees	11,800	7,500	9,100	16,800
<b>Total Expenses</b>	<b>85,425</b>	<b>82,475</b>	<b>85,125</b>	<b>98,550</b>
<b>Total Income</b>	<b>83,200</b>	<b>83,100</b>	<b>83,000</b>	<b>87,900</b>
<b>Net Income</b>	<b>-2,225</b>	<b>625</b>	<b>-2,125</b>	<b>-10,650</b>
<b>Reserves</b>	<b>97,775</b>	<b>98,400</b>	<b>96,275</b>	<b>85,625</b>

### How to build a Long-Term Strategic Budget:

- 1) Complete the Strategic Budget from above
- 2) Now consider Income and Expenses going forward for the next 3-5 years

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
Pastor's Salary	41,000	42,000	43,000	44,500
Apport & Direct Bills	30,500	31,500	32,000	32,500
Christian Ed	5,500	5,700	5,900	6,000
ARP	3,000	4,000	3,000	3,000
Office Expenses	1,750	1,800	1,850	1,900
Trustees	16,800	11,750	12,250	12,500
<b>Total Expenses</b>	<b>98,550</b>	<b>96,750</b>	<b>98,000</b>	<b>100,400</b>
<b>Total Income</b>	<b>87,900</b>	<b>92,750</b>	<b>97,800</b>	<b>101,000</b>
<b>Net Income</b>	<b>-10,650</b>	<b>-4,000</b>	<b>-200</b>	<b>600</b>
<b>Reserves</b>	<b>85,625</b>	<b>81,625</b>	<b>81,425</b>	<b>82,025</b>