

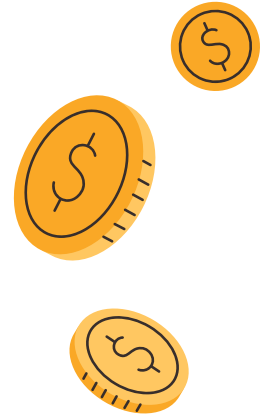
# BUDGETING

# TODAY

*for Tomorrow's  
Church Growth*



# THE GROWTH BLUEPRINT: WHY BUDGETING IS KEY



Your church's budget isn't about money.

Go ahead. Roll your eyes. Chalk the statement up to exuberance.

But it's 100 percent true, and most churches budget without thinking about it.

Your church budget is about your church's vision. Money is simply a tool to show it.

If your vision is small, it doesn't matter how many zeroes you're budgeting, you have a small budget.

Remember what Jesus said in the Sermon on the Mount about money?

*“Don't store up for yourselves treasures on earth, where moth and rust destroy and where thieves break in and steal. But store up for yourselves treasures in heaven, where neither moth nor rust destroys, and where thieves don't break in and steal. For where your treasure is, there your heart will be also”*  
(Matthew 6:19–21, CSB).

Of course, Jesus was talking about individuals, not churches in those words. Still, what Jesus said is true of our congregations as well.

*“To understand what really matters to a church, look past its vision statement, past its website, past its glossy brochures, and look at its budget,”* writes Jamie Dunlop in his book, *Budgeting for a Healthy Church*. *“Follow the money. What a church treasures—how it spends money—reveals its heart, its values, and its priorities.”*



# PREPARING FOR GROWTH

Your church only has the vision that you're budgeting for. Your budget must reflect the growth you are expecting in the future, or it simply won't happen. Your budget isn't just numbers on a page; it's a blueprint for how you plan on accomplishing the vision throughout the year. It shows where your priorities are.

**Here's an example.** Your church wants to grow. (Every church should want to grow because you want to reach people. As Southern California Pastor Rick Warren often says, *"You count people because people count."*) You look at your community, and you see unreached areas that you know God is calling you to engage with the good news. You believe God is going to help you reach new people and bring them into your congregation. Your vision includes new small groups and ministries designed to reach these emerging populations.

But if you look at your annual church budget for this year, nothing in the budget suggests any of this. You have no line item to expand your facilities for the new growth or resources for a larger children's ministry. You're not budgeting to train new small group leaders or to start new ministries.

Guess what? It doesn't matter what vision you've scribbled on a napkin or preached from the pulpit. Your vision isn't to grow. At best, your real vision is to stand still.



Growth requires preparation. Just ask a hermit crab. When a hermit crab wants to grow, it needs to find a bigger shell. Unless it prepares, it won't grow.

That's true for your church, too. Your church will never grow unless you budget for it today.



# HOW THIS GUIDE

# WILL HELP



Let's be clear about one thing, though. A growth-minded church budget isn't a synonym for reckless planning. While it'll take faith to budget for growth, it's far from reckless faith. This guide provides an actionable strategy to build the growth-orientated budget ever church needs.

**In this guide, you'll learn how to:**

- **Chart your church's future growth**
- **Project your income**
- **Create your growth budget**
- **Plan your finances for the long haul**

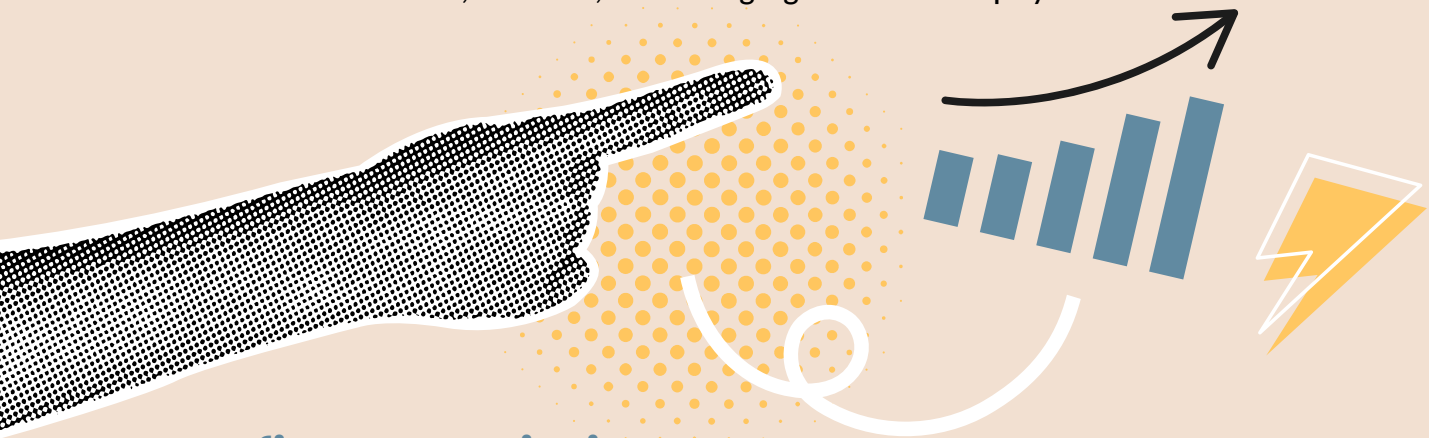
With that in mind, it's time to turn your thoughts to God's vision for your church's future!

# CHARTING YOUR CHURCH'S FUTURE GROWTH

Before you can budget for growth, you need to have some idea of how God wants your church to grow. Not all growth is the same. You may be envisioning a growth in attendance, a growth in giving, a growth in ministry breadth, or growth in groups. You can't budget for growth until you have clarity about how your church will grow.

Understanding where God is calling your church to go helps ensure that your growth-focused budget effectively allocates your resources. You don't have the resources to do everything. No church does. Even the largest churches, with the biggest budgets, have to make choices when they budget. Your church is no different.

That's where a vision, a mission, and strategic goals come into play.



## Define Your Mission

Your church's mission is the foundation of everything your church does. It describes why your church exists and what God has called your church to do. While it stems from Jesus' Great Commission (Matthew 28:18-20), your mission will be a unique implementation of that calling. Your mission answers the question: ***What will our church do?***

It might look something like this.

**Example for a fictional suburban Pittsburgh (Lawrenceville) church:**

*"To connect our diverse community of Lawrenceville to Christ through authentic relationships, compassionate service, and life-changing worship."*

## Clarifying the Vision

You build your vision from your mission. Your church's vision is a forward-looking statement that describes what God wants to do through your congregation. It acts as a guiding principle to keep your church focused on making the practical decisions that support its growth, like creating a budget.

A vision statement is a statement of faith. What is your church trusting God to do through your church?

A biblical vision rooted in the scriptures will not only inspire your congregation to get more involved, but propel your church toward further growth.

### **Example of a vision statement in the same suburban church:**

*"To see Lawrenceville transformed by the Gospel, where every block is touched by God's love and every resident has the opportunity to know Christ."*

## Setting Strategic Goals

Now take your mission and vision and create some goals for your church as you grow. This helps put some skin on your mission and vision. What will it take to get from where you are now to the realization of your vision?

These goals are critical because they will be the heart of your budget.

Strategic S.M.A.R.T. goals are specific, measurable, achievable, relevant, and time bound. If you're not familiar with S.M.A.R.T. goals, you can find descriptions in many places online.

Your goals will likely look something like this.

### **Example SMART goal:**

*"Establish and expand three outreach programs within the next 18 months to connect with at least 75% of the blocks in the Lawrenceville neighborhood, utilizing church volunteers and local partnerships, to ensure the church is actively present in all areas of the community."*

You'll need multiple goals like the one above.



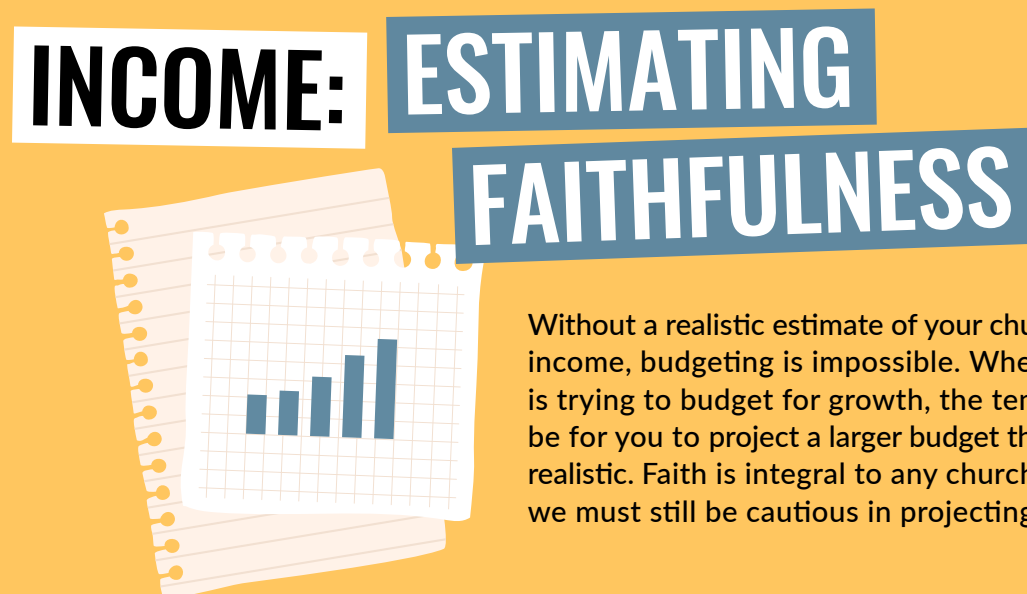
## Developing a Strategic Plan for Growth

Take some time to create a plan for how you'll reach the goals you've created. A strategic plan outlines the steps involved in reaching goals. It also assigns those tasks to specific people and puts in deadlines for them. When you do this, you're taking your church's big picture vision and breaking it down into manageable steps.

### Example strategic plan:

*For the goal we've noted in the last step, your strategic plan would outline the steps to create each of these new ministries, the staff and volunteer responsible, and provide a deadline. Each goal would include multiple steps.*

Once you have a mission, vision, goals, and a strategic plan, you can start putting together your budget.



Without a realistic estimate of your church's yearly income, budgeting is impossible. When your church is trying to budget for growth, the temptation will be for you to project a larger budget than would be realistic. Faith is integral to any church budget, but we must still be cautious in projecting church giving.

## Faith vs. Presumption

Over and over in scripture, God promises to provide for our needs—both in our personal lives and corporately as churches. (Just read Jesus' famous illustration about the birds and the grass in Matthew 6:25-34!) God wants us to trust him to provide for what we need, but that's not the same as presuming upon his goodness. As J.P. Dunlop writes in *Budgeting for a Healthy Church*, the income portion of your church's budget should be focused on the faithfulness of your congregation. "As I've told my church dozens of times, I care very little whether they meet our budgeted income," Dunlop writes. "If the congregation is faithful in their giving but we still miss the budget, I'm elated. We will figure out how to adjust accordingly."

So before you get started on anticipating your income, ensure you're prioritizing the faithful giving of your members, not an arbitrary giving number that has more to do with what you want to see happen than God's plans for your church.

## Anticipating Giving

So how do you come up with a realistic, growth-orientated income projection? There is no perfect solution to anticipating giving. It's more art than science. That's why it's important to be prepared to make changes throughout the year if you realize you're off the mark.

But to get started with a responsible income projection, sit down with the following information.

### Historical giving patterns:

Review the last three years of giving. Don't just look at the raw numbers, though. Divide your annual and weekly giving by your total number of givers for each time period.

Tracking giving per person offers valuable insight into your church's financial health, especially when you review it over several years, like three. Ideally, you want to see steady or increased giving from your congregation over time. This data also helps you set a baseline, so you can gauge how future giving might grow as your church expands.

### Estimate your membership growth:

Set a clear goal for how many new members you want to welcome into your church over the next year. Make sure your target is achievable, but keep in mind that this is part of your growth plan. Anticipate that new people will join your church. Later on, we'll cover how your financial investments tie into the growth you're aiming for. For now, trust that God wants to see your church grow more this year than it did last year.

### Multiply your expected membership growth by your typical giving per giver:

Use the average giving per giving as a multiplier to estimate how much additional giving new members could bring in.

Just remember, as you look toward the future, new people to your church (particularly new people to Christianity as a whole), typically give less at the start. If you're anticipating a growth of 10 percent next year, realize that those 10 percent will likely give at smaller rate than your current givers. Plus, these givers will begin contributing at different points throughout the year. It's best to estimate their giving at between 50-75 percent of what your typical givers contribute.

### Add in any additional income you expect:

While most of your church income is likely giving from your members and regular attendees, you may have some other income, including facility rentals, regularly fundraising activities, grants, investments, program fees, etc. Figure that in as well.

Once you add together your anticipated giving with any additional income, you'll get a good basic income for your budget.



## Finding New Revenue Streams

Your church income can extend beyond what you can bring in through tithes and offerings. If you'd like to bring additional income that your church can invest in future growth, consider these other ideas.



### Facility rentals:

Most churches have larger facilities than they need (during weekdays particularly). Consider renting out unused rooms to local organizations that need some extra space. Not only can that increase your budget, but it also makes your church appear bustling throughout the week.

You also may have additional space to rent out on the weekends (at times other than your regularly scheduled weekend services). Consider whether other new church starts could benefit from the space you could provide during these outside-of-peak times.

### Apply for grants:

Your church may already have a number of outreach and community betterment ministries that qualify for both business and government grants. Ask around in your church for someone who might have experience with grant-writing or check with other local churches. It's likely that at least one church in your community is getting funds from a grant.

### Explore social enterprises:

Social enterprises are businesses that closely align with your church's mission. They can be coffee shops, thrift stores, bookstores, etc. You can reinvest profits from these businesses into your ministries.

Of course, your church's income is only one half of the equation. Next, we'll turn to how your church can invest what God has given to better ensure future growth.

# CREATING YOUR

# GROWTH-FOCUSED BUDGET

So, you've got your vision and mission all written out, and a general sense of what resources you've got for the year. It's time to define how you'll allocate those resources for maximum growth.

## Prioritizing Mission-Driven Expenditures

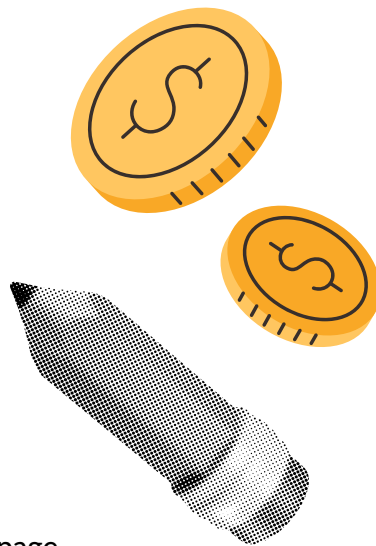
You've probably created many budgets before, but do something new this time. Start with a blank page. It's time to get a fresh perspective. You've likely heard the old adage that *if you do the same thing in the same way, you'll get the same results*. To budget for growth, you need to do something different.

Write down every expense you have—from your building to salaries to office and ministry expenses. Look at last year's budget as a guide (but stay faithful to the blank-page mentality).

Now comes the tough part. Answer the question, "*Do these expenses help you move toward your vision?*" Denote which expenses directly contribute to reaching your vision.

When evaluating your church's needs, be thorough. Consider every aspect that aligns with your vision, including the portions of your budget dedicated to staff and facilities. If your vision requires a building and a team to bring it to life, these are essential, vision-driven investments. But be careful when doing this. Not every building and staffing item in your budget has equal value toward your vision. Be honest about parts that may not align.

Your church will want to continue investing in the vision-driven areas you've noted. And of course, the converse is also true. You'll need to consider moving resources out of all other areas as well.



## Strategic Investments for Future Growth

Not all parts of your budget have equal value for future growth. Even all the parts of your budget that relate to fulfilling your church's vision aren't equal. Some need more investment than others.

Take the time to pinpoint areas with significant impact. Reviewing the items you've noted above, mark the ones that have the greatest potential to impact future growth. Consider increasing the budget in those areas.

Don't forget the strategic goals you've developed earlier, whether that's expanding a ministry or launching a new outreach program. They are central to your church's vision. Ensure that you not only plan for these goals but also fund them in your budget.

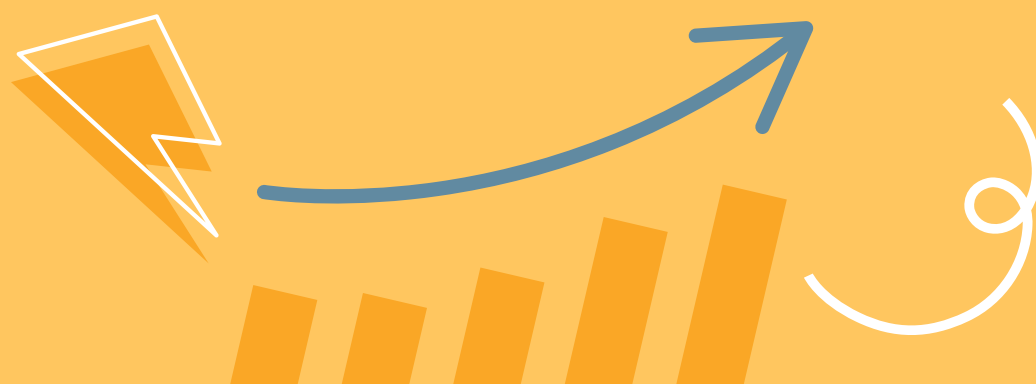
For example, if your vision includes a significant focus on community outreach, you may want to put special emphasis on specific ministries that go beyond your church walls – like food distribution, a free health clinic, or after-school programs.

Getting even more specific, it's important to look critically at the ministries you're looking to fund. Say, for example, you have \$500 to invest. You could put that into your church's after-school ministry or your food bank. Both are critical ministries to your neighborhood. Both meet needs. Both fit your church's mission and vision. But you can't spend that \$500 twice.

For the after-school program, you might consider sponsoring a new semester-long class, a twice-a-week program that engages 20-30 kids and helps to involve them in other areas of your children's ministry (such as Sunday School classes).

On the other hand, your food ministry may want the \$500 to host a community meal once a month over the summer. While you might be able to feed 50-100 people through that initiative, you have little in place to build upon that engagement to get those people involved in your church.

With a better plan for future engagement, the food ministry might be a better investment. As it stands now, you'd want to invest that extra \$500 in the after-school ministry.



## Building Flexibility into the Budget

Flexibility is a key part of a growth-centered budget. Ministry never goes like expected. Your church needs to be prepared for the challenges that inevitably come your way and the opportunities God puts before you in the coming year.

That's why it's important to set aside contingency funds that give your church a cushion for the unpredictable. While there's no one-size-fits-all approach to contingency planning, consider a goal of having a total of three months of expenses or total of 25% of your annual budget in a contingency fund. If you've not started contingency planning in previous budgets, this may be a stretch. Start with as much as you can and work toward the goal. Between 5 to 10% of your current budget is a good starting point.

Without a contingency budget, it'll be tough (if not impossible) to stay focused on your new growth budget. You'll miss too many opportunities and be vulnerable to the inevitable surprise expenses that come your way.

With this budget in place, you've put together a strong, flexible foundation for the year ahead.

But the work doesn't stop here. Next we'll turn to the long-term elements of your budget that set the foundation for growth.



# FINANCIAL PLANNING FOR THE LONG HAUL

Creating a growth-centered budget is a great start, but it is just that — a start. One of the biggest challenges your church's growth faces is the sustainability of your budget for years down the road. We dealt with some of those concerns in the last section with the contingency fund. You'll need to adapt to new challenges as they arise in the coming year, but those challenges will come year after year. By embracing the principles below, you can do just that.



## Saving for Long-Term Investments

Your growth-oriented budget isn't just about meeting the immediate needs of your church and your community. It's also about laying the foundation for sustained growth over time. The decisions you make today will reverberate for years to come.

That means putting aside some of your budget for the facilities and ministries you'll need in the future. In many ways, it's like a family that's planning a big vacation in the future. You may not be able to afford that dream vacation in one year's budget or even two, but maybe in three years you can.

The same is true for your church. Look again at your strategic goals and note the goals that you can't fund in a single year. They could include launching new outreach efforts or even making larger purchases needed for specific ministries. Ensure you're putting something aside annually to complete those strategic goals.

Don't forget about your facility either. Remember the analogy earlier in the guide about how hermit crabs need a bigger shell if they're going to grow? Churches tend to be the same. If you're planning to grow, you need to ask yourselves what requirements that growth will have of your facilities. Yes, there are strategies for growing without large building expenditures. But you still must make a decision as to whether you'll plan to expand your facilities or handle your growth in a different strategic way. The time to make that decision and begin working through a plan to solve this in the future is now.

# Stewardship Principles for Long-Term Financial Health

Your church's ability to stay focused on a long-term strategy of budgeting for growth depends upon your congregation understanding their role as stewards. Stewardship is rooted in the biblical conviction that everything we have is a gift from God that we manage for him.

How we handle our church's finances—whether they are little or a lot— demonstrates our faithfulness to God. Until our congregation understands and internalizes this principle, growth won't happen. Jesus tells us as much in Luke 16:10: "So if you have not been faithful with worldly wealth, who will trust you with what is genuine?" (CSB)

But biblical generosity and stewardship aren't simply automatic when people become Christians. Generosity and stewardship are both caught and taught.

What does that mean for your church when developing a financial plan to grow?

## Teach it.

**Provide regular Sunday school and/or small group teaching on what the Bible says about giving.**

## Preach it.

**Plan an annual sermon series about biblical stewardship.**

## Model it.

**Introduce your congregation to people who have taken the Bible's teachings about giving seriously through regular testimonies either during weekend worship services, in your communications, or in both.**

## Celebrate it.

**You become what you celebrate. Make a point of sharing your excitement with the congregation as they make commitments toward your long-term financial growth.**

You may not see results from these steps in a year, but you will in five as you build a foundation of biblical stewardship.

## Engaging the Whole Congregation in the Vision

Too often in congregations, members don't realize the connection between their faithfulness in giving and your church's fulfillment of the vision God has placed before your church. They love to hear the vision you've shared with them. They want to be a part of it. But it's very possible they don't realize that it depends in part on their commitment to give toward the vision.

That's why it's critical that you constantly tie your church's vision to grow (and reach people with the good news!) to faithfulness in giving. Every time your church begins to see pieces of your vision come to fruition; show the critical way generosity played a part. Regularly use phrases like:

"Because you made sacrifices and gave, our church was able to meet this need."

"Thanks to your generosity, we've started this new ministry."

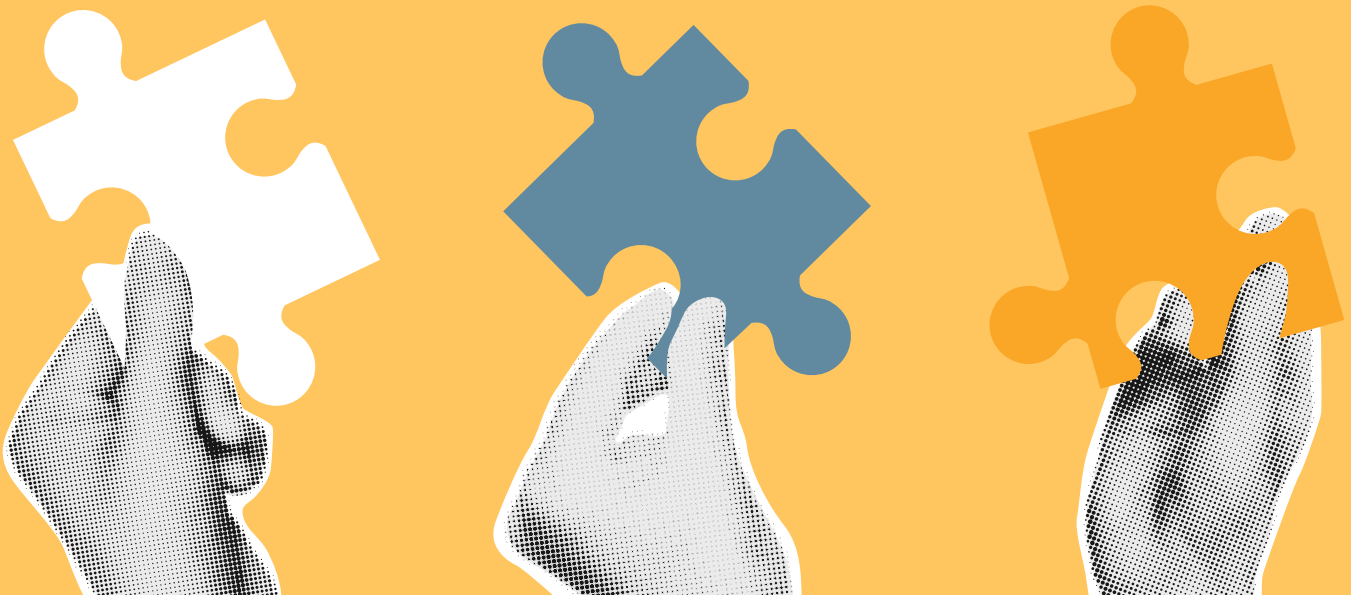
"See these renovations in the building?"

We were able to do that because of your support."

"Meet \_\_\_\_\_. This child had clothes for school this year

because you loved her enough to give."

Tying generosity to vision isn't about a guilt trip. It's about involvement. It's about showing your congregation that they have a part to play in what God is going to do through your church for generations to come.



## Another reality: choosing the right ministry partner matters.

### The know-how you need from experts you trust.

ACS Technologies is the original pioneer of Church Management Software (ChMS). But we don't just know technology and software, we know how to help you put it to best use to keep parishioners engaged, feeling welcome, and their pastoral needs tended to. We are evolving and changing to meet the changing needs of the Church. We're with you every step of the way.

### Tools and support to strengthen churches.

We build great software, but we don't stop there. We have a "service-first" approach that truly sets us apart. With hundreds of dedicated support and consulting personnel, your staff can reach our team 24/7. We're in your corner to help you with the challenges you and your staff face every week.

### Ideas and solutions powered by integrity.

Integrity is real for us, and it means consistently being faithful stewards by doing the right thing for church success. We have earned the trust of parish and diocese staff, our employees, and colleagues for over 40 years.

### A plan to meet your needs and move your ministry.


We're not just interested in satisfied customers. We see ourselves as your real ministry partner and will work with you to make disciples who are formed and confident in sharing their faith with others. We're excited to talk about your goals, create a plan together, and set you up with the software, service, and resources you need.

### We believe in YOU!


ACS Technologies believes in the local church. Over 75% of our team has experience serving in their local churches. We know firsthand that serving the Church means serving people, and we take seriously our commitment to helping ministries like yours achieve their God-given mandate - to make disciples in their communities, states, and across the world.

## Let's Talk

We know the challenges of switching or implementing new technology—it can be intimidating! But we also know the unbelievable changes that have happened within churches that have partnered with us. Let's connect and see how we can assist you in the greatest thing you do - proclaiming the good news of Jesus Christ.

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