

April 2011

2012 Budget Process

Pacific Community
Church



Whose Budget is this?

This is our budget! Sometimes it seems that this might be Jim's budget or some might think that it is the Board's budget. In my books that wouldn't be a good budget. Instead, I like to think that it is my task to facilitate our community's budget so that it is our budget.

It will require from all the participants a basic understanding of the big budget items, other priorities from other ministries and a wise recognition of how your ministries fit into the whole

of the ministry.

As a result the budget process is a facilitated time of differing agendas with determined quantity of resources. The challenge will be how we navigate through our conversations to end up agreeing on what is the best way forward in stewarding the great gifts God has given us.

When we agree we recommend a budget to the Board who will then discuss, perhaps arbitrate on some options and finally

present a ready budget to be approved by the Official Members of Pacific.

Highlights of Upcoming Budget

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1.We will be removing a full time youth pastor and increasing Katie's hours by 10 and adding an Intern Daniel Den Haan for 20 hours to develop youth ministries. Nevertheless we will maintain the same budget allotment since we will be candidating a new youth pastor in the coming

year.

2.We are not adding any further staff to the budget. We would like to see the implementation of an Alpha like class at PCC

3.As of April 27 we have set the budget to be \$675000—a \$45000 increase from the

previous year.

4.In this budget we will be adding a Reserve Fund Contribution of \$15000.

5.As of March 2011 we are below budget on expenses and above expected revenues.

Eight Basic Budget Things To Know

A budget is like a map. It charts out financially a way to our destination. It is important to remember that the budget doesn't take over the direction—just as a map doesn't drive the car. The budget serves the community and doesn't control the community. The budget must be a flexible tool that can adjust to concrete realities that will unfold in the given year.

The budget process is a mix of two primary ingredients: faith and reality. The strength of any budget is how it honestly wrestles with the present reality yet presses bravely and faithfully

into the future.

Expect that the compiled shopping list of wants and needs will usually add up to more than what is in our wallet—as we know it. The list might be like a camel trying to go through the eye of the needle—it won't necessarily fit. The challenge of creating a working budget is to allocate funds appropriately by establishing priorities. Ultimately the Board will speak most strongly on the priorities but as a community engaged in leading ministries we can do much of the upfront spade

work. We will create a prioritized shopping list which will help us understand the most pressing needs in the church.

Responsibility and Empowerment: Ministry Leaders will be given responsibility to develop their budget but also the empowerment and responsibility to oversee their budget.

Action Plans First: A budget does not start with numbers but with an action plan. The first step is to determine what actions you seek to accomplish in the next 12 months and then secondly how much it will cost.

DOING YOUR BUDGET**STEP ONE**

Ask, "What are the key actions to be accomplished in your ministry this year? Year Two? Year Three?

STEP TWO

Ask and understand, "What are the costs?"

If this is an existing ministry Tracy will provide you with last year's numbers (budget and expenses).

If this is a new ministry this may be a bit more of a challenge. Talk to other churches. Consult with Pastor Jim.

STEP THREE

Plan a budget. You should discuss with your team. You can involve other leaders. You can research other churches. Simply establish a budget and rationalize it by referencing your priorities and ministry impact.

STEP FOUR

Discuss your budget with Pastor Jim

STEP FIVE

If necessary we will gather the key leaders to discuss competing budget priorities that need to be wrestled to work within budget constraints.

"Plan your work and work your plan"—a quote by someone smart about the need to do this work well

Eight Basic Things Continued....

We will encourage you to think in terms of a three year action plan so that you will be able to think longer term.

Self Sustainability: As a general rule we encourage adult ministries to be self-sustainable. We can provide available funds in order to launch a prioritized ministry and expect that the new ministry will draw enough funds to cover costs.

Financial Standards: We want to live to high standards of financial accountability. We are members of the "Canadian Council of Christian Charities"

who provide outstanding resources and information to operate at the highest standards. (www.cccc.org). Not only do we want to honor God by how we utilize his resources we also want to instill confidence and excitement in our community by honoring you and your participation in God's work.

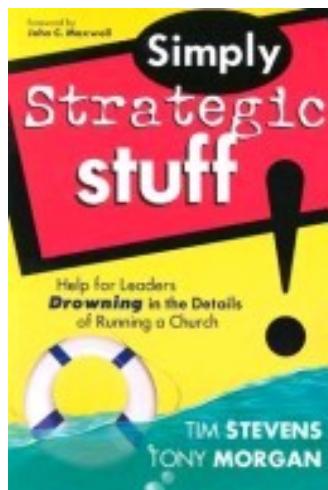
Revenue Forecasting: As a practice we begin the budget process by first deciding upon what a faithful yet adventurous revenue projection might be. We look at past trends, immediate needs and congregational capacity. A team of Board mem-

bers and two pastors recommended to the Board a budgeted revenue projection. Together the Board prayerfully wrestled what the budgeted revenue would be.

By starting this way the rest of the budget begins to fall into place. This is where the rest of us get busy.

Key Budget Dates

April 19	Set Budgeted Revenue for 2011-2012
April 29	Initiate Congregational Budget Process
May 20	Executive Pastor receives Final Budget Requests
May 21–June 3	Budget Wrestling-If necessary an opportunity for Teams and Leaders to gather and dialogue about the Budget.
June 7	Present initial draft Budget for Board Review. Integrate Changes and prepare Budget for Congregational Approval.
August	Board presents prepared budget to the Membership for approval
September 1	New Budget implemented



*"Where there is no vision
budgets perish."*
Tony Morgan

Build Budgets on Purpose—Tony Morgan from “Simply Strategic Stuff”

At Granger, we've tried to build budgets based on the five purposes of the church and not based on last year's budget. We take a fresh look each year so we're not continuing programs and practices just because we've always had them.

Instead of making across-the-board percentage adjustments to the previous year's budget, we've tried to develop our budgets based on an action plan. That plan is centered on helping us fulfill our mission and vision.

Begin your budget process by defining your ministry plan. Each ministry area should develop a list of specific goals for the coming year. Then these questions should be asked

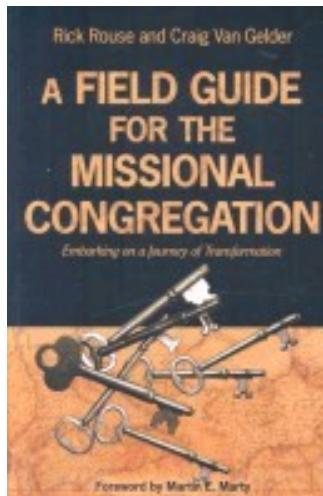
about each goal:

- What are we trying to accomplish?
- What action steps will we take to reach this goal?
- How will this goal help us accomplish our mission and vision?
- Who will lead and help?
- What resources are needed?
- What are the due dates?

budgets perish.

After you've determined how much money is available, budget based on what you'll need to enact the action plan your leadership team has developed for the coming year.

These questions drive the budgeting for each area. They force leaders to consider proactive steps for accomplishing the vision rather than just maintaining current ministry efforts. Where there is no vision, the



"Think of us this way, as servants of Christ and stewards of God's mysteries. Moreover, it is required of stewards that they be found trustworthy."

1 Corinthians 4:1-2

A Biblical Understanding of Stewardship—Craig Van Gelder

One of the foundational truths taught in the Bible is the importance of good stewardship. Seminary professor Rolf Jacobson notes, “In the ancient world, the word steward...describes a person—normally a slave—who was placed in a position of responsibility over the property, possessions, or household of another person, to whom the household actually belonged. The concept thus offers promise as a model for Christian congregational identity.”

This is the biblical understanding of servant ministry of stewardship—being “servants of Christ and stewards of the mysteries of God.” This has a number of implications:

God's mission and the means to sustain it belong to God. The

scripture teaches that our worldly possessions are given to us by God, and that we are responsible for stewarding them well for the purpose of participating in God's mission in the world.

Congregations are corporate communities that steward God's mission in a particular place and time. The primary responsibility of a congregation is to be a faithful steward of God's mysteries by bearing witness to the kingdom of God within the larger community regarding the fullness of redemption available from God. Congregations must take the needs of their local community seriously when considering the stewardship of their resources.

To join a congregation is to respond to God's call to join in

God's mission as a steward. This means that congregations consist, not of members with rights and privileges, but rather of disciples who live out the full meaning of the gospel.

Stewards are expected to be trustworthy and accountable. How a congregation as a community stewards its corporate life, which includes the stewarding of the financial resources available to them, is foundational to being honored by God as a trustworthy and accountable steward.

Stewardship is not optional nor is it just one more thing disciples are responsible to engage in. Rather, stewardship stands at the very center of Christian identity, both for congregations and individuals.

A Very, Very, Very, Draft Budget

	Budget for 09/10	Budget 10/11	Budget Planning 11/12
Income			
General	590000	600000	630000
Budget Plus	42894	10170	0
Children Ministry Fund	0	25000	15000
Rental Revenue	0	24830	30000
Total Income	632894	660000	675000
Expense			
Debt servicing	157220 25%	157245 24%	157000 23%
Staffing	319815 51%	356440 54%	365000 54%
Facility	58859 9%	55735 8%	53000 8%
Administration	51340 8%	57300 9%	52000 8%
Ministry	45660 7%	33280 5%	33000 5%
Reserve Fund Replenish	0	0	15000 2%
	632894	660000	675000
Ministry Expanded			
Team Development	6400	7425	0
Children's Ministry	7450	6500	0
Worship Ministry	6150	4900	0
Food Service	3920	4020	0
Youth	4000	3000	0
Moms	0	1670	0
Miscellaneous	4200	1250	0
Missions	2250	1100	0
Elder's Board	2550	1000	0
Plan to Protect	1640	865	0
Community Life	2100	800	0
Communication	5000	750	0
	45660	33280	33000

Key Notes

- The Budget Planning column is a very, very early draft but:
- General Income has been decided by staff and board.
- Debt servicing is a hard cost in contrast to a soft cost (i.e. ministry)
- Staffing dollars are established by the Senior Pastor.
- Facility, Administration and Ministry amounts are the most negotiable amounts.
- Facility costs includes a host of things but is overseen by the Buildings and Facilities Team. It includes both hard and soft costs.
- Administration Costs are overseen and determined by the Staff. It includes both hard and soft costs.
- Ministry costs are the particular attention of ministry leaders. Of course the whole budget focus is ministry.

Some of you will need actuals to be able to plan better for next year. Give Tracy a call and she will provide you the information that you are looking for.

604-574-4001
Tracy.cudmore@pacificcommuni

Hard Costs—those things that are mostly immovable (debt, heat)

Soft Costs—those things that are more negotiable and adjustable

New Budget Items. If you have a new ministry (it is not listed above) you need to make a case for it. This is the time to think and plan.