Church Budget – What is it? What does it do?

Any one of the following statements could be included in the definition of a church budget:

- a process of allocating resources toward goals by expressing the church's dream in dollars
- a plan for financing the church's programs
- a statement of estimated income and expense over a period of time
- an authorization to incur expense and to allocate income
- a financial plan in writing

The church budget tells who you are - it reflects the plans and ministries of the church in dollars. It should not control the ministry but rather should be a guideline for planning for the ministry.

The church budget helps the church to implement and prioritize programs or ministries of the church at a particular point in time. Members must recognize that the budget will change as the church grows or as new programs are included. The church budget helps the church to accomplish the following:

- provides a way for church members to work together
- gives guidance in distributing available funds
- encourages a good accounting of church funds
- challenges members to provide the funds to carry out the ministries
- authorizes church leadership to act within certain guidelines

When the budget is prepared you must keep in mind the giving potential of the members; last year's budget and variances; and the needs or ministries of the local community.

Do not use the church budget to run the organization - rather use it as a yardstick to measure and report against - a tool to help your church achieve its goals.

There are many ways a church can develop its budget but in all cases the budget needs to clearly communicate and emphasize the ministries of the church.

"While not ignoring past giving, a total amount budgeted should usually include a challenge for growth in giving. If stewardship education is practiced and the budget clearly expresses the mission of the church in an exciting and understandable way, then members will rise to the challenge."
Bob Johnson, Church Administration Handbook.