

April 2016

# 2017 Budget Process

Pacific Community Church

## General and Missional Budgets

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### Whose Budgets are these—General and Missional Budget?

There are two budgets to develop: 1) The General Budget which addresses the general functions of the church; 2) The Missional Budget which facilitates specific missional activities—kitchen, hamper, garden, global mission etc..

We invite you to participate. As members of Pacific we want you too. If you are a leader, we expect you to. Ministry leaders will be as part of their future planning. This Newsletter provides you with a basic under-

standing of the big budget items.

The budget process is a conversation time so that differing needs can be considered within a pre-determined quantity of resources.

The challenge always will be how we navigate through our conversations to end up agreeing on what is the best way to steward the great gifts God has given us in the year to come—September to August.

Contact a staff ministry leader or Pastor Jim to discuss ministry ideas or possibilities.

In early September 2016 the Board will be ready to present a finished budget to be approved.

### Highlights of Upcoming Budget

1. We are increasing our budgeted revenue to a total of \$725,000.
2. We are hoping to increase our worship staff budget to add a fuller part time position.
3. We have invited an Ambrose Intern to serve in Children's Ministry.
4. We are increasing our giving options by partnering with "Pushpay" so that we can offer a quick and mobile giving option that is integrated with our existing systems.
5. We are exploring a renovation project which may seek fund raising within the same budget year.
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#### Inside:

Simple Budget Steps	2
Key Budget Dates	2
Build Budgets on Purpose	3
Biblical Understanding of Stewardship	3
Very, Very, Very Draft Budget	4

### 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 hole 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 costing a ministry out may be a bit more of a challenge. Talk to other churches. Consult with Pastor Jim.

**STEP THREE**

Plan a budget. Itemize the needs. Estimate a cost for each. Add it up. Napkins can work.

**STEP FOUR**

Discuss your budget with Pastor Jim

*“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](http://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.

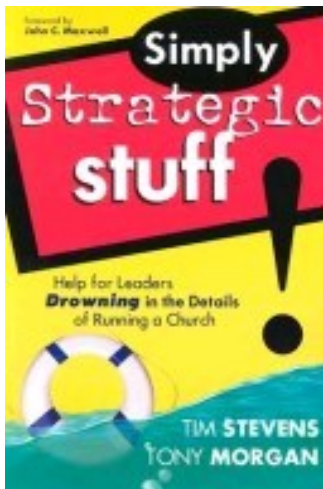
**Revenue Forecasting:** As a practice we begin the budget process by first deciding upon what a faithful yet adventurous revenue projection might be. We look at past trends, immediate needs and congregational capacity. A team of Board mem-

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 12	Board approves Budgeted Revenue for 2013-14: \$725,000
April 20	Initiate Congregational Budget Process
May 15	Executive Pastor receives Final Budget Requests
May 15-30	Budget Wrestling-If necessary an opportunity for Teams and Leaders to gather and dialogue about the Budget.
June 5	Present initial draft Budget for Board Review.
June-August	Final Touches
September 1	Budget Approved and Implemented by Congregation



*“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

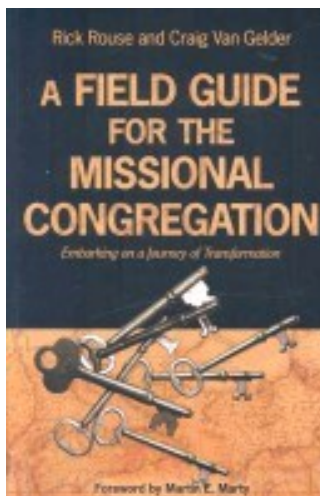
about each goal:

- 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?

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

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.



*“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.

## Very, Very, Very, Draft Budgets

General Budget			
	Budget	Budget	Budget
Income	14/15	15/16	16/17
General	650000	650000	
Rental Revenue	36500	44700	
Admin Assessment	10000	9500	
<b>Total Income</b>	<b>696500</b>	<b>704200</b>	<b>725000</b>
Expense			
Debt servicing	100100	100100	100100
Staffing	400827	418428	430000
Facility	97078	86750	90000
Administration	63445	69225	70000
Ministry	35050	29697	34900
	696500	704200	725000
Ministry Expanded			
Team Development	6850	6050	
Children's Ministry	10800	9722	
Worship Ministry	6750	4400	
Hospitality	1750	1900	
Youth	5100	4900	
Missions	2300	0	
Elder's Board	900	700	
Volunteer Ministry	600	525	
Arts Ministry	0	1500	
Communication			
	35050	29697	34900

Missional Budget			
	14-15	15-16	16-17
Cloverdale Community Kitchen	47000	40000	
Global Advance Fund	20000	25000	
Cloverdale Christmas Hamper Fund	15000	15000	
Help Fund	8000	6000	
PCC Missionaries	5000	5000	
General Mission Funds	13500	12500	
Young Life	4000	6000	
Candian Ministry Funds	2500	0	
Gideons	0	1500	
Cloverdale Community Garden	0	1500	
New			
New			
<b>total</b>	<b>115000</b>	<b>112500</b>	
<b>Actual</b>	<b>125000+</b>		

### 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 Facility Manager. 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.

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.

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**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.