WHAT IS A BUDGET?

- An estimate of income and expenditure for a set period of time
- Financial road map

PLANNING A TRIP

- Where are you going?
- What’s it going to cost?
- How are you going to pay for it?
ELEMENTS IN PREPARING A PARISH BUDGET

- What are your Parish Goals?
  - What, if any, is the financial impact?
- Estimate Revenue & Expenses
  - Refer to last year’s data
    - Does it still hold true in the present?
    - Use it to predict the future

WHAT’S YOUR BUDGET’S BOTTOM LINE?

- Deficit – work to be done
  - Increase revenue
  - Decrease expenses
- Breakeven – at least
  - No room for error
- Surplus – Ideal
  - Allows for unexpected changes in revenues and expenses
  - Add to cash reserves
- Your goal is to achieve a balanced budget

FINAL APPROVAL

- The Pastor with the advice of the Finance Council will approve the final budget
  - Communicate the plan to everyone using it
  - Present to the parishioners
Prepare a 12 month cash flow projection
- Seasonal cycles in collections
- Fund raising events held at different times of the year
- Variable expenses month to month

Pastor Ultimate responsibility
Staff Day to day management
Finance Council Oversight and Advisory
Parish Council Involved in decisions that impact the budget

Timing is essential to take corrective action
- Monthly Reports, comparing actual to budget, accompanied by a narrative
  - Pastor
  - Finance Council
- Any significant variances should be investigated
- Necessary action plans recommended
ANNUAL REPORTS

- Financial Report
  - Includes all outstanding debt and unpaid bills
  - Reviewed by Finance Council; signed by finance chairperson
  - Parishioners
    - Published in bulletin
    - Posted on Parish website
  - Bishop
    - Review
    - Published on diocesan website

- Cathedraticum Report – signed by Pastor and Finance council chairperson submitted to the Bishop

- Budget for the new year submitted to the parishioners and the Bishop

NOT TO BE FORGOTTEN

- Debt Repayment
  - If you have outstanding debt include an amount for debt repayment into your budget

- Capital Projects
  - Be proactive not reactive
  - Review condition of all buildings
  - Prioritize the needs
  - Strategize funding

IN CONCLUSION

- NO Budget? – always faced with questions:
  - Can we pay bills?
  - Can we take on new programs?
  - Can we sponsor new activities?

- WITH a Budget – move forward:
  - Good stewardship of parish funds
  - Able to manage and foresee, not just react
  - Make decisions which are BEST use of resources
FINANCIAL REPORTING LEADS TO TRANSPARENCY THAT BUILDS TRUST.