

Developing A Church Spending Plan **By Franklin R. Dumond**

Just like every household, every church has a spending plan. Most churches and many individuals use a spending plan that anticipates future expenditures based on past experience. Most churches write down this spending plan in a budget that is prepared in advance by the pastor and church leaders and approved by the congregation.

Even churches without a budget document have a spending plan. Often this is a plan that operates only out of current cash flow, i.e. if we have money in the bank we do it. This plan often reacts to felt needs and current balance in the check book. This approach can have serious shortfalls. First, this approach may only meet emergency needs or very basic essential needs as the mindset can become “We only spend when we have to!” A second drawback to only operating out of cash flow is the failure to plan for future needs. The most serious drawback to this only operating out of cash flow is that this approach may keep the church on a hesitant spending plan because the objective too often becomes one of maintaining a cash balance rather than one of meeting needs.

When preparing a spending plan every General Baptist Church should consider three categories of expenditures: Our Work in the World—Missions, Our Work in the Community—Local Church Ministry, Our Work in Facilities—Building and Grounds Ministry.

I. Our Work in the World—Missions

Within this category General Baptist churches should identify their mission giving through the denomination, association, and local projects. Denominational mission giving through the church should be targeted for Unified Giving. Ideally every church encouraging tithing by its members will in turn tithe to Unified Giving as a means of participating in the larger mission of the church.

Other mission offerings and mission projects may also be included in this category and should then be funded by special offerings rather than the general giving of the congregation.

Association and Local Mission Projects are developed based on local needs and local traditions.

II. Our Work in the Community—Local Church Ministry

Within this category General Baptist churches should identify the ministry targeted to the local community. Early in this list there should be a fair level of compensation for the pastor and staff ministers. A compensation guidebook based on years of experience and education for the full time pastor and based on hours of employment for the bivocational pastor is produced annually by the Department of Pastoral Ministries.

Professional expenses and personnel benefits should be fairly computed and listed as line items separate from base salary, housing and self-employment tax.

Other local church ministries such as Sunday School, youth and children’s ministries, church office expenses, and worship needs will be included in this section.

III. Our Work in Facilities—Building and Grounds.

Within this category matters such as utilities, insurance, custodial services, maintenance, debt retirement and property improvements should be considered. It is also prudent to develop a reserve fund to allow the church to accumulate the dollars needed for occasional high ticket items such as heating/air conditioning equipment, parking lot repair, or roof replacement.

A final section of the budget should include projected income. Tithes and Offerings should support the general work of the church. Special offerings or project income should support the special needs of the church.

A Sample Budget that is based on an average attendance of 75 with a weekly giving rate of \$25.70 which is slightly below the national average giving rate.

I. Our Work in the World—Missions

| | |
|------------------------|----------|
| Unified Giving (10%) | \$10,000 |
| Associational Missions | 1,000 |
| Local Missions | 500 |
| Mission Volunteer Team | 12,000 |

II. Our Work in the Community—Local Church Ministry

Pastor

| | |
|--------------------------|-------------------------------------|
| Salary & Housing | 41,206 (full time 5 yr. experience) |
| Or 15 hr./wk at \$17/hr. | 13,260 (bivocational) |

Pastor Professional Expenses

| | |
|--------------------------|-------|
| Local Mileage, 100 mi/wk | 2,000 |
| Continuing Education | 750 |
| General Association | 750 |

Christian Education

| | |
|---------------------|-------|
| Sunday School | 3,000 |
| Youth Group | 1,500 |
| Children’s Ministry | 1,500 |

Church Office

| | |
|-----------------|-------|
| Postage | 1,000 |
| Office Supplies | 1,500 |
| Office Machines | 1,500 |
| Phone | 600 |

Worship

| | |
|-------------------|-----|
| Seasonal Music | 500 |
| Copyright License | 150 |
| Media Purchases | 500 |

Personnel Benefits

| | | |
|--------|---|---------|
| | Pastor Pension (5%) | 2,000 |
| | Health Insurance | 4,200 |
| | Designated Gifts | 5,000 |
| III. | Our Work in Facilities—Building and Grounds | |
| | Utilities | 9,500 |
| | Insurance (property/vehicles) | 4,500 |
| | Custodian | 5,200 |
| | Lawn Care | 1,200 |
| | Maintenance | 2,000 |
| | Building Reserve (2%) | 2,000 |
| | Transportation | 2,000 |
| | Total Expenses | |
| Income | | |
| | Tithes and Offerings | 100,000 |
| | Special Offerings | 12,000 |
| | Designated Gifts | 5,000 |