

Budgeting Practices for Healthy Cash Flow

The expression “cash is king” is sometimes used to refer to the importance of cash flow in the overall financial health of an organization, whether business or parish.

As we embrace another budget cycle, it is essential to think beyond revenues and expenses reported on the Statement of Activities. True financial health must include budgeting for anything that impacts a parish’s cash levels. Common examples include capital asset purchases, debt principal payments and contingency reserve funds.

A cash-focused budget approach incorporates information from many sources, including:

- Statement of Activities
- Statement of Financial Position
- Capital Improvement Plan
- Fixed Asset/Capitalization Policy
- Contingency/Reserve Policies
- Strategic Ministry Plans

Discipline and intention are required in order to include capital and operating reserve savings within annual budgets. Although it is tempting to spend

every available dollar on operations rather than build reserves, maintaining buffers for unanticipated events has many benefits.

Parishes with adequate reserves experience less financial risk, stable ministry funding and higher levels of parishioner trust (i.e., fewer emergency pleas from the pulpit).

The following schedule offers an example of a budget balanced with a focus on cash flow.

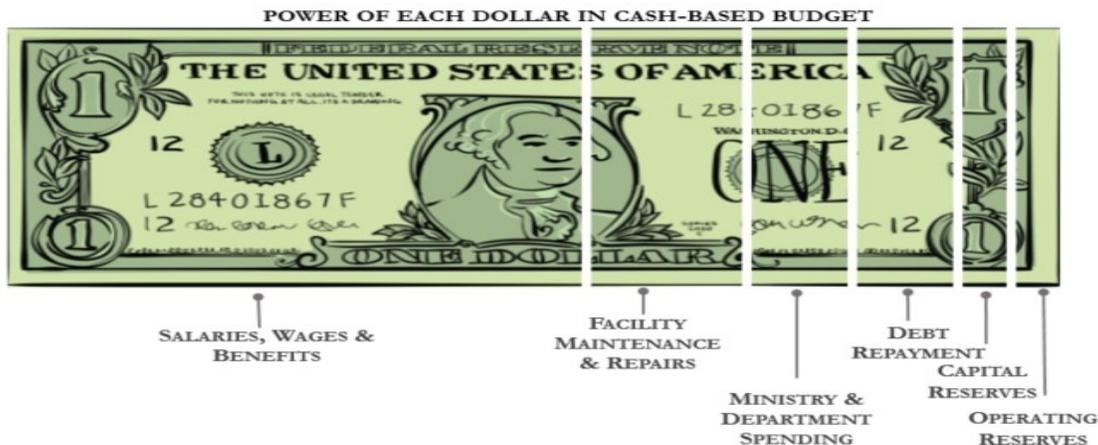
REVENUES

Envelope & Plate Contributions	\$ 65
Tuition & Program Fees	10
Annual Fundraising	10
<u>Capital Campaign Fundraising</u>	<u>15</u>
	\$100

EXPENDITURES

Salaries, Wages & Benefits	\$ 55
Facility Maintenance & Repairs	15
Ministry & Department Spending	10
Debt Principal Payment	10
Capital Reserve Savings	5
<u>Operating Reserve Savings</u>	<u>5</u>
	\$100

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Budgeting Practices for Healthy Cash Flow (continued)

Once the annual budget has been prepared with a cash flow focus in mind, parishes may consider adapting monthly financial reports and leadership communications to show progress towards meeting budget goals.

Monthly Statement of Activity reports may be adapted to include non-operating items such as debt principal and reserve fund savings, provided changes are made to year-end reports to comply with generally accepted accounting principles. CFC is always available as a resource for further discussion.

Parking Lots and ADA Compliance

This article is courtesy of Bituminous Roadways.

Recently, there have been stories in the news about businesses getting hit with lawsuits over their ADA parking access. Compliance with the Americans with Disabilities Act of 1990 is required for all employers with 15 or more employees. The ADA covers many aspects of businesses, including their parking lots, and in 2010, the ADA updated their standards for accessible design. This update to the standards may require businesses to make some minor changes to bring them back into compliance, but the ADA also provides tax breaks when companies make changes improving accessibility.

The updated ADA standards for parking lots include requirements related to:

- The required number of accessible stalls per the total number of parking stalls
- The slope of the pavement under accessible parking stalls
- The width of the accessible parking stalls
- The height of the ADA Compliant International Symbol of Accessibility at each accessible stall
- The slope of the access ramps onto sidewalks
- The width of sidewalks and other access routes

Bituminous Roadways, Inc. now provides a quick informal assessment of ADA compliance when performing pavement evaluations. Call 651-686-7001, and ask for Jason Krause to schedule your pavement evaluation and ADA compliance check.

K-8 School Benchmarking Data Available for 2015-2016

Thank you to everyone for submitting your financial reports for the St. Paul and Minneapolis Archdiocese School Report (formerly MCEA). The process is complete, and an Archdiocesan summary report for 2015-2016 school data was created. It includes the range of results for the following indicators: cost to educate, parish investment, average tuition collected, and enrollment. From the last school year, the cost to educate per student increased from \$5,915 to \$6,543 while the average tuition collected per student increased from \$3,659 to \$3,739. Additional findings for the report can be viewed [here](#).

New to this year's report, CFC included individual benchmarking data with corresponding graphs to assist schools in their benchmarking analysis. You can now compare your individual school data with the Archdiocesan summary data. If you are interested in other comparisons, please contact Mary Vang at (651) 389-1074.

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