



A STEWARDSHIP TOOLKIT for the Rural Church



Tool 3 : Budget Planning

This page offers a simple tool to help you view your church's finances. You will need the latest set of annual accounts to help you with this. The financial year runs from January to December.

STAGE ONE :

First fill in the figures in the left hand column from last year's accounts.

STAGE TWO :

If you are trying to produce a budget to predict the outcome for the **CURRENT** year (most usefully during April to September), then complete the middle column. Some figures you will know accurately, others you will have to make estimates based on income or expenditure year to date.

If you want to make a projection for **NEXT** year, (often done between July and November) you will need to fill in the right hand column. You will need to fill in the middle column to estimate the current year, before projecting forwards to next year.

STAGE THREE :

The value in producing a budget is to determine whether action needs to be taken, and if so, what that action should be. Here are some points to consider :

- 1) Are you projecting a modest surplus each year? If so, you may feel that you need take no action, but it is worth pausing to consider whether there is still an area of finances that could be improved.
- 2) How is regular giving changing compared with projected inflation? Do you need to encourage donors to increase their giving in line with inflation? Is the base level of giving good, or is a wider giving initiative required (see Tool 4 in this toolkit)
- 3) If you have a projected deficit, is there something you can do to change this? This need not solely be focused on the cost side, are there any additional sources of income possible? (see Tools 1, 4 and 5)
- 4) What is the underlying picture? If you are gradually draining reserves, or unable to complete the basic maintenance required, then the current position is unsustainable. You might like to see where the church fits on the "sustainability chart" (Tool 1), or consider assessing options open to you (Tool 4)

INCOME

	LAST YEAR	THIS YEAR	NEXT YEAR
Regular Giving (standing orders and envelopes)			
Tax reclaimed on this			
Plate collections & Regular donations			
Regular fundraising			
Bookstall profit etc			
Church's element of Fees			
Dividends, interest, investment income			
Other recurring income eg grants			
TOTAL REGULAR INCOME			
Ad-hoc donations			
Legacy income			
Grant income			
TOTAL OTHER INCOME			
TOTAL ALL INCOME			

EXPENDITURE

	LAST YEAR	THIS YEAR	NEXT YEAR
Parish Share			
Heating and Lighting			
Insurance			
Supplies			
Admin & Photocopying			
Clergy Expenses			
Other Regular Running Expenses			
Mission & Charitable Giving			
TOTAL REGULAR EXPENDITURE			
Building Maintenance			
Other			
TOTAL OTHER EXPENDITURE			
TOTAL ALL EXPENDITURE			
SURPLUS OR DEFICIT			