

How can we finance a fresh expression?

This document is also available as a booklet, which includes additional stories and resources:

📖 How can we finance a fresh expression? (Share booklet 08)

John Preston, Andrew Roberts, Fresh Expressions, 2012, 978-095681238-4,
freshexpressions.org.uk/share/booklets/08



or as part of the omnibus booklet:

📖 starting and sustaining a fresh expression of church (Share booklets 01-08)

Michael Moynagh with Andy Freeman, John Preston, Andrew Roberts, Fresh Expressions,
2013, 978-095681230-8, freshexpressions.org.uk/share/booklets/starting



Money, money, money

This document does not offer you a step-by-step model but explains how finance can be a critical factor in enabling the success or failure of fresh expressions, explores how our attitudes to money and finance are an important element in project planning and emphasises that both good theology and good financial planning are essential.

The booklet:

- explores attitudes to money and finance;
- gives a simple project planning tool to help with vision exploration;
- outlines 'seven top tips' for the project planning and vision exploration;
- identifies the importance of sustainable income, including regular giving;
- gives some key resources in this area.

Attitudes to money

<i>It's a necessary evil</i>	<i>It's scarce</i>	<i>It's spent on the wrong things</i>
<i>It's an enabler of mission</i>	<i>It's a means to an end</i>	<i>It's a blessing from God</i>
<i>I feel guilty about having it</i>		

How we feel about money varies over time. It can be both good and bad! But money is an important element to manage as it can have a significant impact on shaping the development of vision and it is as much a theological as an economic issue.

A wide range

The amount of money needed to start a fresh expression will vary according to the type, size and scope of the initiative. A workplace fresh expression comprised of cell groups that meet at lunchtime may cost very little (e.g. work:space in Poole). A community-based project in a converted pub with a full-time worker, or something like the Legacy XS skatepark and youth centre in Benfleet, will cost a lot!

🔗 work:space freshexpressions.org.uk/stories/workspace

🔗 Legacy XS freshexpressions.org.uk/stories/legacyxs

📀 expressions: the dvd - 1: stories of church for a changing culture, chapter 2: Legacy XS
Church House Publishing, 2006, 978-071514095-6, freshexpressions.org.uk/resources/dvd1/02

What's the difference?

Developing sustainable income starts by understanding the distinction between 'capital' or 'start-up' income and ongoing income or 'revenue'.

The first type of income covers start-up costs: one-off costs such as the purchase of equipment. The second meets ongoing costs: regular expenses such as rent, putting money aside for salaries and to replace equipment. You need to estimate these costs at the outset. Of course, these estimates will change as plans get modified and the venture develops.

It can take several years to develop new income streams to cover ongoing costs. Meanwhile, grant-makers and others who contribute to start-up funding will want to restrict the time frame of their investment. You need to be thinking well in advance about how your initiative will become self-supporting. It may be wise to project your expected annual costs and income (start-up and ongoing) over the medium to long term - three to five years if you are a large-ish venture. Again depending on size, the same should be done on a month-by-month basis over the next year or two.

For both sets of figures, are there any times when your costs will exceed your income? How will you make sure there will be enough cash in the bank to pay the bills?

Kick-starting the vision

How do you start to think about what it will cost to turn the vision of a fresh expression of church into a reality? And how do you inspire others to do the same? Here's a way of getting those sometimes difficult discussions off the ground.

Help! Where do I begin?

This section introduces a one-page project finance tool designed to help you with the early stages of assessing an idea; and trying to scope it in terms of cost. To start off with, we will take a look at the different components of the tool. Ask your group or team to think of a possible project - they may have some idea in mind; they may have little or no idea. Pick a reasonable idea and run through the five questions.

Firstly, the project is summarised in one sentence (useful to make sure you are clear what the project is!) and major steps/elements identified. Having identified a number of elements, the key costs are identified and allocated to one of three types of cost. These can then be totalled to have a rough estimate of the likely financial costs of the project being considered. (A similar exercise for volunteer staff may also be useful.)

The next stage is to focus on who might benefit - this is important both in determining that there are beneficiaries from the project and in identifying who might contribute. New Christians coming to faith may be one benefit, but try to draw out some others.

The final stage is to identify individuals or groups who might be willing to contribute to the costs of funding the project, and to determine which types of cost they might fund.

Once completed this finance tool gives a useful overview of the prospective project - its activities, costs, benefits and potential sponsors. This is largely a tool for scoping vision, rather than a detailed planner; and many projects will need more detailed budgeting as the project plans take shape.

Project finance tool

This tool helps you quickly scope a project and the likely financing requirement

1. In one sentence, describe what your project will achieve if successful.
2. What are the major activities or actions you need to launch your project?
3. List up to three major costs you will incur in each of these areas:

Start up or capital costs	Regular weekly or monthly running costs	Other costs that will occur periodically
Total:	Total:	Total:

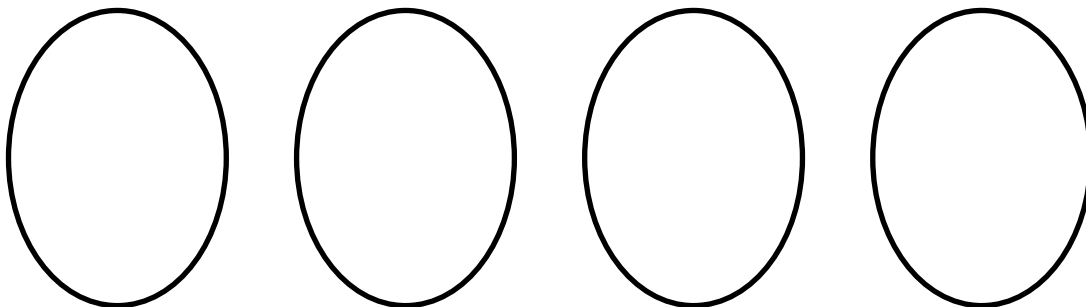
4. Who will benefit from your project and what will the benefits be?

benefits by

benefits by

benefits by

5. Who might be willing to contribute to the costs of the project?



Which type of costs might they each fund: start up, regular or periodic?

Seven top tips for money management

Have you ever despaired that finance seems to be a barrier rather than a lynchpin when forming a vision of what might be right in your own context? Despair no more. Here are seven tips on how to make money work 'for' you.

1. Separate costs

Separate out start-up costs from regular and periodic costs - they need to be funded differently.

2. Vision unlocks money

Vision unlocks money if it is compelling and clearly communicated.

3. Significant funding from individuals

A significant part of your funding is likely to come from individuals who find your vision compelling. This can be additional to current money coming into the church.

4. Individual funding can trigger grants

Additional grant funding can be triggered by funding from individuals.

5. Sustainable projects deliver benefits

A successful and sustainable project will deliver benefits to groups of people (physical or otherwise!)

6. Employment and property are key

Employing people and having buildings (purchase or rent) are major costs which impact a project's viability. These must be a particular focus for consideration and prayer.

7. Regular costs must be met by regular income

In time, regular costs will need to be met by regular income if the project is going to be sustainable.

☞ **The UK Church Fundraisers Manual: A Practical Manual and Directory of Sources**
Maggie Durran, Canterbury Press Norwich, 2010, 978-184825002-4

Sustainable finance

We need to plan for success, and to think about where ongoing funding will come from. In many cases, if the fresh expression is successful it will build new worshipping communities who will learn to give as an integral part of their newly-discovered discipleship.

Taste and See is a Café Church which runs the Café part as a viable business.

🎧 **expressions: the dvd - 1: stories of church for a changing culture**, chapter 3: Taste and See
Church House Publishing, 2006, 978-071514095-6

Growing finance with your initiative

Grants are a great help in the early years but much grant funding is only available for start up and capital costs.

Growing new Christians should develop discipleship that embraces stewardship and a desire to give to further the mission. Responsible Christian giving by those who are part of a fresh expression is key to sustainability.

A Church plant in the West Midlands town of Kingswinford was self-sustaining within two years. A core community of 30 people supported a full time pastor through their giving.

Some fresh expressions will have ongoing trading or service income to support the ongoing costs. For Taste and See in Kidsgrove, a café church, generates £600 a week through the café.

As the fresh expression grows, it may wish to express generosity more widely, encouraging mission in other places through gifts of money and expertise.

What does the Bible say about Stewardship?

Now he who supplies seed to the sower and bread for food will also supply and increase your store of seed and will enlarge the harvest of your righteousness.

2 Corinthians 9.10

Charitable status

Setting up a charity can bring financial benefits, including Gift Aid, discounted help or advice and access to additional grant funding. However, establishing a charity does carry additional restrictions and rules, in particular around trading, benefit, political activity and reporting.

There is no requirement to register as a charity unless an organisation wishes to be considered charitable - and organisations must be able to prove their public benefit. To become a charity in England and Wales you must apply to the Charity Commission for charitable status if your income is over £5,000 - if your income is below this threshold you can enjoy the benefits of being a charity without registering with the Charity Commission.

More information can be found on the Charity Commission website or the Guide.

🔗 Registering as a charity freshexpressions.org.uk/guide/starting/navigate/charity

🔗 The Charity Commission - Start up a charity charity-commission.gov.uk/Start_up_a_charity

Resources

Making wise financial decisions can seem to be fraught with conflicting advice. Here are some of the wide-ranging resources available to help you along the way.

Anglican resources

The Parish Resources website, run by the Church of England National Network of Stewardship Advisors to support and enable those involved with finance and stewardship at parish level, has useful sections on encouraging giving, project funding, how to present your case, writing a business plan and charity law as it affects churches.

Other funding is determined at a Diocesan level - please contact your local diocese for information.

🔗 Parish Resources websiteparishresources.org.uk

🔗 Church of England Dioceses churchofengland.org/about-us/dioceses.aspx

Methodist resources

Grants for Methodist projects can be obtained from the circuit, district and connexion.

The 'Resourcing Mission' pages of the Methodist Church website (in the 'Church Life' section or from the A-Z index) have guidance on mission projects and funding.

Further details can be found below.

🔗 Methodist Church of Great Britain methodistchurch.org.uk

Other resources

CUF Xchange, part of the Church Urban Fund, seeks to promote effective approaches to faith-based social action projects, distinctive practice and how to overcome obstacles.

It has useful sections on funding, project management and community value.

🔗 CUF Xchange cufx.org.uk

📖 **Fundraising for Churches**

Jane Grieve, SPCK, 1999, 978-028105058-1

Fresh Expressions resources

The Fresh Expressions website has stories, training, news and further resources covering all aspects of fresh expressions of church.

The Guide has advice on starting, developing and sustaining fresh expressions of church.

🔗 Fresh Expressions freshexpressions.org.uk

🔗 The Guide freshexpressions.org.uk/guide

Appendix: Methodist funding for fresh expressions

Grants are available from a number of sources within Methodism for local projects of ministry and mission, including the development of fresh expressions work.

For local churches and circuits, the first source of potential grants is the Circuit Advance Fund (CAF), which allows circuits to draw grants for ministry projects. There is no limit on the amount a circuit can draw as a ministry grant, having taken other committed funds into account and this can be applied for using schedule 16 (approved by the District). This is over and above the £10k p.a. which a circuit can draw using schedule 13a for 'any Methodist purpose'.

The next source of grants is the District Advance Fund (DAF) which receives income from levies on CAFs as well 50% of the net levies received by the Connexional Priority Fund (CPF), making DAFs the primary source for grants for local projects. Enquiries as to how and when to apply for DAF grants should go to your District Chair or Grants Officer.

Beyond District grants, Connexional grants may be available towards fresh expression projects or other ministry and mission projects from a variety of funds. Grants will only normally be for projects which have some Connexional significance (i.e. an impact wider than the local Circuit or District).

Property grants

Grants made from the Fund for Property are totally discretionary. You will need to tell the Resourcing Mission Office why you think the scheme should attract support from this fund - e.g. how you have identified the need for the project, how will a grant make a real difference to your scheme.

CPF grants are available to churches that are raising a minimum of £1,000 per member from local effort fundraising towards their project. The calculation for the grant is based on three quarters of the calculation for a Joseph Rank Trust grant, whether or not a grant from The Joseph Rank Trust is being obtained.

The Joseph Rank Trust is a grant-making body entirely independent of the Methodist Church, although applications should be submitted by The Methodist Property Office or London Committee (churches in the former London districts).

Details of the grant-making criteria for these are available on the Methodist Church website, methodist.org.uk.

External Funding

The Resourcing Mission Office provides information and guidance on external sources of funding for both property and personnel projects. They offer a funding search tailored to your project's location and outcomes. The Active Faith Pack (available on the Methodist Church website) provides a good introduction to finding funding for community projects and gives initial guidance on business plans and applications as well as linking to local sources of advice and information.