



UNDERSTANDING THE FY20 BUDGET

DEEPENING SPIRITUALLY, HELPING ONE ANOTHER, BEING A BLESSING TO THE
WORLD, AND PAYING FOR IT ALL



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OVERVIEW OF THE BUDGET PROCESS

FY20 versus previous years

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THE PROCESS YOU REMEMBER: FY 19 & EARLIER

1. ROG team launches ROG campaign (usually in February/March)
2. ROG team submits its best estimate of likely pledge revenues to board (early to mid-April)
3. Board begins preparing draft budget based on estimated pledge revenues to date and fine tunes it over next one to two weeks.
4. Board circulates “final draft” of budget to congregation roughly one week before presenting it for approval at Annual Meeting
5. Congregation votes on budget at May Annual Meeting

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ISSUES WITH THIS APPROACH

- Absence of a goal for the ROG campaign leaves congregation in the dark
- Time Squeeze
 - Board has limited time in which to pull together a final budget
 - Congregation has even more limited time in which to review budget in advance of Annual Meeting
- Disappointing Results
 - Flat or declining pledge revenues from ROG campaign have made balanced budgets difficult while increasing dependence on multiple pledge drives, e.g., Fall and End of Year Asks

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AN EXPERIMENTAL NEW APPROACH: THE FY20 PROCESS

1. Board prepares a target budget based on a realistic estimate of expenses & revenues required to fund a financially healthy, sustainable, and balanced church budget.
2. Board uses target budget to establish a goal for the ROG campaign
3. ROG team announces goal at beginning of campaign and issues regular updates on progress toward the goal.
4. In mid-April, board prepares and circulates to congregation for review and comment a draft budget based on ROG results to date along with a comparison to target budget.
5. In early May, board prepares a final budget proposal incorporating congregational input received to date for presentation at May 19 Annual Meeting

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BENEFITS OF THE NEW APPROACH

1. Preparation of target budget:
 1. Makes for earlier & more informed start on budget process
 2. Establishes a clear goal for the ROG campaign
 3. Provides a rationale for that goal
2. Regular progress reports keep congregation in the loop
3. Circulation of draft budget to congregation for review and comment
 1. Encourages greater congregational involvement with & awareness of budget
 2. Sets stage for more informed budget discussion at Annual Meeting



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THE FY20 TARGET BUDGET

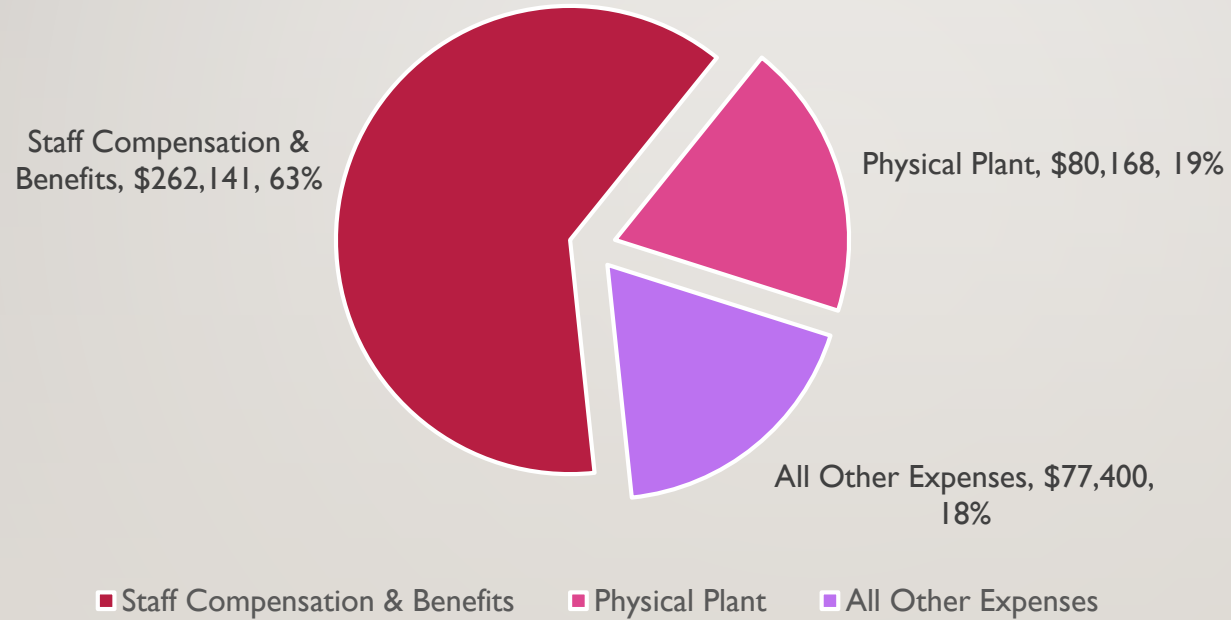
Introduction & Comparison

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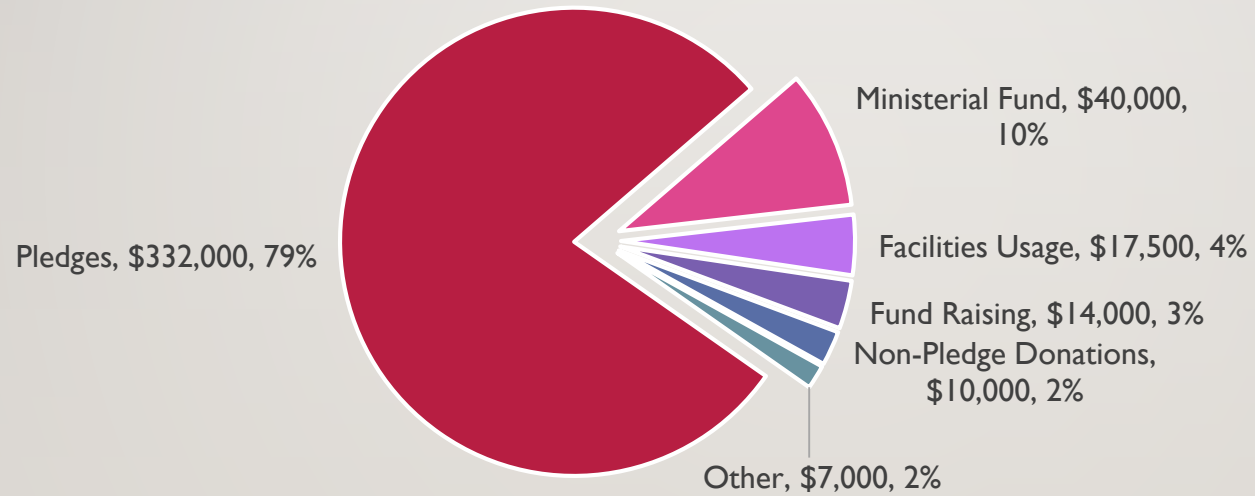
KEY GOALS SHAPING THE TARGET FY20 BUDGET

- Goal 1: Continue to Pay & Support Our Staff
- Goal 2: Maintain Our Core Services & Programs
 - Worship Service, Music Program & Religious Education Program
- Goal 3: Maintain Our Physical Plant
 - Routine Maintenance & Utilities, Major Capital Expenses, The East Wing Loan
- Goal 4: Plan for the Future
 - Make Sure the Church Is On a Financially Sustainable Footing and Able to Pursue Opportunities to Expand & Enrich Services & Programs

WHERE THE MONEY WOULD GO



WHERE THE MONEY WOULD COME FROM



■ Pledges ■ Ministerial Fund ■ Facilities Usage ■ Fund Raising ■ Non-Pledge Donations ■ Other ■



WHAT'S IN THE FY20 BUDGET THAT WASN'T IN THE FY19 BUDGET?

- 1. Increase to Cover Expected Higher Costs of Required Expenses (\$8,800)
- 2. Restoration of Intern Minister Fund (\$7,500)
 - First installment of 3 required to hire an Intern Minister in FY22
- 3. Funding for the Youth Program Coordinator Position (\$7,500)
 - Previously covered from restricted funds not included in regular budget, which have now been exhausted
- 4. Increase in Annual Contribution to Building Reserve (\$5,000)
 - Increases contribution from \$30,000 to \$35,000 (still below \$50,000 goal)
- 5. Revenue Increases Sufficient to Cover the Above.



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FY20 AND FY19: A TALE OF TWO BUDGETS

FY20 TARGET BUDGET

- Total Revenues
 - \$420,500
- Total Expenses
 - \$419,709
- Balance
 - \$791

VS. FY19 BUDGET

- Total Revenues
 - \$391,157 (*We will not make this.*)
- Total Expenses
 - \$390,873
- Balance
 - \$284 (*Current forecast is a deficit.*)

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WHAT DOES THIS MEAN FOR THIS YEAR'S ROG CAMPAIGN?

FY20 PLEDGE GOAL

- One campaign with a goal of \$332,000

FY19 PLEDGE GOAL

- Two campaigns, ROG and Fall Ask with combined goals of \$302,407
 - ROG: \$271,907
 - Fall Ask: \$30,500
 - EOY (no formal campaign)
 - \$1,500
- Current projection: \$287,325

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WHAT IF WE CAN'T BALANCE THE FY20 BUDGET BASED ON THE RESULTS OF THE ROG CAMPAIGN?

- Option A. Find a Way to Increase Revenues; Most Likely Options Are:
 - Pledges, e.g., add a Fall Ask
 - Fundraising
 - Facilities Usage Revenues
- Option B. Reduce Expenses; “Cuttables” Typically Include:
 - Reserve Funds
 - Committee Budgets
- Option C. Some Combination of the Above



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UNDERSTANDING OPTION A

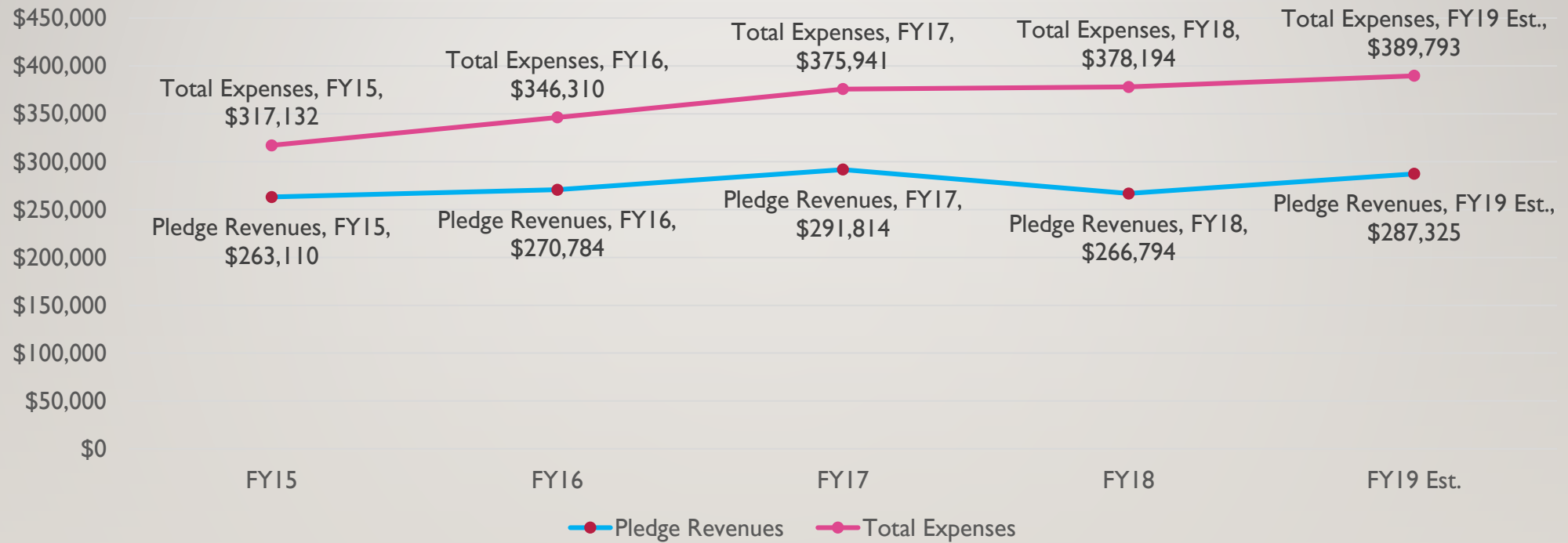
Finding a Way to Increase Revenues



HOW TO RAISE MORE MONEY: POTENTIAL OPTIONS

- **Increase Pledge Revenues**
 - Flat or declining since FY17
 - *See next slide for additional information*
- **Increase Fund Raising Revenues**
 - New events (and volunteers to plan and make them happen)
- **Increase Facilities Usage Revenues**
 - Raise fees, increase usage, or both
- **Charge for Services**, e.g., religious education

RECENT PLEDGE TRENDS FY15 TO FY19



UNDERSTANDING OPTION B

Cutting Expenses



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THE MAJOR EXPENSE CATEGORIES & WHAT THEY COVER

- Staff Compensation & Benefits
 - Permanent staff only (*See next slide*)
- Physical Plant
 - Routine Maintenance & Utilities
 - B & G Committee Budget
 - Major Capital Expenses
 - The Building Reserve Fund
 - The East Wing Loan
- Everything Else
 - As in Everything Else



OUR FAITHFUL & DEDICATED CHURCH STAFF

Name	Title	Full Time Equivalent (FTE)
Reverend Elea Kemler	Minister	1.0 FTE
Shawn McCann	Director of Music Ministries	0.4 FTE
Liz Davis-Chaffin	Religious Education Director	0.75 FTE
Marisa Benson	Youth Program Coordinator	Hourly
Dianne Webster	Office Administrator	0.6 FTE
Deborah Smith	Office Assistant	Hourly
Maryanne Squeglia	Bookkeeper	Hourly
Joe Spencer	Sexton	0.5 FTE

WHAT'S CUTTABLE? LIMITED OPTIONS

- **Staff Compensation & Benefits: the Largest Slice of the Pie**
 - Typically rises by 2-3% a year
 - Can be reduced only by cutting positions, salaries, or staff hours
- **Physical Plant: the Second Largest Slice**
 - Major challenge is adequate funding of building reserve to cover predicted capital expenses
 - Short-term funding reductions can turn into longer-term expense increases
- **Everything Else: the Third Slice**
 - Includes several non-cuttable basic expenses, e.g., insurance & church office
 - Cuttable items include small reserve funds, committee expenses & denomination dues

THE BOTTOM LINE

- Your contributions matter
- Sometimes it takes a village
- Together, we'll figure it out

