

BUDGETS & FINANCIAL REPORTS
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WHAT IS A BUDGET?

- An estimate of income and expenditure for a set period of time
- Financial road map

PLANNING A TRIP

- Where are you going?
- What's it going to cost?
- How are you going to pay for it?

ELEMENTS IN PREPARING A PARISH BUDGET

- What are your Parish Goals?
 - What, if any, is the financial impact?
- Estimate Revenue & Expenses
 - Refer to last year's data
 - Does it still hold true in the present?
 - Use it to predict the future

WHAT'S YOUR BUDGET'S BOTTOM LINE?


- Deficit – work to be done
 - Increase revenue
 - Decrease expenses
- Breakeven – at least
 - No room for error
- Surplus – Ideal
 - Allows for unexpected changes in revenues and expenses
 - Add to cash reserves
- Your goal is to achieve a balanced budget

FINAL APPROVAL

- The Pastor with the advice of the Finance Council will approve the final budget
 - Communicate the plan to everyone using it
 - Present to the parishioners

PROJECTING CASH FLOW

- Prepare a 12 month cash flow projection
 - Seasonal cycles in collections
 - Fund raising events held at different times of the year
 - Variable expenses month to month



WHO USES THE BUDGET?

- **Pastor** Ultimate responsibility
- **Staff** Day to day management
- **Finance Council** Oversight and Advisory
- **Parish Council** Involved in decisions that impact the budget

HOW IS THE BUDGET USED?

- **Timing is essential to take corrective action**
 - Monthly Reports, comparing actual to budget, accompanied by a narrative
 - **Pastor**
 - **Finance Council**
 - Any significant variances should be investigated
 - Necessary action plans recommended

ANNUAL REPORTS

- **Financial Report**
 - Includes all outstanding debt and unpaid bills
 - Reviewed by Finance Council; signed by finance chairperson
 - Parishioners
 - Published in bulletin.
 - Posted on Parish website.
 - Bishop
 - Review
 - Published on diocesan website
- **Cathedraticum Report** – signed by Pastor and Finance council chairperson submitted to the Bishop
- **Budget for the new year** submitted to the parishioners and the Bishop

NOT TO BE FORGOTTEN

- **Debt Repayment**
 - If you have outstanding debt include an amount for debt repayment into your budget
- **Capital Projects**
 - Be proactive not reactive
 - Review condition of all buildings
 - Prioritize the needs
 - Strategize funding

IN CONCLUSION

- **NO Budget?** – always faced with questions:
 - Can we pay bills?
 - Can we take on new programs?
 - Can we sponsor new activities?
- **WITH a Budget** – move forward:
 - Good stewardship of parish funds
 - Able to manage and foresee, not just react
 - Make decisions which are BEST use of resources