

BUDGETING FOR WOMEN'S MINISTRIES (OH-1)

"The silver is mine and the gold is mine, declares the LORD Almighty."
(Haggai 2:8 NIV)

About the Author

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INTRODUCTION

It doesn't matter if your currency is known as Euros, Pesos, or Dollars, whatever you call it, you need to develop and manage a budget for your Women's Ministries. Individuals, families, businesses, governments, and various organizations plan and use budgets. While a child may have a limited amount of currency to budget for his or her wants, government budgets involve billions of dollars. But all budgets are similar to one another in certain ways.

Your great-grandmother probably had various envelopes labeled for food, electricity, rent, etc. and put a certain amount of money in each envelope. When the money in the envelope was gone, she might have transferred funds left in one envelope to another. In today's world we have more formal ways of budgeting and managing our finances based on the same simple concept.

(OH-2) Before we proceed, let's take a look at a Biblical passage that deals with budgeting. "Suppose one of you wants to build a tower. Will he not first sit down and estimate the cost to see if he has enough money to complete it? For if he lays the foundation and is not able to finish it, everyone who sees it will ridicule him, saying, 'This fellow began to build and was not able to finish'" (Luke 14:28-30 NIV). As good stewards we need to sit down and estimate the cost of the mission we want to accomplish in Women's Ministries. And that process is budgeting.

PURPOSE OF A BUDGET (OH-3)

So, you don't like budgeting. Not too many people do, but it is a necessary part of your duties as you take responsibility for Women's Ministries. A budget is merely a plan for how you will spend funds. It ensures good stewardship and that available income will meet the needs for the programs and activities you wish to accomplish. A well-planned budget will reflect the mission that you have established for your level of Women's Ministries.

All levels of Women's Ministries administration need to have some basic knowledge of budgeting. Whether you are working in a local church or in a more administrative position, basic knowledge of budgeting will aid your ministry. Because of the many things a Women's Ministries leader has to do, we recommend that you choose a treasurer who will work with you and handle managing and documenting your departmental spending.

With a well-planned and realistic budget you can look to the future, monthly or yearly, and anticipate any problems and make adjustments by postponing expenditures or obtaining additional funding if available.

A budget can help motivate you to reach your goals by creating realistic objectives and showing how they will be achieved. Your budget will help you control finances because it enables you to measure the actual performance of your department against your planned performance.

Budgeting will guide you to where the program's promotional money comes from, how to ask for and obtain funding, and how to spend it and account for the allocated funds.

STEPS TO ESTABLISHING THE SIZE OF YOUR BUDGET (OH-4)

Step One. The first step in making a budget for future income and expenditures is to **list the goals** you want to achieve for the fiscal year in broad strokes. Set goals for growth in your area of responsibility and establish plans with specific targets that will help you meet those goals. Decide what specific projects and programs you want to implement. Determine which programs require financial support. For example, if you wanted to start a women's prayer group that would meet at church for a half hour before Sabbath School began, it probably wouldn't cost anything extra to do this. On the other hand, if you wanted to take hot meals to elderly members of your community you would need funds for purchasing the food and providing transportation.

Step Two. Ask other department leaders how large their budgets are. It would not be unreasonable to request a similar amount. **Schedule a visit with the treasurer of the organization** you report to such as your church or conference treasurer. The first appropriate question is what is an estimate of a realistic budget to set for your department? There is no reason to begin thinking of programs and materials that will cost \$100,000 if the maximum budget you will be given for your department is \$35,000. Ask what administrative items will be charged to your department. For example, will long-distance phone expenses be charged to your department budget or are they absorbed as a general expense by the church, conference, or other organization? If you truly believe you have programs that must take place, but will significantly exceed the funds you expect to get, you will have to either convince your leaders that the extra expenditures are worthy or start planning ways to raise extra funds on your own.

Step Three. **Look back at how past income and expenditures** were managed. List the programs that you would like to repeat and how much they cost. Base your estimates on what happened previously with an increase for inflation. Note: If this is the first budget for your area of responsibility in Women's Ministries, you will not have the benefit of this step.

Here's a word of caution as you look at the past. Don't think that you have to do the same thing that was done in the previous year. You do not want to simply modify what happened last year. Once again, think of your goals for the coming year. Look at every expense and ask, "How did that program promote our mission?" If you can't answer that question, eliminate that line item from your budget the coming year. Zero-based budgeting (starting at zero every year) is your aim, not "We've always done it that way." Add any new programs that you would like to start and their estimated costs to the list.

Step Four. **List your expected income and expenses** by categories. Remember, your list will reflect the situation in your organization and may or may not include the line items listed in the sample below:

Income:

Church Budget
Gifts/Donations
Fund Raising

Expenses:

General Expenses
Telephone
Duplicating
Stationary

	Postage
	Total General Expenses
Meetings	Meeting(s) for Women
	Speaker's Fee
	Speaker's Transportation
	Speaker's Lodging
	Other
	Conference or Union-Wide Meetings
	Total Meetings Expense
Programs	Advertising
	Program Printing
	Gifts/Handouts
	Refreshments
	Room Rental
	Equipment Rental or Purchase
	Other
	Total Program Expenses
Travel	
	Total Travel Expenses

Most budgets consist, at least in part, of estimated expenses, so don't be concerned if you don't have actual amounts for each category listed. Do, however, make a very educated estimate in those areas. In order to make an educated estimate for an event, you may want to make a separate more detailed budget for that event in order to have a better understanding of the cost. Make your estimates slightly higher than anticipated expenses. Committees like to reduce budgets. It is preferable to propose a higher amount and not quite get it all than to ask for a smaller amount and get nothing at all.

Step 5. Budget for the unexpected. In budgeting terms this is called contingency and is usually approximately 10% of the overall budget.

Step 6. Be sure that your expenses do not total more than the income. Expenses may be less than income, but to have a balanced budget the expenses must never be more than the projected income.

Step 7. Present your budget to the appropriate board or treasurer for approval. Provide documentation for how you came up with your estimates. Boards like to know how you arrived at your figures. Do not approach the subject as a

statement of need. They know that you believe you need the money. Present your budget by describing how the programs in it will benefit the church or the community as a whole. If you want to have a prayer breakfast, for example, tell them how it will be spiritually beneficial for the women who attend. If they are unwilling to grant you the full amount you have requested you will have to look for ways to cut it down. Ask yourself which programs are most important to you. Look back at the mini budgets for each program and see if there are areas where you can cut back. If you have cut everything you can and are still over the approved budget size you will have to find other ways to raise funds. Work closely with the board or treasurer to make adjustments and obtain approval.

Step 8. At the end of the year compare your actual expenses with the budgeted amounts to evaluate your overall performance. Were you able to accomplish your goals within the budget?

Now you have a starting point for the coming year.

PENCIL OR COMPUTER (OH-5)

It works best to **start your budget planning with paper and pencil as you list ideas and estimate costs**. Eventually, however, you will find it most helpful to **put your budget in a computer spreadsheet such as Excel**, if such software programs are available. This will allow you to easily make the inevitable changes throughout the budgeting process. If a computer is unavailable, however, you will want to acquire a ledger and a journal.

A ledger can be as simple as a blank piece of paper on which you draw a table. More elaborate ledgers can be purchased from office supply stores as either pads of paper or bound books. A journal can be on almost any type of paper available, though a spiral notebook or composition pad would be preferable.

KEEPING RECORD (OH-6)

Once your budget has been approved it is time to start spending it on all your worthy projects and recording those expenditures. First, you need to set up your ledger. Whether on computer or paper the process is much the same. Each project should receive its own page. The page should have a heading that gives the name of the project, its account number (if applicable), and the date when the page was started. The top row of the table should include the following headings: "date," "description," "deposits" (or "credits"), and

"expenditures" (or "debits"). **(Handout page 3)** There should also be a summary page with the same headings. The journal should have four columns labeled "date," "description," "credit," and "debit." When using either the ledger or journal, more columns can be added if you need more categories. These are just the basics.

The journal is the place for day-to-day entries. Any time money is received or spent an entry should be promptly made. Suppose you had a five-column journal with an extra heading for "fund." If one of your projects was to visit and encourage women who could not make it to church because of illness, one entry in your journal might read: "date—June 7, 2005, fund—encouragement, description—flowers for Mary, debit—\$15." In this example since the money is being spent rather than received there would be no entry in the "credit" column. Every movement of money, either in or out, would be recorded in the journal. Periodically, perhaps once a month or once a week, the entries in the journal would be added up and entered into the ledger.

(OH-7)

Your Church Name
Street address
City, State Zip

Date January 1, 2005

JOURNAL

Date	Fund	Description	Credit	Debit
6/7/05	Encouragement	Flowers for Mary		\$15.00

(OH-8) (Handout page 4) Making ledger entries should happen at regular intervals, not just when someone happens to have extra time. When ledger

entries are made the journal entries should be sorted by project (fund) and each type of entry added separately. If during the month of June flowers had been purchased for sick women on seven different occasions all seven amounts would be added up and entered as one item under the debit column on the page for the encouragement project. If during the same time groceries had been bought for sick women on three occasions their costs would be added up as a single item and placed in the debit column. You would not add the flower costs and grocery costs together. If you also had a bake sale fundraiser for the project during the month, which produced \$500, the proceeds would be entered in the credit column.

When all of the income and expenses have been listed for a project they should be totaled and those figures entered onto the summary page. For the "encouragement" project an entry on the summary page would read "date—June 2005, description—encouragement, credit—\$500, debit—\$473." (Note: These dollar amounts are simply examples.)

Your Church Name
Street address
City, State Zip

Project Name Encouragement
Acct No. _____
Date January 1, 2005

Ledger

Month	Description	Credit	Debit
June	Flowers	\$0	\$105.00
June	Fundraiser fund transfer	\$500.00	\$0.00
June	Groceries	\$0	\$368.00
June	Totals	\$500.00	\$473.00

Ledger pages should be reviewed regularly to make sure that expenses are not exceeding available funds. This can be determined by adding up all the entries in the debit and credit columns. Then subtract the debit amount from the credit amount. If you come out with a positive amount you are in good financial shape. If the amount is negative you are in debt. If you find yourself in debt you need to stop spending money on that particular project, transfer money from another project, or raise funds. **Operating in debt is unacceptable.** If you wish to make a transfer from another project the action should be noted as an expenditure on that project's page and income on the indebted project's page.

All activity should be summarized and presented to the governing body (church board, conference board, etc.) from time to time so they can know what progress you are making. This summary is called a "balance sheet." It should list each project, how much of the budget was allotted for that project, how much money was spent for the project, and how much (if any) was raised. The totals of each of these amounts should be included on the page so they can plainly see the size of your budget and how much of it has been spent. The frequency of these reviews will vary depending on the preference of the governing body. They could be as often as once a month but should not be less often than once a year.

SPENDING THE MONEY (OH-9)

The church treasurer handles most money transactions. The department leader will most likely be given a moderate amount of cash to handle small expenses from day to day. **Each time some of this money is spent a record should be kept in the form of a receipt or a note written on a paper designated for that purpose.** When the cash is gone the leader should take all of her receipts from the expenditures to the treasurer. This is the evidence that the money has indeed been spent responsibly on projects for the department. The treasurer will look at them and give the leader the amount of money that the receipts are for. For example, if a leader started with \$200 and had seven receipts for \$10, two receipts for \$5, and one receipt for \$50, the total amount spent would be \$130, and that would be the amount the treasurer would provide her. She would then be back to the original \$200 dollar amount. This would continue as long as there continues to be money in the funds to spend (or her term of office ends—whichever comes first).

Some churches give cash first, others reimburse. Either the leader asks for funds as the need arises and after she spends it she hands in her receipts to the

treasurer or the leader purchases the item up front, and then hands in her receipts so she can be reimbursed.

For large expenses the leader would take the bill directly to the treasurer for payment. Returning to the prayer breakfast example, if the cost of renting the meeting place was \$1500 this bill would be taken directly to the treasurer. **In case of large expenses, the treasurer should be told in advance that you plan to spend the money and which part of the budget you want it to be taken from.** Even when you are not directly paying the bill these expenses should be noted in your journal.

LOCAL CHURCH FINANCES (OH-10)

While the general concepts of budgeting are the same for all levels of church administration, we need to take a special look at the local church.

It is extremely important to keep in mind that the size of the church and the benevolence of the members will affect the plans and finances of all areas of the church. Remember that the **local church income comes from the church budget. Tithe funds are not part of the local church budget;** likewise, Sabbath School and other mission offerings are forwarded to the local conference and are not available for local church expenses. The church membership may be large, but unless the members are generous in their financial gifts and offerings to the local church budget, the treasurer will not have funds for all the programs the members may feel they are entitled to have. If the water or heat to the church building is cut off for lack of funds, you can be sure that these items will be paid first, before any of the ministry departments of the church are allotted funding for their programs.

Remember, you are a team member in the local church. As much as the pastor and church treasurer may want to cooperate with you their hands may be tied by financial constraints. Your program may be put on hold for a few months while the local church treasurer searches for and reallocates funds. What may be available on paper may not be available in reality. It all depends on available funds.

Do not be discouraged. Remember your mission is to provide for the spiritual needs of women in your church and community. Continue to provide services that will address these needs at little or no cost. Pray for the Lord's blessings and pray that the members of your church may be awakened by the Holy Spirit to be faithful not only in tithes but also in offerings for the local church budget.

FUNDRAISING (OH-11)

Budgets provided by church boards aren't always what we would like them to be. This can be especially true if your department is new and they have not yet realized how valuable it can be. When provided funds are depleted it is time to come up with our own.

Most fundraisers take the form of making and selling something to the community. This can be food or crafts, or something more experience-oriented like a musical program or Christmas play. Whatever the specific program is the general concept is that you provide something at little or no cost to you for which the community has a need and is willing to pay. Fundraisers can also perform some sort of service such as lawn mowing or car washing. Funds might also be raised through voluntary dues or personal appeals to generous church or community members for a specific program.

INTERNAL CONTROLS (OH-12)

Internal controls are the “checks and balances” of a budget system. They ensure that all **money is accounted** for and used in the way specified in the budget. This means that **only a few people can spend the money** and several different people are involved in keeping the books. Internal controls are necessary for several reasons. First, they **catch accounting errors**. Second, they **prevent overspending**. Third, they keep money from being spent the wrong way. Finally, they **make theft more difficult**.

You may not like the last reason for controls. Everyone would like to think that the people around them are honest, especially in a Christian community. As with most sins, however, it rarely looks wrong at the time. People may only intend to borrow the money at first. Simply having access to large sums of money can be a temptation. Aside from catching honest mistakes in math, having controls can serve to deter people from starting down the slippery slope simply because they know they are likely to get caught if they try.

Local churches may already have controls in place. You should ask your treasurer what they are. If no controls exist you should create your own. Money should only be managed by a few people. Everyone should understand who those people are and how to request that money be spent on any particular project.

You should ask your treasurer from time to time for a copy of his or her records of your fund activity. He or she should also be keeping track of the money you have spent and earned, and by comparing them you can check to make sure none of the math has been done incorrectly. If there is a discrepancy, all figures should be re-added and the journal checked to be sure an entry wasn't forgotten. If the numbers still don't match you should ask your treasurer to recheck their numbers. If that doesn't solve the problem you may have experienced a theft.

When you hold a fundraiser more than one person should be involved in collecting the money. Preferably, they should not be of the same family. At the time of the event they should count all the money and make a written statement of how much was collected. One copy of this should be given to the leader and the other to the treasurer. When this money is delivered to the treasurer he or she should also count it and make a record. The two records should agree. This ensures that neither those who originally counted it or the treasurer can simply slip some of the money in their pocket. If there is a discrepancy the two or more people who counted it can witness for each other that there was no theft. Because of the likelihood that someone trying to steal in such an environment would get caught, it is much less likely that they would try.

Only a few people should be authorized to spend money. This would probably mean just the leader and one or two assistants. All people authorized to spend should know how much they are allowed to spend, what they are allowed to spend it for, and which project the money is coming from. This prevents confusion and over spending. If there was a fund for helping the less fortunate and a leader planned to spend the money to feed the hungry but her assistant, not knowing what she planned, spent it on buying warm clothes to hand out to them before winter, the money would no longer be there for the leader to spend. It would get even worse if the leader, not realizing the money had already been spent, spent money on the food and put the project in debt. Both women had the best of intentions, but they needed to communicate better about how the money was to be spent.

Another good way to avoid confusion is to have a Women's Ministries treasurer. The Women's Ministries committee of the church would appoint this person. Her duties would be to keep the ledger, maintain copies of all receipts, approve expenses, perform the checks with the church treasurer's records, and prepare balance sheets. The director would have the final say on how money was spent, and the treasurer would report to her, but separating these duties and giving them to the treasurer frees the director to work on other projects. All money matters should go through the treasurer.

CONCLUSION

The first time through the budget process is always the hardest. Be sure to save your worksheets and notes about how you reached certain conclusions in regard to the budget. This may be helpful to you the following year and will definitely be of help to the Women's Ministries director that follows in your footsteps.

Your church has entrusted you to direct Women's Ministries. Part of that trust is to be a good steward of the funds that have been entrusted to you for the work you have been assigned. God bless as you lay your plans and prepare your budget!

Bibliography

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