

CHURCH BUDGET PREPARATION CHECKLIST

Budget Preparation

- Purpose of a budget
 - It is a Financial Planning of the operations of a church
 - It allows a church to plan for ministries and programs to reach the church's objectives
 - It allows a church to monitor its financial condition during a budget year

- How to set a budget
 - What are the mission, objectives, and priorities of the church of the budget year?
 - What are the non-negotiable items for the church?
 - Estimate budget income – identify different types of income
 - Estimate budget expenses – identify different types of expenses,
 - (such as: Ministries; Departments; Programs; Projects; Personnel etc.)
 - Estimate Budget for Board/Committees – obtain input from Board/Committees
 - Budget for expenses first and raise income to meet the vision
 - If raising income is not realistic that budget year, then adjust Expenses budget
 - Always aim to set a balanced budget

Budget Monitoring & Control

- Income projections and monitoring
 - Monitor income trend monthly/quarterly versus income budget
 - Raise income by campaigns or other means if that is below budget

- Expenses projections and monitoring
 - Ensure those expenses are Pre-approved payments under the approved budget
 - Cheque requisitions with authorization – supporting documents attached
 - Invoice payments with authorization – supporting documents attached
 - Reduce expenses if high deficit occurs during the budget year

Reporting

- Monthly financial report to the Finance Committee
- Monthly/Quarterly financial report to the Board
- Periodic financial report to congregation

DISCLAIMER: This guide is provided for information purposes only and is not intended as advice to the local church. Information is current only as of the date that the guide was prepared. Readers are advised to seek professional advice for their particular situation.

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