

TORONTO UNITED CHURCH COUNCIL

Connecting Resources with Ministry

Church Development Resources

TITLE: Telling It Like It Is
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I have noted that the monthly report of a local church's committee on finance can create needless worry for church members. The report gives the appearance that the church is falling behind financially, that contributions are not keeping pace with the adopted budget, when often this is not actually the case.

Most committees on finance simply divide their church's annual budget by 12 and expect that amount of income each month, or divide the annual budget by 52 to get a weekly income figure. This method of projecting income, though, is flawed. It does not take into account that church income follows a rhythm, a pattern throughout the year; that not all church members contribute in nice, even amounts as straight division would have it. Some give weekly, some monthly, some may even give only once a year. Also, some may give more at certain times of the year or during certain seasons than at others.

This flaw can distort the perception of the finance committee and in turn the other members of the congregation, as to the church's actual financial condition. The reports from the committee can be unnecessarily discouraging, continually forewarning a deficit, when such may not be the case. For example:

Needed each week	\$1,500	or	Needed to date	\$21,000
Received this week	1,210		Received to date	19,000
Under needs	290		Under needs	2,000

Is there a deficit looming on the horizon or is this simply a low point in the usual pattern of giving, quite expected for this time of year?

A device that can help a local church grapple with such questions is a pro forma chart. A pro forma chart is a projection of monthly (weekly, if you prefer) income that indicates the amount of income that can be expected and when it can be expected. Unlike simple division where the amount for each month (or week) is the same, a pro forma chart reveals the dynamics of a local church's income. It uncovers the rhythm or pattern hidden underneath. With an understanding of this pattern, everyone can be better informed about the church's financial situation, and unnecessary anxiety can be avoided.

The president of one of the nation's largest telephone companies helped me work out my first chart. It is simple to do: Collect the financial reports for the past five years and calculate the percentage of income received each month for each of those years; then average these monthly calculations. You will immediately discover that each month is unique as to the percentage of total income. Record these monthly percentages and you will have the milestones by which to test future receipts month by month. If you prefer, percentages can be calculated on a weekly rather than a monthly basis.

Most churches discover that March and December are months of higher than average income, and July and August are months of less than average income. Each of the other months has its own expectation. The pattern to income is revealed. With access to such information, a true evaluation of the church's financial situation is always available and a committee on finance can report and plan accordingly. A sample pro forma chart follows.

Pro Forma Chart

Monthly Spread

CATEGORY	BUDGET	JAN.	FEB.	MAR.	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.
	100%	8%	8%	10%	9%	8%	8%	6%	6%	8%	8%	9%	12%
Pledges	235,000	18,800	18,150	24,150	21,150	18,800	18,100	14,100	14,800	18,800	18,800	21,150	28,200
Non Pledge	8,000	640	720	720	720	640	480	480	640	640	640	720	960
Plate	15,000	1,150	1,350	1,350	1,350	1,150	900	900	1,150	1,200	1,350	1,350	1,800
Sunday School & Children	800	64	72	72	72	64	48	48	64	64	64	72	96
Rent	2,500	200	225	225	225	200	150	150	200	200	200	225	300
Interest	500	40	45	45	45	40	30	30	40	40	40	45	60
Missions & Church & Soc. Spec. Off.	3,400	200	250	300	350	300	200	200	200	350	350	300	400
New Pledges	5,000	400	450	450	450	400	300	300	400	400	400	450	600
Previous Year Pledges	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-
Total Monthly		26,494	21,262	27,312	24,362	21,594	20,208	16,208	17,494	21,694	21,844	24,312	32,416
Total Annual	275,200												

Five Sundays in March, June, September, December

Prior to his retirement, Hilbert J. Berger, a United Methodist pastor, was a noted lecturer on stewardship. Hilbert is the author of such books as Exploring the Faith with New Members, Now Concerning the Offering, and Time to Negotiate. This article first appeared in the Journal of Stewardship, a publication of the Ecumenical Stewardship Centre (ESC). For stewardship resources, please visit the ESC website at www.stewardshipresources.org.

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