



CONGREGATIONAL  
STEWARDSHIP  
WORKBOOK

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# *Principles of Congregational Budgeting*



**Congregational Stewardship  
Workbook 2000**

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Booklet design, layout and CDROM by Production Express, 810 Villa Gran Way, St. Louis, MO 63026.  
Printed in U.S.A.

# Principles of Congregational Budgeting

## Outline

Introduction—Church Budget Meeting

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### **I. Stewardship without faith is an anomaly**

- A. Not understood by ordinary people
- B. A problem for the church
- C. Holistic stewardship—Genesis beginning
- D. Learned, not acquired

Exercise

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Exercise

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Exercise

### **IV. Communicating the Budget**

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Developing a Narrative Budget—Worksheets

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## Notes

**Synopsis**

Because budgeting is intimately connected to our understanding of “holistic” stewardship, it is important our churches know the term and put it into use as they use a budget as a ministry tool. This section offers a brief introduction to “holistic” stewardship as it is based on God’s gift of faith and trust in Him. Without such a basis, church budgets often become ego-centric and shortsighted, allowing the church to operate only on a survival or maintenance level.

Sections of the older version of “What, Why and How of Budgeting” are used because of their intrinsic value and because to change them only means reinventing the wheel. The sections move from a church scene of budgeting struggles to the realization stewardship is basically a church term to the values we place on possessions and how they impact budgets, to narrative budgets and accountability to the congregation. Exercises are interspersed throughout the sections to help understand the process.

**Introduction**

J. David Schmidt in his book, “Choosing to Live,” paints this scene about a long congregational budget meeting. It is growing late (close to 11 p.m.) on a weekday. Committee members are tired. For three hours, seven people were hammering out a budget, trying to shape a plan for the next fiscal year. The last 30 minutes of the meeting were rough. Decisions came easily to fund new Sunday-school furniture, a computer upgrade and painting the narthex. Adding a full-time associate on staff was more difficult. Providing more funds for missions and service beyond the church walls was a main problem. Through much rancor and anger, the question to reduce funding for missions dominated the discussion. Some wanted to cut back by 5 percent. It sounded something like this:

“Just because their name is on our sign and constitution, does that mean we always have to give them more each year?”

“I don’t see how we benefit. I swear they must run printing presses non-stop. All we ever get from that place is a steady stream of propaganda.”

“And appeals.”

“We need this 5 percent to underwrite the new staff position.”

“But don’t we owe them something?”

“Look. We are supporting missionaries they don’t support.”

“They’ve got deep reserves. They don’t need our money this year.”

And the pastor remained silent.<sup>1</sup>

Sound familiar? Could this be your annual budget meeting? What does this say about stewardship and how it impacts a church budget? What do we mean by “holistic stewardship”? How do faith and trust impact a congregation’s plan to carry out Matthew 28? If the world doesn’t have a clue about stewardship, are we in any better position to teach it? Take a look again at the above scene and discuss the attitudes, values and behaviors of these people. Apply it to your church.

## I. Stewardship without faith is an anomaly

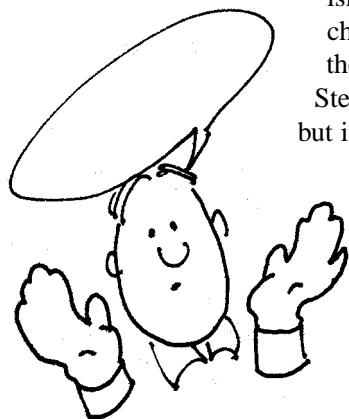
If by anomaly we mean to say something is abnormal, inconsistent or odd, then stewardship as understood by the ordinary person is an anomaly. According to George Barna, “stewardship” is unknown to most Americans and is a term seldom used. Likewise, “holistic stewardship” is even less known and is not understood in many religious circles. “Mention the word ‘stewardship’ to most Americans and what comes to their minds? Frankly, nothing; it is not a word most people know or use. However, it has become a religious term used frequently by churches in relation to financial management.”<sup>2</sup>

Herein lies a problem with many churches today. By defining stewardship only in terms of financial management, many churches limit their view of ministry solely to what is allowed in the budget. Outreach then is limited by the budget and income. In some cases, adding more people to get more money to add more people drives not only stewardship, but also evangelism.

As Barna suggests, “Highly effective churches use the term (stewardship) too, but they apply it in a more global manner.

Stewardship is a big issue in these ministries, but it is used to address more than wise allocation of money.”<sup>3</sup>

“Holistic stewardship” is defined as managing all of the resources entrusted to us by God. We know God is the Creator and Owner of everything. To us He entrusts the responsibility to “have dominion over the earth” (Gen. 1:28) and “to work it and take care of it” (Gen. 2:15).



In the beginning people were content to let God be God. All this changed when people sought ownership of everything.

From the beginning, God set His parameters for personal and corporate stewardship. This was not limited to personal finances and corporate budgets. In Genesis, stewardship began with a relationship with God and the values and assumptions resulting from this relationship. God expected His people to behave like His creation and gave them every reason to trust Him. Mankind valued this relationship and responded by following the Lord’s directives. Accordingly, people behaved like people “made in the image of God.” Stewardship takes its lead from this relational aura set by God. Again, Barna sets the tone for stewardship when he writes, “The underlying motivation is that stewardship is a behavior, but like any behavior, it is driven by values and assumptions.” In our personal lives, and especially in the corporate life of the church, what we do in the realm of stewardship will “include strengthening a stewardship mind-set into various lessons taught within the church.”<sup>4</sup>

In short, the concept and practice of stewardship is not something we are born with; it is taught explicitly from God’s Word and accepted by faith. When it becomes a part of our Christian walk, then we behave as “wise managers.”

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## Notes

**Exercise**

George Barna lists nine habits of highly effective churches.<sup>5</sup>

**Highly effective churches**

- rely upon strategic leadership.
- are organized to facilitate highly effective ministry.
- emphasize developing significant relationships within the congregation.
- invest themselves in genuine worship.
- engage in strategic evangelism.
- get their people involved in systematic theological growth.
- utilize holistic stewardship practices.
- serve the needy people in their community.
- equip families to minister to themselves.

Measure your church in the light of these habits and discuss how your church can move from struggling to highly effective. How does this impact budgets and the budgeting process?

## II. Budgets without faith and trust are valueless

“Where your treasure is, there your heart will be also” (Luke 12:34). In this passage Luke takes up the issue of values. Jesus points out the futility of living with unwarranted fear and worry over what happens to our treasures. If we are possessed by our possessions, then worry, fear, doubt and greed rush in to crowd out trust and confidence. Tomorrow will be fretful; today confusing. What does this do to wise, sound planning? Jesus’ answer comes in Luke 12:31, “But seek first his kingdom and these things will be given to you as well.”

Congregational budgeting reflects personal faith and trust in Christ. Ronald J. Chewning concurs: “We can’t separate our finances from our daily walk with Christ because financial decisions are spiritual decisions. When our finances are under control, our Christian ministry has a better chance to grow.”<sup>6</sup> If we apply this to congregational budgeting, the same holds true for a church. “Financial chaos and uncertainty cause anxiety and frustration that can lead to despair.”<sup>7</sup>

As we budget we must ask what we value most as we lay out a road map for the future. If our budgets are not a reflection of our trust in God, then we will face unbalanced and egocentric budgets rather than Christ-centered budgets.

For example, a guiding principle of the Lutheran Church Extension Fund is: When planning to support any activity, ask, “Will what we do make a difference?” and “Will it make a difference according to the Great Commission of Matthew 28?” This type of vision places the greatest emphasis on reaching out to the lost and needy. Consequently, every line item in the church’s budget will address the question: “Will this make a difference?” and “Will it serve our Lord?”

**Exercise**

The following questions are adapted from Ray Bowman.<sup>8</sup> We have adapted them from a building program for a budget. Ask and discuss them as part of your budgeting process. How does your budget:

- attract new people to your church?
- inspire people to worship?
- inform and educate people about your church’s priorities and mission?
- unify people around a clear mission?
- involve more people in the work of the church?
- make a statement about the importance of reaching our community?
- help people take pride in their church?

How are members more motivated to reach out to others as a result of this new budget?

## Endnotes

<sup>1</sup>J. David Schmidt, “*Choosing to Live*” (Milwaukee, Wis.: CSA, 1996), 33-34.  
<sup>2</sup>George Barna, “*The Habits of Highly Effective Churches*” (Ventura, Calif.: Issachar Resources, 1998), 135.  
<sup>3</sup>Barna, 135.  
<sup>4</sup>Barna, 136.  
<sup>5</sup>Barna, 16-17.  
<sup>6</sup>Ronald J. Cheuning, “*Becoming Money Wise*” (St. Louis: CPH, 1998).  
<sup>7</sup>Cheuning.  
<sup>8</sup>Ray Bowman, “*When Not to Build*” (Grand Rapids, Mich.: Baker, 1995), 13-14.

## Resources

Barna, George, “*The Habits of Highly Effective Churches*.” Ventura, Calif.: Issachar Resources, 1998.  
 Bowman, Ray, “*When Not to Build*.” Baker, Grand Rapids, Mich., 1995  
 Cheuning, Ronald J., “*Becoming Money Wise*.” CPH, St. Louis, Mo., 1998.  
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 Thompson, Mervin E., “*Dollars & Sense*.” Prince of Peace Publishing, 1989.  
 Werning, Waldo, “*Where Does The Money Go?*” Church Craft, 1964.

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### What Is a Budget?

#### Exercise

Directions: On a scale of 1 (lowest) to 10 (highest), rank each of the seven statements according to how closely it reflects your congregation's use of the budget:

#### A budget is:

—a tool/document that is:	Not at All					Very Close				
	1	2	3	4	5	6	7	8	9	10
—wonderful if used in the proper ways;										
—an appraisal of what our work together will cost us;										
—a distribution plan for funds received (a guide for emptying the treasury, not filling it);										
—a report to the members on the congregation's stewardship of spending (accountability);										
—a spending guide and not a guide for giving;										
—an informational piece and not a motivational tool to be used to get people to give more (it's not a lever to pry money out of people!); and										
—a communication piece to show members and others there has been careful and businesslike planning for Christian ministry.										

#### B. A budget can be any one, several, or all of the following:

- A theological document that ought to reflect what we believe is important from a theological perspective: missions, outreach, etc.
- A statement of purpose that ought to be a translation of our purpose for existence into financial terms.
- A political document that reflects the resolutions of conflict.
- A box score that records the winners and losers and the achievements of each.
- A diagram of expectations that tells where we are going in the future.
- A plan that puts price tags on our goals and strategies.
- A communication network that links boards and committees with one another.
- A basis for evaluation that examines how we did and where we were successful.





Notes

Horizontal lines for taking notes.

used by the people setting the budget in your congregation. Point “H” describes an approach including aspects of five kinds of budgets. Discuss what it would take to achieve that kind of budget. Outline your first, second and third steps to accomplish this in the future (one to three years).

How and What Do We Communicate?

A. Desired Outcome

Apply this general rule whenever possible: The primary focus of any communication (special mailings, newsletters, quarterly statements, etc.) from the church to its members is the desired outcome of ministry, not the means to an end.

Consequently, when it is necessary to communicate financial matters to members, place emphasis on ministry and Gospel motivation. Relegate to a secondary role the means to an end (example: members’ giving to date).

B. Budget Information Meeting

Consider holding budget-information meetings before finalizing the budget. Members do not make decisions on the budget at these meetings. The goal is to provide members with information about the congregation’s ministries reflected in the budget. In this way, people can make an informed and responsible decision when the budget is adopted formally by the voters. With this approach, focus is on ministry and opportunities in addition to what ministries cost.

People are inclined to express themselves more openly and freely when they are not pressured to make a decision on such an important matter. Furthermore, uninformed people (or people feeling left out of the process) usually vote “no” for these reasons. Communicate well! Communicate often! Provide opportunities for people to offer input!

C. Quarterly Financial Statements

Most congregations provide members with quarterly financial statements reporting actual financial giving. Members need this data as proof of their giving, if audited by the state or federal Internal Revenue Service.

Use this reporting as an opportunity to communicate more than family giving history for the quarter. Insert a Gospel-centered message and thank members for their financial support of the congregation’s ministries. Seize the opportunity as motivation for giving.

D. Budget Fairs

Budgets are generally perceived as being boring. Have fun providing budget information to the members. Conduct a budget fair.

In a budget fair, use your fellowship hall or gym to set up booths to explain portions of the budget for next year. Members move from booth to booth (led by a fair guide) and engage in a variety of activities. These activities inform members about the budget for the next year. Some examples:

- As people enter the budget fair, give them an enlarged \$100 bill. On the reverse side is a brief description of how each \$100 is spent based upon the proposed budget.





## Developing a Narrative Budget

The following pages exhibit a sample narrative budget. This kind of budget is different from a line-item budget in that it includes more than numbers. A narrative budget includes:

- Your vision and/or mission statement.
- A brief description of the ministries under major ministry categories.
- A list of the goals this area of ministry plans to accomplish in the next year (fiscal or calendar).

The focus of a narrative budget is to describe your ministries and what you plan to accomplish with the financial resources of the congregation. A narrative budget attempts to integrate several items: Mission statement, visions, goals and financial allocations for ministries. The information provides justification for dollar requests and describes your plan for next year and its cost.

Look over the example. Use it as a guide to develop a narrative budget that meets your needs. For example, if you have a Christian school, create a separate category for this ministry (i.e., Our Christian School Ministries). The section "Our Staff Ministries" may be expanded beyond the illustration provided if you have multiple staff.

Note the section for writing your goals for next year. The sample includes an illustration of a mission statement and a vision statement. These are illustrations only. Insert your congregation's mission and vision statements.

This calls for advance planning by boards and committees so vision and mission statements and goals for each ministry category can be written in appropriate spaces in the narrative budget. Failure to plan constitutes poor stewardship.

### Our Proposed Church Ministry Budget (An Example)

#### Our Vision

To present Christ in a contemporary, creative, credible and caring way to all people in an environment where people from the community can grow to their full potential in Christ.

#### Our Mission

Jesus called His disciples to "go and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, and teaching them to obey everything I have commanded you. And surely I am with you always, to the very end of the age" (Matt. 28:19-20).

At (name) Church of (place) our mission is:

To Know Him and to Make Him Known.

The ministries in this budget are planned to help our church accomplish this mission.

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Cleaning Supplies	_____ % \$ _____	_____ % \$ _____
New Equipment	_____ % \$ _____	_____ % \$ _____
Equipment Repairs	_____ % \$ _____	_____ % \$ _____
Building Repair	_____ % \$ _____	_____ % \$ _____
Debt Retirement	_____ % \$ _____	_____ % \$ _____
<b>Total</b>	<b>_____ % \$ _____</b>	<b>_____ % \$ _____</b>

### 7. Human Care Ministries

Concerning feeding the hungry, welcoming strangers, visiting the sick and imprisoned, and clothing the naked, Jesus said, “Whatever you did for one of the least of these brothers of mine, you did for me” (Matt. 25:40). Human Care Ministry is a way our congregation ministers in Christ’s name to those in need. These ministries help people and provide opportunity to share Christ’s love in word and deed.

**Goals for the next year:**  
 (Insert goals for human care ministries here.)

Ministries	Current	Proposed
Community Projects	_____ % \$ _____	_____ % \$ _____
Food Bank	_____ % \$ _____	_____ % \$ _____
Clothing Bank	_____ % \$ _____	_____ % \$ _____
Special Projects (list)	_____ % \$ _____	_____ % \$ _____
<b>Total</b>	<b>_____ % \$ _____</b>	<b>_____ % \$ _____</b>

Total Cost for all Budgeted Ministries:			
	%	Current	Proposed
Mission and Evangelism	_____ %	\$ _____	\$ _____
Staff	_____ %	\$ _____	\$ _____
Christian Education	_____ %	\$ _____	\$ _____
Music	_____ %	\$ _____	\$ _____
Supportive Buildings and Grounds	_____ %	\$ _____	\$ _____
Human Care	_____ %	\$ _____	\$ _____
<b>Total</b>	<b>_____ %</b>	<b>\$ _____</b>	<b>\$ _____</b>



