

WHAT IS A NARRATIVE BUDGET, AND HOW CAN IT HELP US?

--Betsy Schwarzentraub

Every congregation has a Line Item Budget. This budget form reports income and expenses, line by line, so the church's committees can monitor their activities internally, making sure that expenditures don't exceed income by categories throughout the year.

But a Line Item Budget is not a motivating tool! It is not inspiring (even to those few who can read and understand financial figures). It does not describe mission, performance or outcome. It describes the "how" of local church finances – not the "why."

A Narrative Budget, on the other hand, explains the "why" of the ministries we support financially and otherwise. Instead of answering "How much?," it answers the question, "So what?" The Narrative Budget does this by clustering the cost of ministries, buildings and personnel in such a way that both church members and visitors can understand what all the money, time and effort are for – in plain language, not in numbers.

Using this narrative approach, the congregational leaders "creatively clump" the church's work into three to five (at the most) dimensions. They may divide it by areas of the congregation's mission statement, by type of ministry, by core values, or by ministry goals. For example, in times past, San Francisco Temple UMC has used Meet God / Mature in Faith / Mobilize to Mission. Vacaville St. Paul's UMC has used Open Hearts / Open Hands / Open Minds. Sacramento First UMC has used Worship and Spiritual Growth / Fellowship and Membership Care / Local Community Outreach / Our Connection.

Under each dimension, a short paragraph (or even series of bullet points) describes current and projected ministries that personal commitment,

participation and financial support will make possible. Beside each broad category, one financial figure indicates the cost of this priority as a whole.

When you're putting together a Narrative Budget, one thing is key. Staff members are not overhead! Their time, energy and abilities are part of what accomplishes the mission. Likewise, the buildings and grounds are not overhead, either. They facilitate your congregation's ministry. So a Narrative Budget divides up the cost of salary and pensions for the staff according to the percentage of time they spend in each of the overarching categories. (A two-week or one-month time study usually answers what percentages should go where.)

The same goes for the facilities: divide the total cost by the percentage of time they are used for each ministry dimension, from worship and internal congregational events to community group use. In many Narrative Budgets, churches also divide up the Apportionments, District Askings and other benevolences, by category, according to the overall clusters chosen.

Each congregation's Narrative Budget will look a little different, according to its church personality and ministry priorities. It may even coordinate the format to fit with Quest for Quality (as did South Reno UMC for 2003) or some other systems approach. The point is to communicate financial needs and priorities in a way that makes sense to the members of our congregation, to answer the "Why" and the "So what?" of our ministries in a way that people readily understand.

Then when the stewardship financial campaign is completed, we can drop the financial figures off the Narrative Budget sheet. This leaves us with a ready-made tool for visitors and community residents when they ask, "Just what does your church do, anyway?"

Sample Budgets:

MISSIONAL BUDGET FOR TWIN TOWERS 2003

Alameda Twin Towers UMC

--Rev. Don Cunningham, Stewardship chair

Churches use three major kinds of budgets. The most common is a cost budget or line item budget, which is good for accounting purposes. The second is an organizational budget that is based on grouping together the line items for which each church committee is responsible. The third, and least common, is a missional budget. A missional budget is built on the major priorities of the congregation for the coming year. The budget which follows is a

MISSIONAL BUDGET FOR TWIN TOWERS 2003 offered to you in hope and prayer.

#1 EXPAND AND STRENGTHEN OUR CHRISTIAN NURTURE MINISTRY

ESPECIALLY WITH CHILDREN \$31,536

With the able leadership of Rich James, our Education Chair and our staff, Pastor Donna Wood, Brooke Briggance (Ed Coordinator), Myrle Petty (Dir of Choirs), Richard Wolf (Organist/pianist), Allison Golde (Nursery Director), and a staff of teachers – Mary James, Jeanne Witherspoon, Alma Roque, and Marjorie Garner – we will expand our nurture for children of our congregational and neighborhood families shaping the oncoming generation with our foundational beliefs and our ten core values of Christ-centered spirituality, nurture, loyalty, outreach, compassion, respect, fun, communication, generosity, and commitment. This will be done in Sunday School, Summer Sunday School,

Vacation Church School, Children's Choir, Special Events, Family Devotions, Advent and Christmas Programs, and much, much more.

AND ESPECIALLY WITH YOUTH \$14,096

Our main weekly youth program has been moved from Sunday to Monday nights. Beginning at 5 PM in the evening with a tutored homework program, followed by a dinner prepared by volunteers from our congregation, and concluding with special youth group programming, our average participation has doubled from 6 to 12 young people. Rick and Mary James are the counselors for the program. In addition, working with Ben Luis (Band Director) the youth have developed an outreach program to other youth through a Coffee House (in our social hall) on the last Sunday of each month. We will strengthen and expand these programs with special events, service projects, retreats, and camp scholarships, building youth with our ten core values and our foundational beliefs in God, Jesus, and the Holy Spirit's unconditional love and gracious forgiveness calling for our response through worship and in love and care for others – God being the source of our strength.

**#2 SUSTAIN OUTREACH TO OUR CONGREGATION, COMMUNITY, WORLD
\$67,177**

We have always had a strong ministry of outreach care to members of our church, to our neighbors in Alameda, to our Conference connection, and to our world mission. In the coming year we will sustain and enlarge that ministry of outreach, with pastoral care and lay visitation to the troubled, sick, and homebound among us. We will strengthen our engagement with Vietnamese children and adults through our after-school program Firm Foundations under the leadership of Van Minh Tran, and through a new program of computer training. We will continue our support of Carol Partridge in Macedonia, Habitat For Humanity, the Food Bank, Midway Shelter, United Methodist Committee on Relief – meeting the needs of children, youth, and families for food, shelter, clothing, and spiritual nurture. It is our hope this year to include within our budget

United Methodist Shared Giving for pastoral pensions, health care, and education support continuing our care for former pastors and spouses like Bob & Mary Frances Keller and Wally and Dallas Riches, and for pastors who will serve with us in the future.

#3 MAINTAIN AND ENHANCE OUR FACILITIES \$60,058

Every week hundreds of people utilize our facilities: Scouts, SF Church of Christ, Walk to Emmaus, New Beginnings Church, Alcohol Anonymous, weddings, memorial services, and our own child, youth, and adult activities. According to Jim McGrogan, Trustee Chair figures about 25% of our facility use is a day-in, day-out need. David Davis does a wonderful care-taking job for us week after week. Jim McGrogan and Jack Stevens and other Trustees are always doing necessary repair jobs for us. Enhancement enriches all of us. This year we re-roofed the social hall/gym and repainted the interior.

#4 MAKE OUR WORSHIP INCREASINGLY WARM, WINSOME, WELCOMING \$50,820

Worship is the central dynamic of our life together: lifting praise to God, joining hands with one another in fellowship, being affirmed and empowered to walk with Jesus in our daily living. Working with our strong staff, Pastor Donna, Ben Luis, Myrle Petty, Richard Wolf, the Church Council will focus on enhancing our worship. Our Band, our Chancel Choir, our Bel Choir, our Worship Teams will all work together to make our times of worship inspirational and empowering.

	TOTAL	\$223,687
Anticipated income from outside general fund budget		\$65,007
Needed to carry out this missional budget		\$158,680

**HOW YOUR GIFTS ARE USED TO MAKE A DIFFERENCE AT
SOUTH RENO UMC...**

The 2003 budget for South Reno United Methodist Church is projected to be approximately \$527,000, which is about \$10,135 per week. To demonstrate how the budgeted funds will be expended, this narrative and the attached flow chart identify six categories of church activities and an estimate of the amounts expended for each category. Pastoral expenses, administrative expenses, and building expenses are distributed among the six categories based on an estimate of the time expended by the pastors in each of the categories.

Reaching Out in Love

\$31,808

Our pastors spend approximately 5 % of their time in activities that encourage people to become active and involved in church activities. In addition, the church expends approximately \$12,000 each year to conduct an advertising campaign directed toward persons who live in proximity to the church.

Receiving and Welcoming Friends in Christ

\$31,308

Approximately 8 % of our pastors' time is spent welcoming visitors and members to the Church and inviting them to participate in other Church activities. The congregation is actively involved in making visitors and others who attend regularly feel welcome and important to our ministry.

Connecting with God and Supporting Each Other

\$31,308

About 8 % of our pastors' time is devoted to ensuring that persons have a connection with God through their involvement with the Church. Pastors periodically conduct Journey Into Faith classes for people who are interested in becoming members of the Church, and new members are welcomed into the Church family at a dinner that allows them to get to know each other as well as some of the current members of the Church.

Nurturing Spiritual Growth

\$220,365

Our Pastors spend approximately 46 % of their time in activities directed toward nurturing the spiritual growth of those who are active in the Church or who come into contact with the Church through special events such as weddings, funerals, or baptisms. In addition to the four worship services held each Sunday, small groups, including the youth groups and adult bible studies, provide opportunities for spiritual growth. The Church is blessed with strong Sunday school and vacation bible school programs that introduce God's love to our young people.

Reaching Out in Love to Our Local and Global Community

\$102,568

Approximately 5 % of our pastors' time is spent reaching out to the community and sharing the love of Christ with those who may not be involved in a Church or who may not be aware of God's grace. A majority of the funding for this category (approximately \$83,000) is for the Church's share of United Methodist apportionments, which support U.S. and overseas missionaries, disaster relief, and health and welfare ministries. Members of the Church are involved with various local missions to assist the homeless, victims of domestic violence, nursing home residents, and others who may be in need of love and support in our community.

Support and Parallel Processes

\$109,580

About 8 % of our pastors' time is spent in activities that are necessary to ensure that the Church is effectively carrying out its mission. The pastors are active in the Church Council, the financial concerns of the Church, personnel administration, and denominational concerns, including annual conference.

WHERE THE MONEY COMES FROM...

Approximately 62 % (\$300,000) of the 2002 budget for the South Reno United

Methodist Church was supported through pledges made by supporters of the church. The remaining portion of the budget (approximately \$183,000) was funded through gifts from persons who did not make official pledges or who exceeded their official pledges.