

Budgeting

Present:

In these difficult times it is sensible to prepare a parish budget. Why?

- Particularly important when resources are tight
- Helps achieve plans and Vision & Mission
- Helps keep the PCC and congregation informed and involved
- To anticipate problems
- As a basis for decision making
- For accessing viability of major projects and for planning grant applications

How should we do it?

Use headings and figures from the latest accounts as a basis

Identify known changes and unusual/exceptional events

Consider plans for the year and any additional payments and receipts that relate

Receipts

Estimate from the latest accounts

- Take into account all sources of income
- Estimate more predictable sources first, such as planned giving, regular hall rental
- Use your best estimate for more variable income e.g. Weddings booked, average number of funerals
- **Better to under-estimate rather than over-estimate**

Payments

Estimate from the latest accounts

- Take into account all sorts of payments
- Adjust for known changes
- Allow for inflation on regular items
- Remove last year's non-recurring items
- Put in any new payments
- **Better to over-estimate rather than under-estimate**

During the Year

- Monitor actual against budget
- Report to the PCC:
 - Exceptions due to seasonal changes in cash flow
 - Budget against actual
- PCC can use the budget to control spending and only allow specified people to spend against budget lines
- Learn from experience for the following year's budget