



Parish Financial Management
Archdiocese of Louisville

August 7, 2018

V
VILLANOVA UNIVERSITY
VILLANOVA SCHOOL OF BUSINESS
THE CENTER FOR CHURCH MANAGEMENT



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August 7, 2018

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Prayer
God, grant me the Serenity
To accept the things I cannot change...
Courage to change the things I can,
And Wisdom to know the difference.
Living one day at a time,
Enjoying one moment at a time,
Accepting hardship as the pathway to peace,
Taking, as He did, this sinful world as it is,
Not as I would have it.
Trusting that He will make all things right
if I surrender to His will.
That I may be reasonably happy in this life,
And supremely happy with Him forever in the next.
Amen.

3

Approach



- Practical**
Provide outcome-oriented solutions
- Exciting**
Bring energy and spirit to the topic
- Faith-Based**
Center topic in the life of a Christian community
- Accessible**
Learn the vocabulary of finance
- Resourceful**
Offer resources for further study

4

Resources

Bibliography

Terminology

Helpful Terminology and References

Accounting – systematic means of recording, managing, reporting, and communicating financial actions of an organization

Accrual Basis – accounting system that records revenue when it is earned (whether received or not) and expenses are recorded when they have been obligated/committed.

Auditor's Report – a letter from a Certified Public Accountant providing an expert opinion about whether an organization's financial statements provide a fair representation of its financial position and the results of its operations, in accordance with Generally Accepted Accounting Principles (GAAP).

Budget – plan for the accomplishment of parish priorities, goals and objectives. Planning for a specific time period (day, month, year, or multi-year) and in quantifiable terms. The plan includes amounts of money the parish expects to receive and spend.

Breakeven Analysis – analysis tool for decisions that involve determining at what point a program, project, or event pays for itself. The knowledge that this analysis provides gives the parish information on the level, quantity, or volume needed for a breakeven point to be achieved.

Capital Assets - assets with useful lives extending beyond the year in which they are purchased or put into service. The Church and rectory buildings are examples of capital assets.

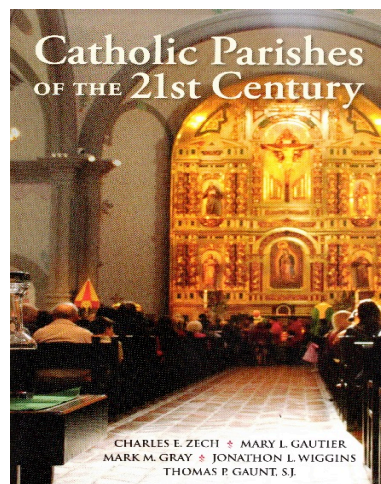
Cash Basis – accounting system that records revenues when cash is received and expenses are recorded when cash is paid out.

Chart of Accounts – systematic structure that categorizes all financial accounts and tracks money coming in and money going out from the parish

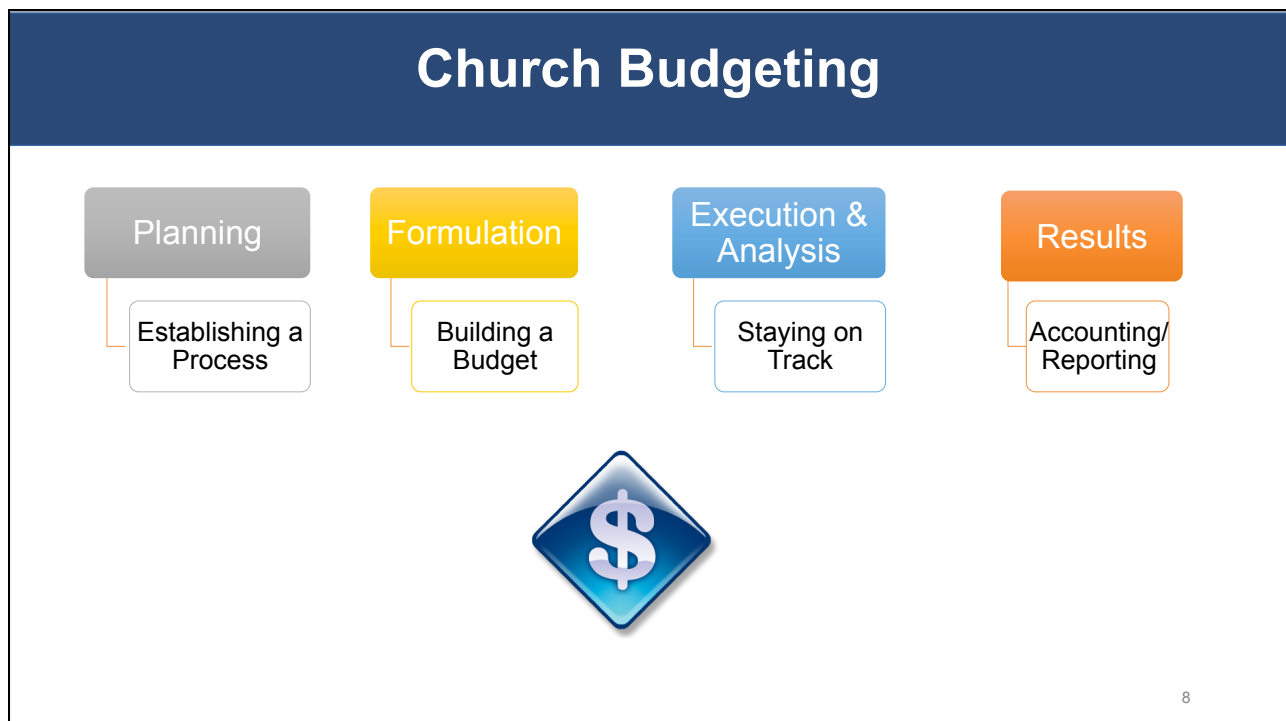
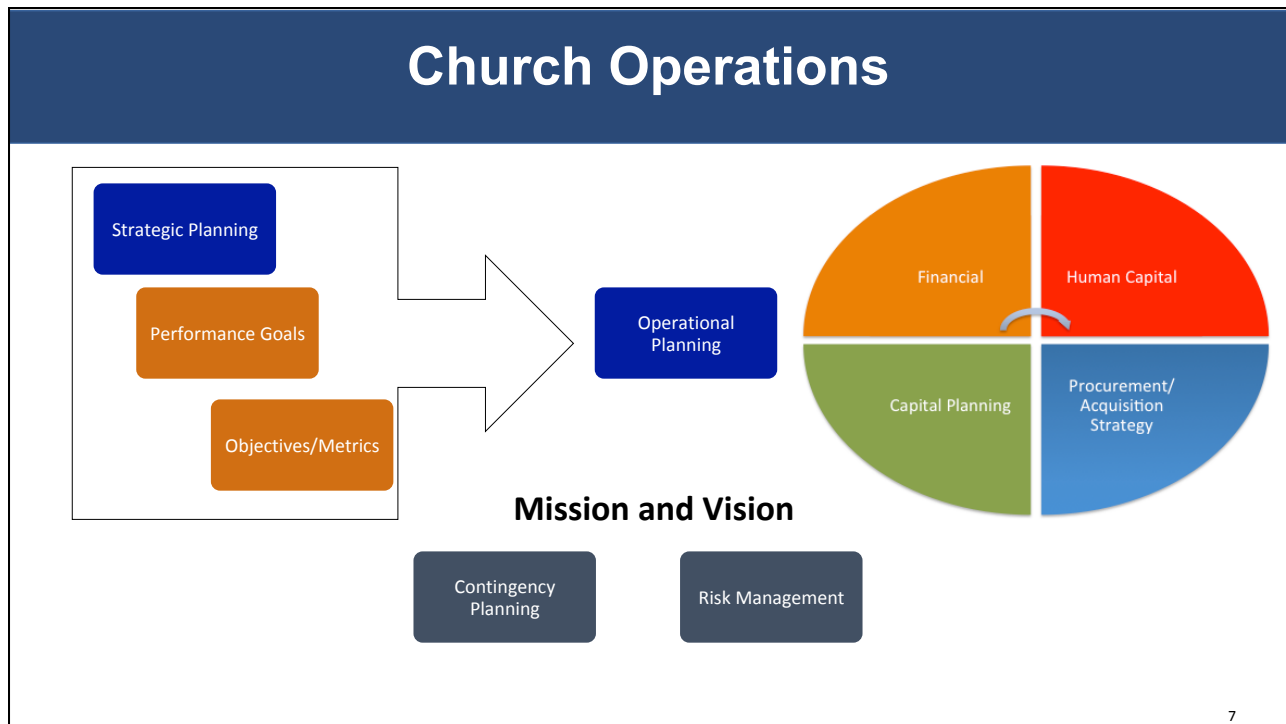
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Source of Research Stats

- **Primary data source was the Emerging Models of Parish Leadership Project (2012)**
 - 846 parishes surveyed
 - 532 parish leaders
 - 14,437 parishioners
 - Focus groups
- **CARA National Survey of Catholic Parishes (2013)**
- **CARA Catholic Polls (25 since year 2000)**
- **CARA in-pew surveys – 800 parishes between 2000 and 2015**
- **Official Catholic Directory**



6



Church Budgeting and Financial Management



9

The Gospel as Guide

“The best organizational practices are consistent with Gospel values. They balance the goals and needs of the organization, its workers and the community in which it is located.”

Source: United States Conference of Catholic Bishops (USCCB), *Co-Workers in the Vineyard of the Lord* (Washington, DC: USCCB, 2005), 61.



10

Polling Questions

1. To register your cell phone:

Text the word VILLANOVA to 37607

2. You will receive a text response that you are connected to our session (It will say James Gallo)

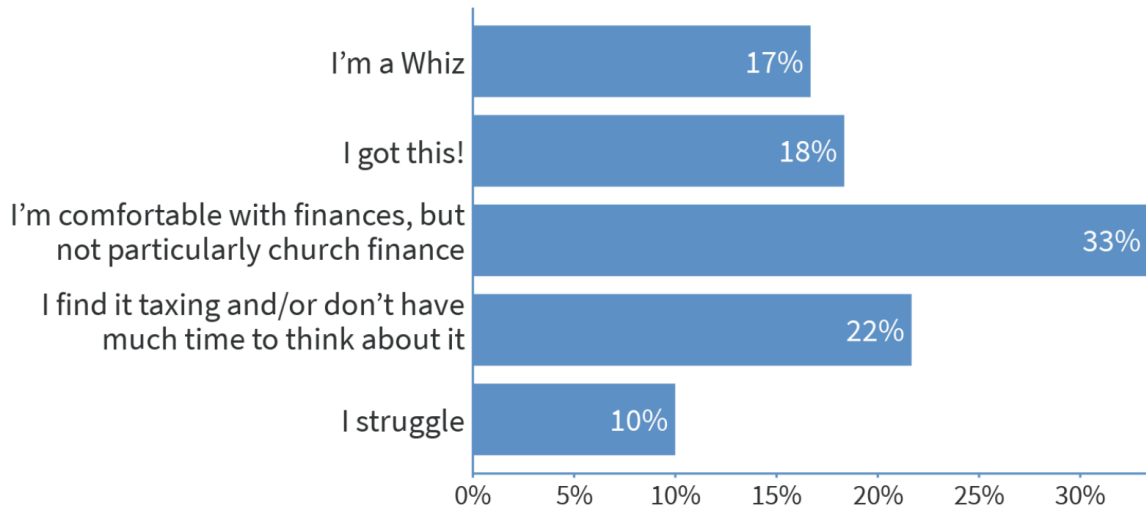
3. When we ask a poll question, you will be able to text the response. Responses are anonymous.

11

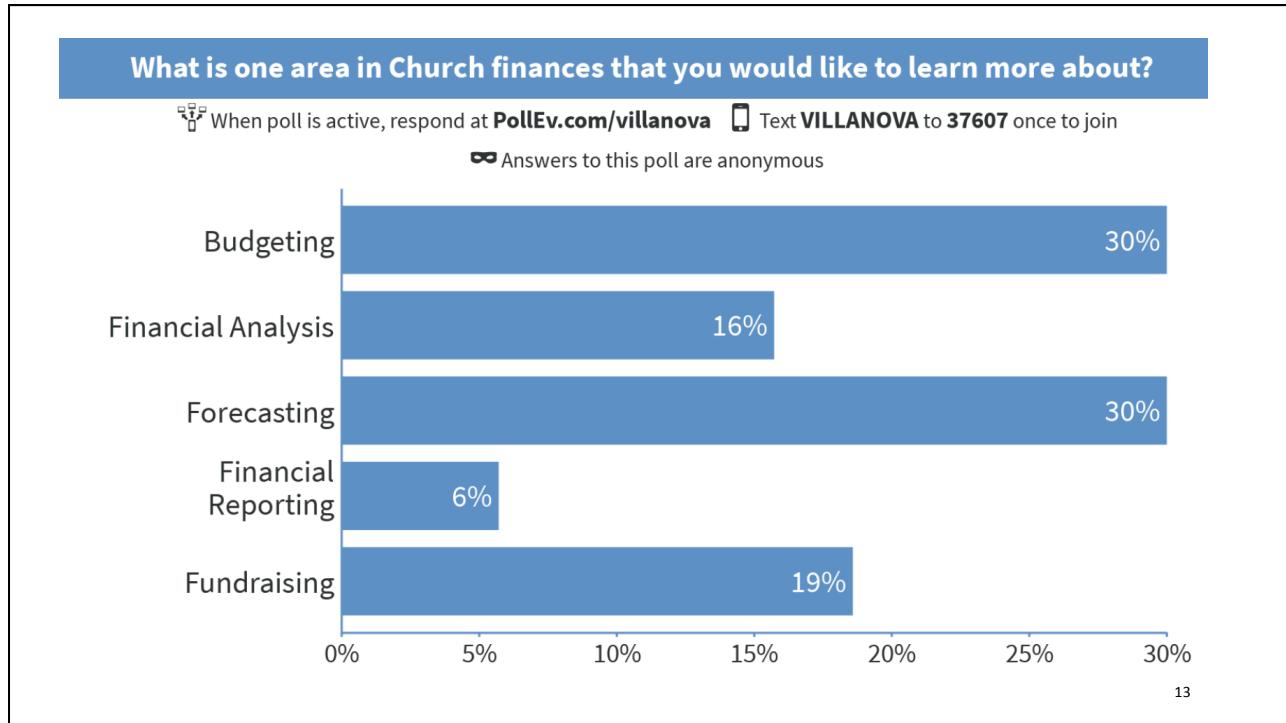
How do you rate your "church financial emotional intelligence" :-)

📱 When poll is active, respond at PollEv.com/villanova 📱 Text **VILLANOVA** to **37607** once to join

🔒 Answers to this poll are anonymous



12



Challenges/Opportunities

- **What are some challenges you currently face as it relates to your understanding of parish financial management?**



15

Budget Freedom

#1 Budgets are about freedom not constraint.

Translate the language of church finance so it makes sense to you and your situation



16

Budget Basics

- **It is all about priorities**
- **There is no magic**
- **A “road map” to help you get from where you are to where you are going.**
- **“Guide” and not the “master” of fate**
- **Makes “limits” clear.**
- **Budgets guide people, but people control budgets.**



Source: Jack A. Henry, *Basic Budgeting for Churches*. Nashville: B&H Academic Publishing Group, 1995.

17

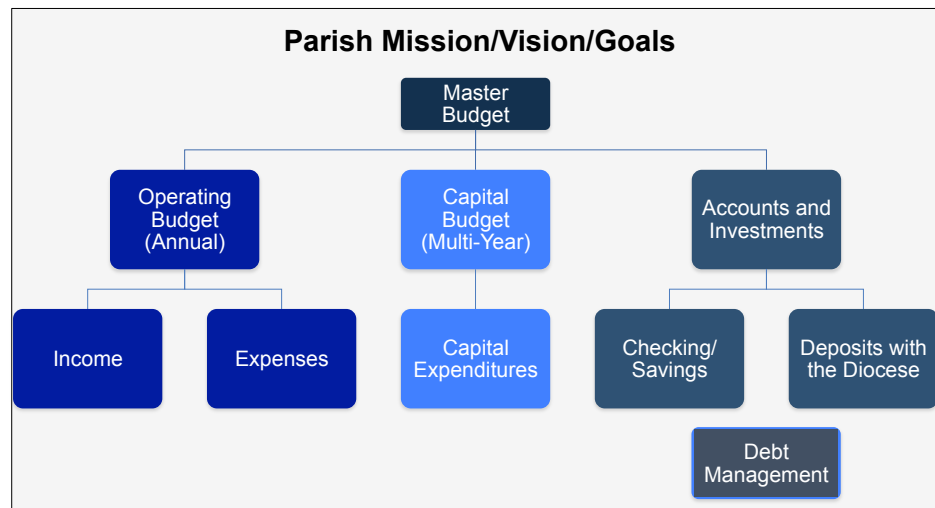
Budget Defined

- **Plan for the accomplishment of parish priorities, goals and objectives.**
- **Plan for a specific time period (day, month, year, or multi-year).**
- **Plan for resources received, or entitled to be received (revenues)**
- **Plan for the amounts of money to be spent (expenses)**



18

The Master Budget



19

Annual Budget

- **Fiscal Year (FY)-** A time period for which an organization plans the use of funds and reports financial status.
- Budgets can be developed for any period.
- **Sample Fiscal Year Budgets**



20

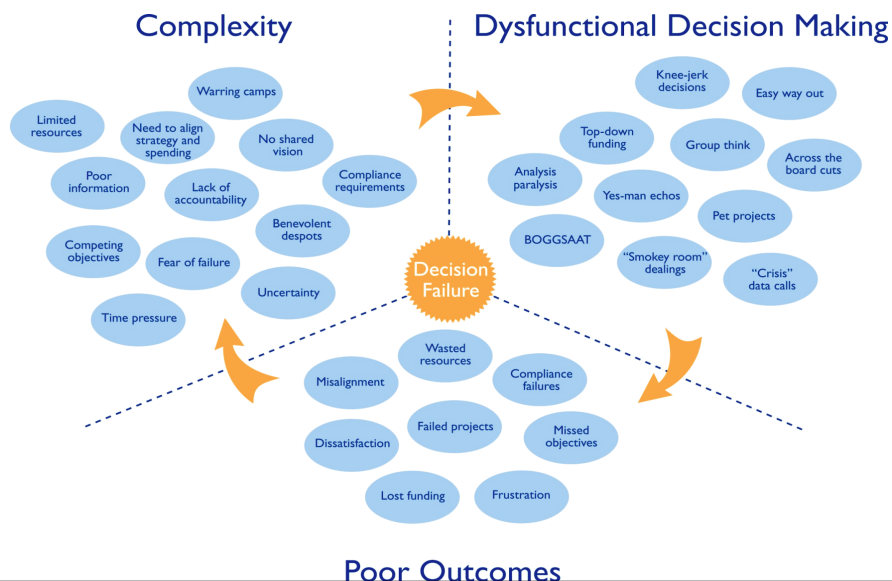
Collaboration and Transparency

**#2. Collaborate on finances to gain buy-in.
Share the budget before it is finalized**



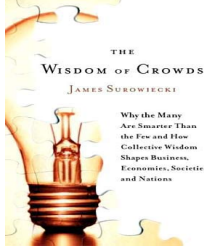
21

Collaboration Challenges



22

Is Collaborative Decision Making Better?



• Some Examples:

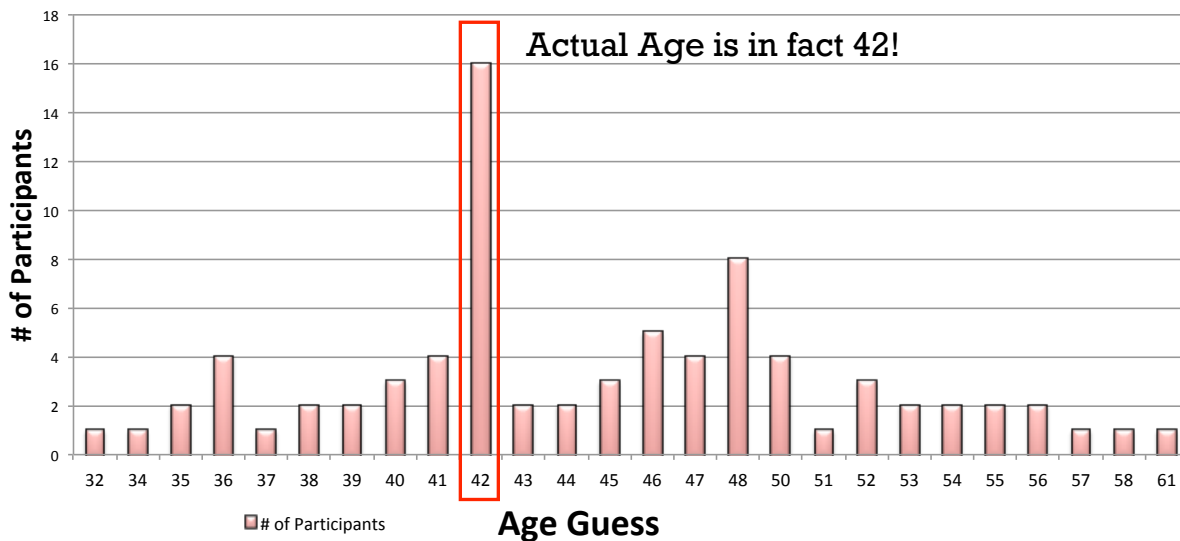
- **Francis Galton 1906 County Fair**
 - Ox Weight: N=787 – 1197 vs. 1198 pounds
 - **“Who wants to be a millionaire?”**
 - Experts – Correct 65%
 - Ask the Audience – Correct 91%
 - **USS Scorpion**
 - Sank in 1968; 20 mile diameter
 - 1000s of feet deep
 - John Craven of the USN averaged guesses of many experts
 - Submarine found within 220 yards of average
 - No one expert remotely that close
- **Assessments must be:**
- Diverse
 - Independent
 - Decentralized
 - Aggregated

23

Wisdom of the Crowds Example

Poll Question: What is Mike Castrilli's Age?

of Responses = 79



Creating Transparent Financial Processes

Transparency:

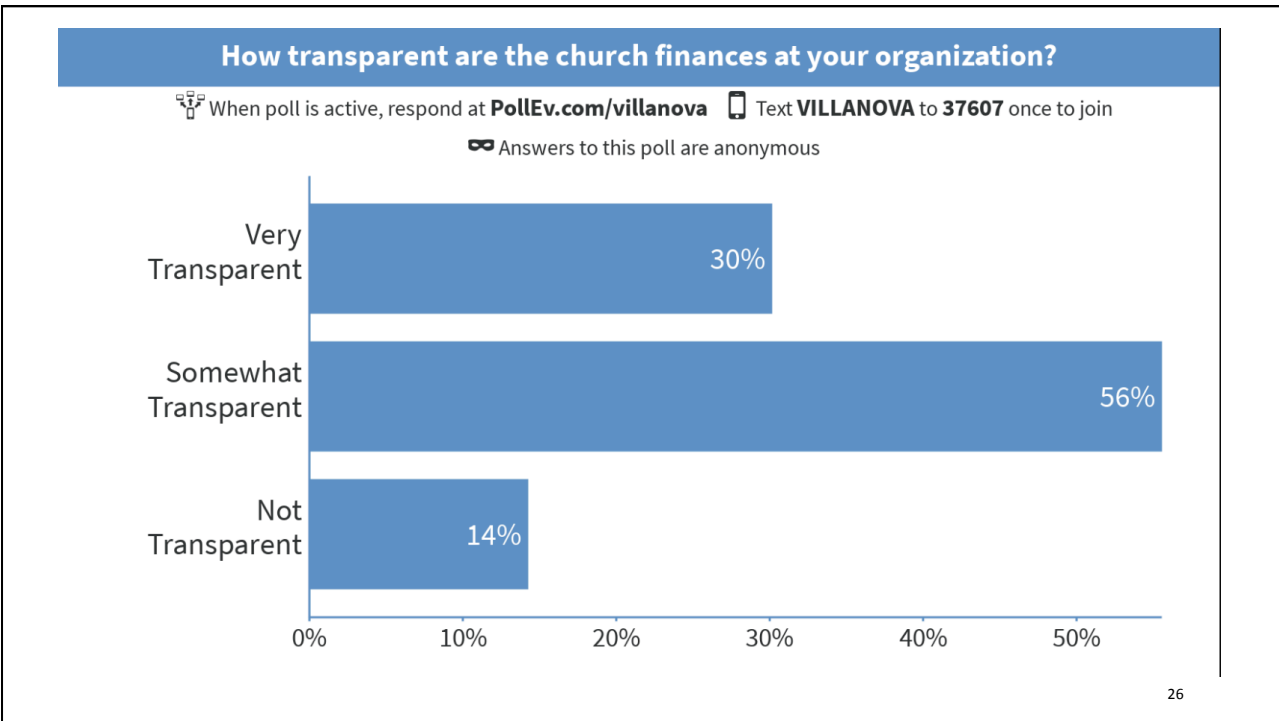
1. the quality that makes it possible to see through something...that makes something obvious or easy to understand...
2. a piece of thin, clear plastic with pictures or words printed on it that can be viewed on a large screen by shining light through it.

- Webster's Dictionary

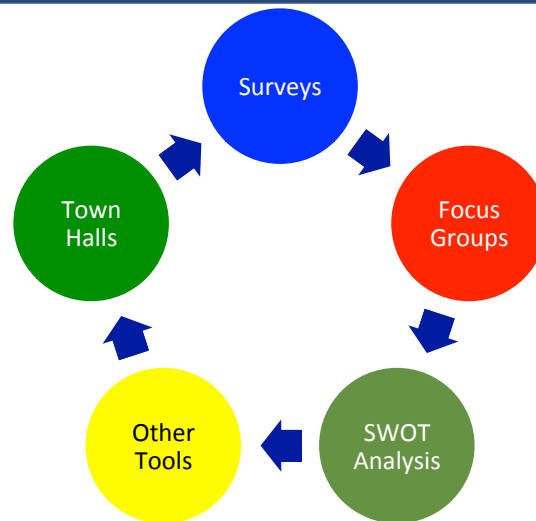
Benefits

- Creates buy-in
- “Openness” has to mean something
- Secrets are for crime novels not budgeting

25



Understand Needs



27

Building Consensus

- **Define consensus at the beginning**
- **Outline what we will ask at the end:**
 - Can I live with the decision made here today?
 - Can I refrain from behaving or speaking negatively to others about the decision?
 - Can I readily support the decision and devote the resources necessary to make the decision successful?
- **A 70% solution is usually better than no solution.**

Revenues and Expenses

#3. Understand Revenues and Expenses



29

Operating Budget

- **Reflects the day-to-day cash inflows and outflows to keep the parish running smoothly.**

Revenues – the amount of money the parish has received or expects to receive

Expenses – the amount of money the parish has obligated or plans to spend



30

Revenues/Expenses

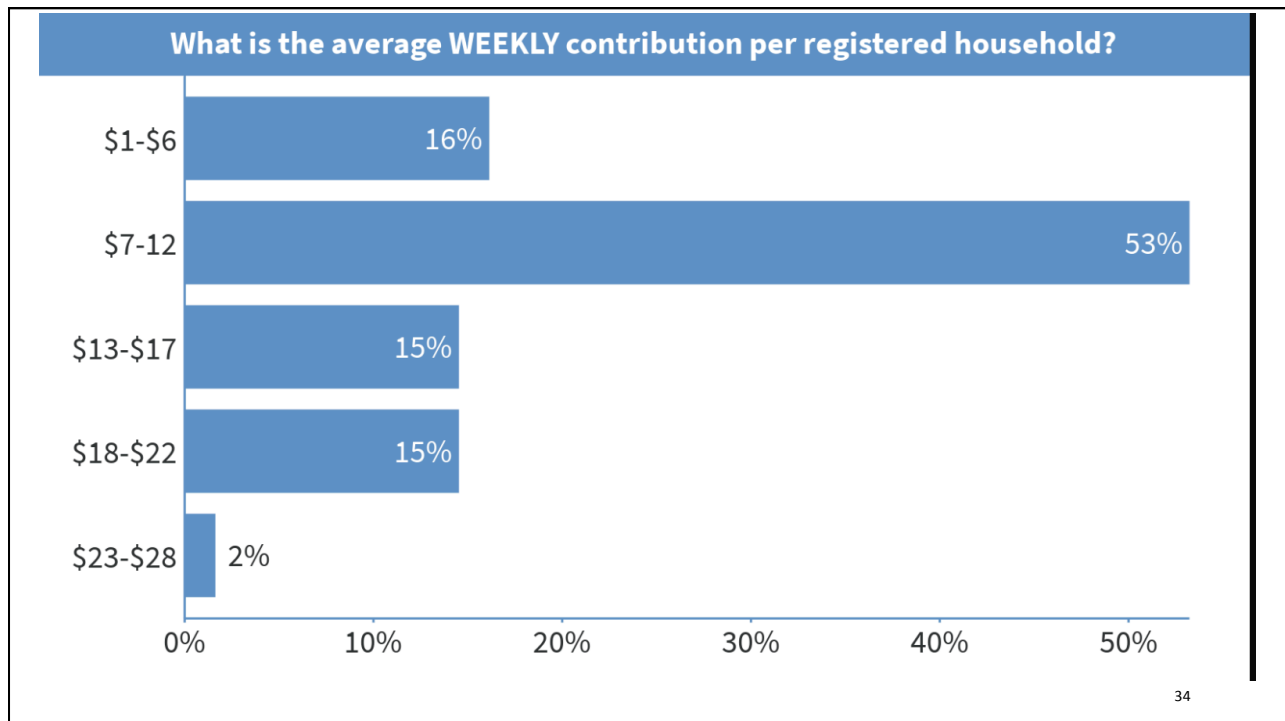
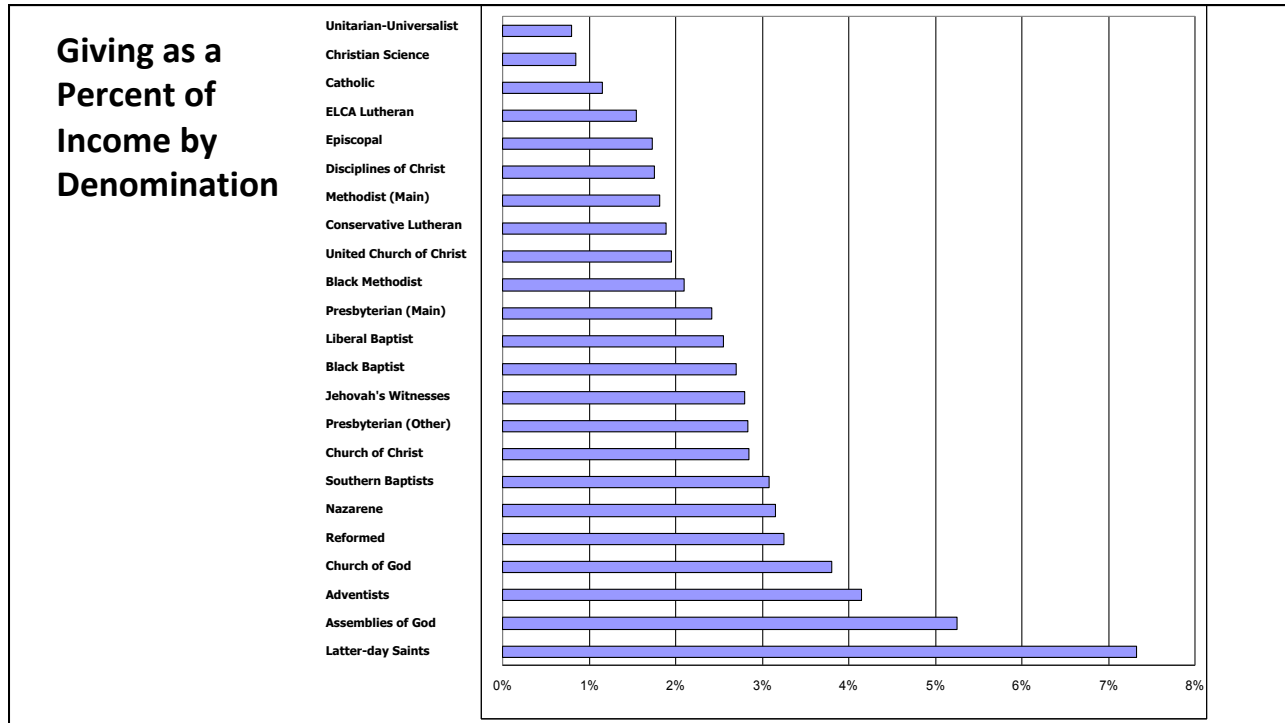
- On a piece of paper, write down the major sources of revenues that your parish receives?
- Write down the major expenses of your parish?

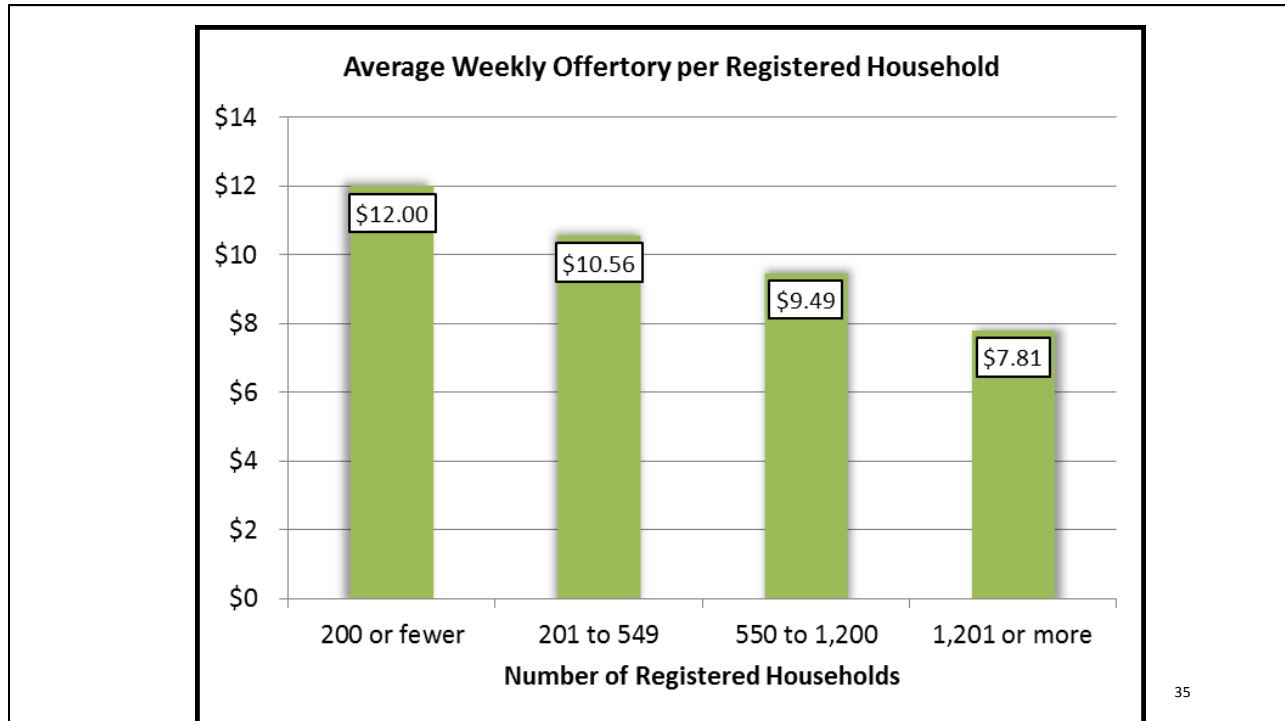
31

Revenues

| Revenues | |
|-------------|--------------------------------------|
| Collections | |
| | Sunday Collections |
| | Holy Day Collections |
| | Parish Needs Collections |
| Donations | |
| | Stole (Baptisms, Weddings, Funerals) |
| | Flowers |
| | Candles |
| Programs | |
| | Religious Education |
| | Adult Education |
| | Parish Picnic |

32





Church Income Categories

- **Collections**
 - Sunday, Holy Day, Church Needs
- **Liturgical and Sacramental Income**
- **Other Operating Income**
 - Bulletin, Publications, Gift Store, Rental Income
- **Development Income**
- **Subsidies and Grants**
- **Account Interest**



Church Income Categories (cont'd)

- **Restricted Income**
 - Interest – Restricted
 - Donor - Restricted
- **School Related Income**
- **Religious Education and Youth Ministry**



37

Estimating Income

- **What are my assumptions?**
- **Estimates as opinions or judgments**
- **Consider variables**
- **Looking back – historical data**
- **Benchmark**
- **Collaborate**
- **Rule of Thumb – Be conservative with estimates for income...**

38

Church Expense Categories

- **Salaries**
- **Payroll Tax and Worker's Compensation**
- **Health Benefits/Retirement**
- **Rectory**
- **Facilities**
- **Utilities**
- **Administrative**
- **Office and Technology**
- **Liturgical and Sacramental**

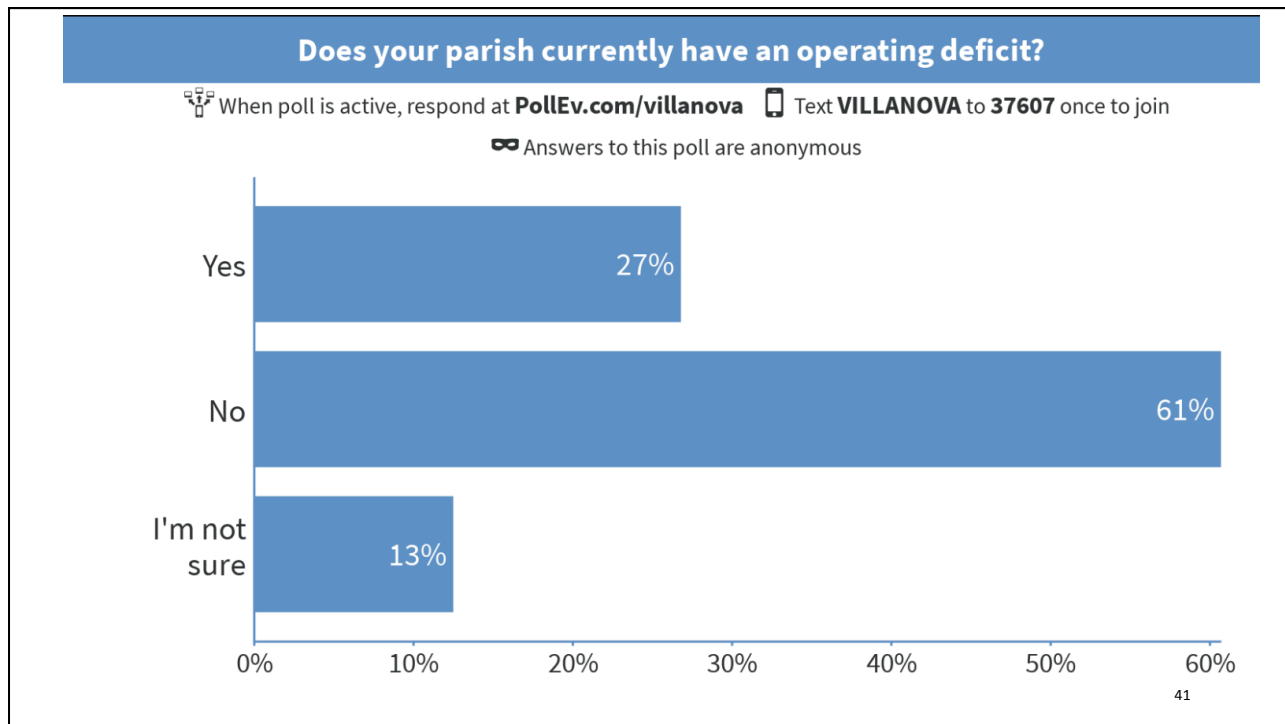


39

Church Expense Categories

- **Music**
- **School**
- **Other Ministry**
 - Adults Education, Church Outreach, Poor Box Disbursement
- **Subsidies and Grants**
- **Assessments**

40

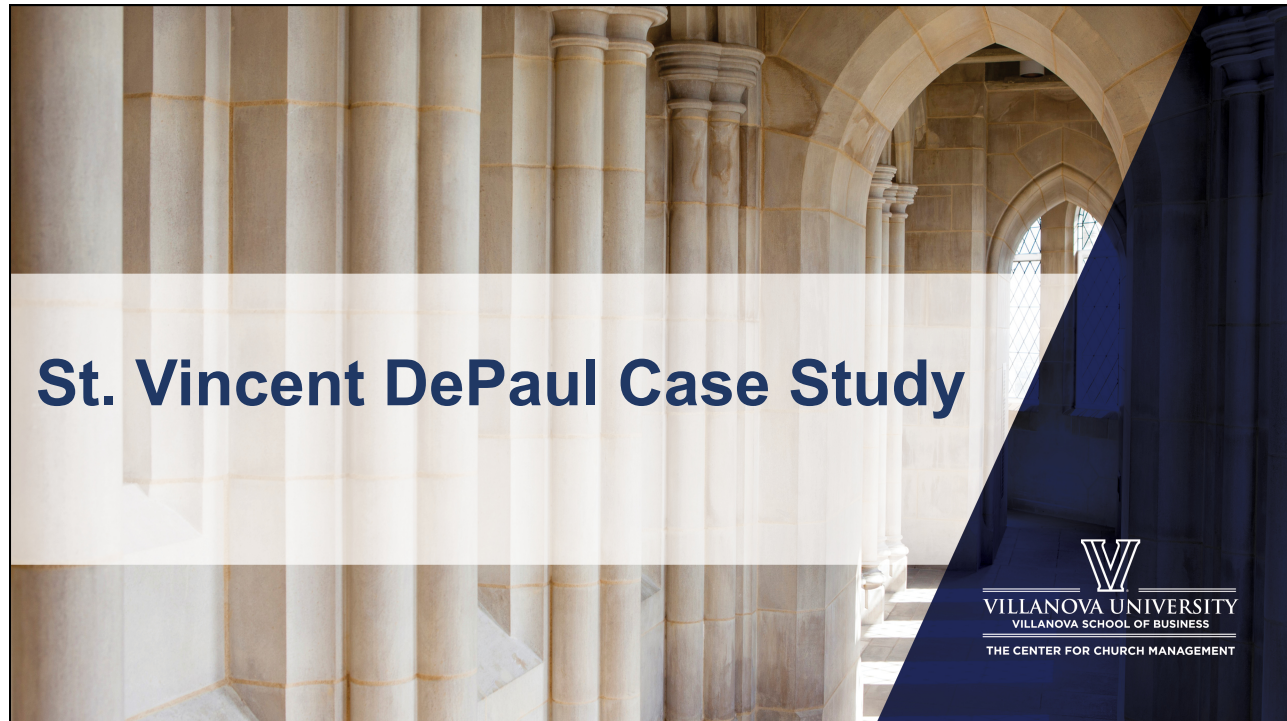


Operating Deficit

2014 – ¼ of US Catholic Parishes reported an operating deficit

8% Received a diocesan subsidy

42



St. Vincent De Paul Parish

- St. Vincent's Catholic Church is an urban parish located in the heart of the City of Romaville.
- The parish is part of the Diocese of Holly, which encompasses four surrounding counties.

Mass Schedule

Saturday Vigil: 5:30 PM

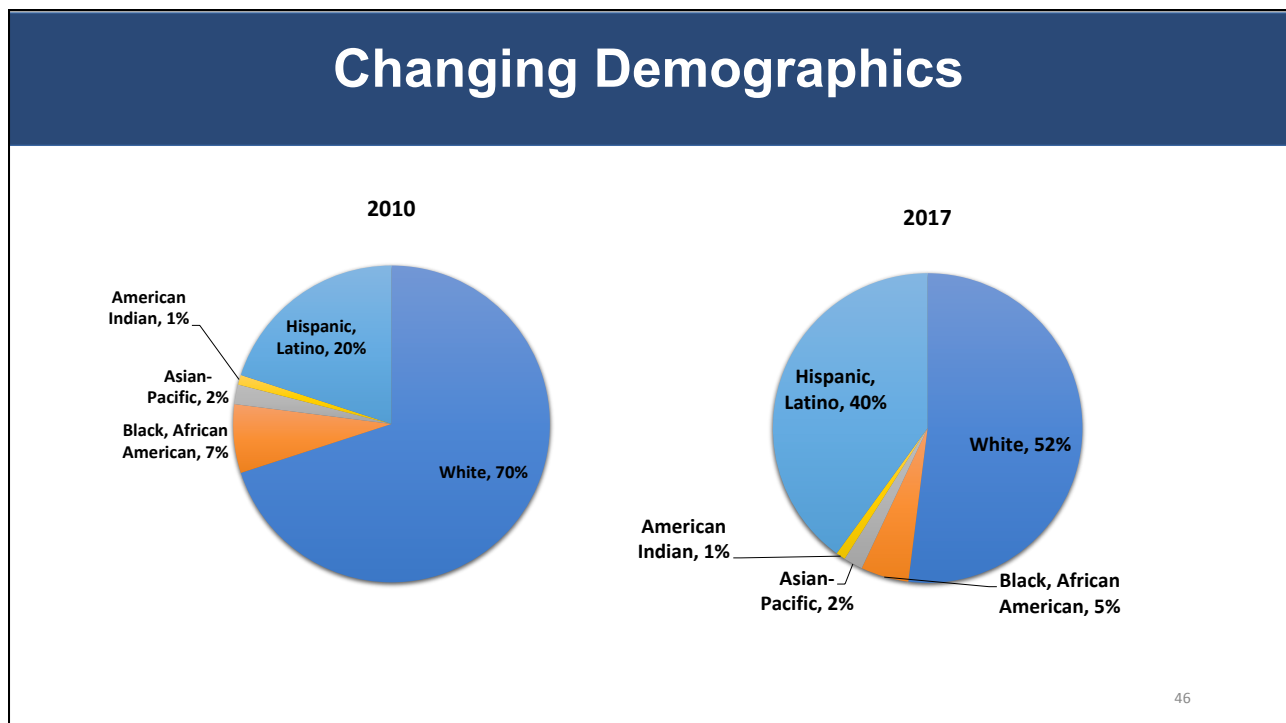
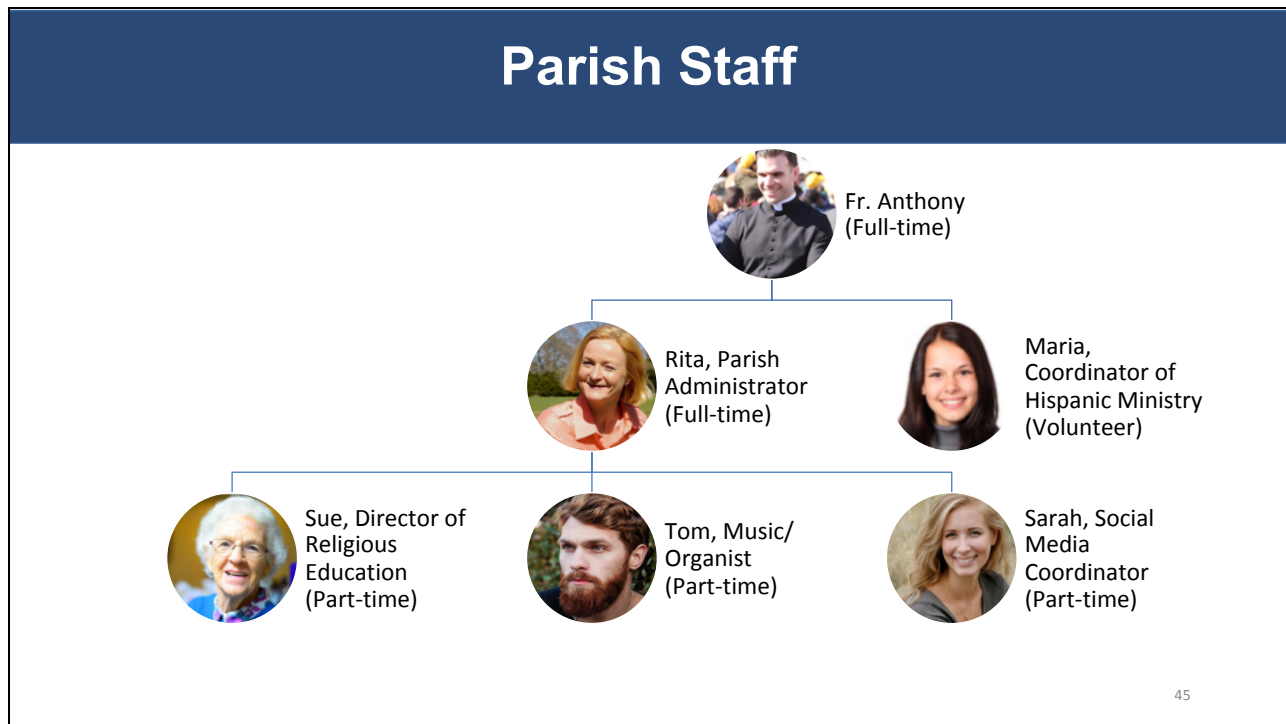
Sunday: 9:00AM, 11:00AM, 5:00PM
1:00 PM (*Spanish*)

Daily

Monday-Friday 7:30 AM and 12:10 PM

Saturday: 8:00 AM

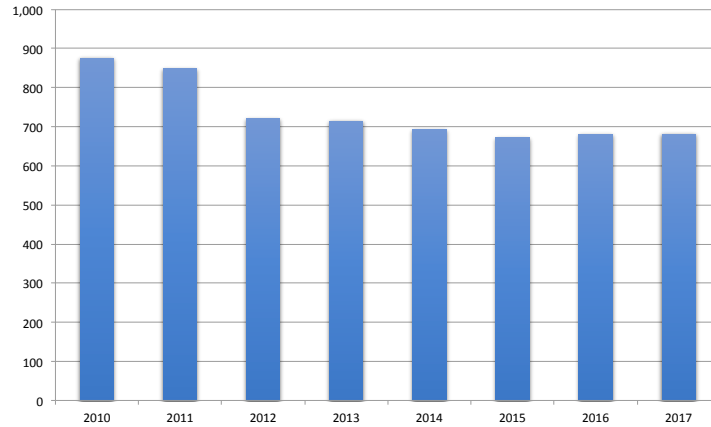




Registered Parishioners

- There are 692 registered families and approximately 2,250 members

Number of Registered Families

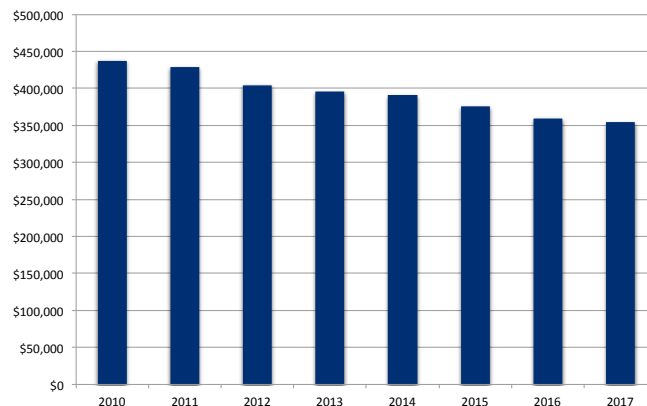


47

Making Sense of the Numbers

| Year | Annual Collection | % Change from Prior Year - Collections |
|------|-------------------|--|
| 2010 | \$437,500 | 0% |
| 2011 | \$428,619 | -2% |
| 2012 | \$404,567 | -6% |
| 2013 | \$395,678 | -2% |
| 2014 | \$390,568 | -1% |
| 2015 | \$375,678 | -4% |
| 2016 | \$359,638 | -4% |
| 2017 | \$354,024 | -2% |

St. Vincent's Annual Collection



48

Operating Budget

| 2017 Budget Summary | |
|----------------------|-----------|
| Total Income | \$372,528 |
| Total Expenses | \$410,580 |
| \$ Surplus (Deficit) | -\$38,052 |
| % Surplus/Deficit | -10% |

| Income | Annual |
|----------------------------|------------------|
| Sunday Collections | \$354,024 |
| Donations | \$15,000 |
| Ads/Sale of Goods | \$3,504 |
| Total | \$372,522 |
| Expenses | |
| Salary | \$136,296 |
| Benefits | \$51,864 |
| Diocesan Assessment | \$38,940 |
| Liturgical and Sacramental | \$18,948 |
| Office | \$13,500 |
| Religious Ed | \$12,504 |
| Music | \$29,772 |
| Spanish Ministry | \$12,000 |
| Programs/Committee | \$15,000 |
| Facilities/Plant | \$65,004 |
| Debt Payment | \$16,752 |
| Total | \$410,580 |

49

| St. Vincent De Paul Budget 2017 | | | | | | | | | | | | | |
|--|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Annual | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun |
| Income | | | | | | | | | | | | | |
| Sunday Collections | \$354,024 | \$29,502 | \$29,502 | \$29,502 | \$29,502 | \$29,502 | \$29,502 | \$29,502 | \$29,502 | \$29,502 | \$29,502 | \$29,502 | \$29,502 |
| Donations | \$15,000 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 |
| Ads/Sale of Goods | \$3,504 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 |
| Income Total | \$372,528 | \$31,044 | \$31,044 | \$31,044 | \$31,044 | \$31,044 | \$31,044 | \$31,044 | \$31,044 | \$31,044 | \$31,044 | \$31,044 | \$31,044 |
| Expenses | | | | | | | | | | | | | |
| Salary | \$136,296 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 |
| Benefits | \$51,864 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 |
| Diocesan Assessment | \$38,940 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 |
| Liturgical and Sacramental | \$18,948 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 |
| Office | \$13,500 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 |
| Religious Ed | \$12,504 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 |
| Music | \$29,772 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 |
| Spanish Ministry | \$12,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| Programs/Committees | \$15,000 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 |
| Facilities/Plant | \$65,004 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 |
| Debt Payment | \$16,752 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 |
| Expenses Total | \$410,580 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 |
| Income - Expenses = Surplus (Deficit) | -\$38,052 | -\$3,171 | -\$3,171 | -\$3,171 | -\$3,171 | -\$3,171 | -\$3,171 | -\$3,171 | -\$3,171 | -\$3,171 | -\$3,171 | -\$3,171 | -\$3,171 |

50

**With such limited information, what does
St. Vincent's do next?**

51

Prioritize

**#4 Prioritize your time, money,
and people to help you focus on
what matters most**



52

Calculate the Budget Category Impact %

With limited time, focus on income and spending categories with a largest impact on budget

1. Calculate the % of Impact =

$$\frac{\text{Spending Category Total}}{\text{Total Budget}}$$

1. Determine Breakpoints and Highlight Priority Categories for Review

2. Review/Focus on Priority Categories

53

Operating Budget

| 2017 Budget Summary | |
|----------------------|-----------|
| Total Income | \$372,528 |
| Total Expenses | \$410,580 |
| \$ Surplus (Deficit) | -\$38,052 |
| % Surplus/Deficit | -10% |

| Income | Annual | BCIP |
|----------------------------|------------------|------|
| Sunday Collections | \$354,024 | 95% |
| Donations | \$15,000 | |
| Ads/Sale of Goods | \$3,504 | |
| Total | \$372,522 | |
| Expenses | | |
| Salary | \$136,296 | |
| Benefits | \$51,864 | |
| Diocesan Assessment | \$38,940 | |
| Liturgical and Sacramental | \$18,948 | |
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| Music | \$29,772 | |
| Spanish Ministry | \$12,000 | |
| Programs/Committee | \$15,000 | |
| Facilities/Plant | \$65,004 | |
| Debt Payment | \$16,752 | |
| Total | \$410,580 | |

Operating Budget

| 2017 Budget Summary | | Income | Annual |
|----------------------|-----------|----------------------------|------------------|
| Total Income | \$372,528 | Sunday Collections | \$354,024 |
| Total Expenses | \$410,580 | Donations | \$15,000 |
| \$ Surplus (Deficit) | -\$38,052 | Ads/Sale of Goods | \$3,504 |
| % Surplus/Deficit | -10% | Total | \$372,522 |
| | | Expenses | |
| | | Salary | \$136,296 |
| | | Benefits | \$51,864 |
| | | Diocesan Assessment | \$38,940 |
| | | Liturgical and Sacramental | \$18,948 |
| | | Office | \$13,500 |
| | | Religious Ed | \$12,504 |
| | | Music | \$29,772 |
| | | Spanish Ministry | \$12,000 |
| | | Programs/Committee | \$15,000 |
| | | Facilities/Plant | \$65,004 |
| | | Debt Payment | \$16,752 |
| | | Total | \$410,580 |

What percentage of the budget is each budget category?

55

Example

BCIP Sunday Collections = Sunday Collections ÷ Total Income

BCIP Sunday Collections = \$354,022 ÷ \$372,522

BCIP Sunday Collections = 95%

Donation:

BCIP Donations = \$15,000 ÷ \$372,522

BCIP Donations = 4%

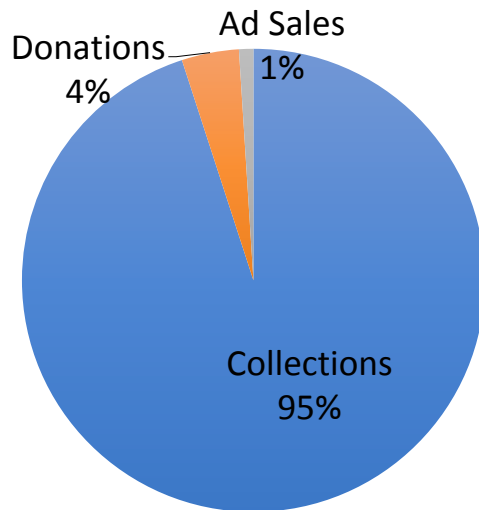
56

Operating Budget

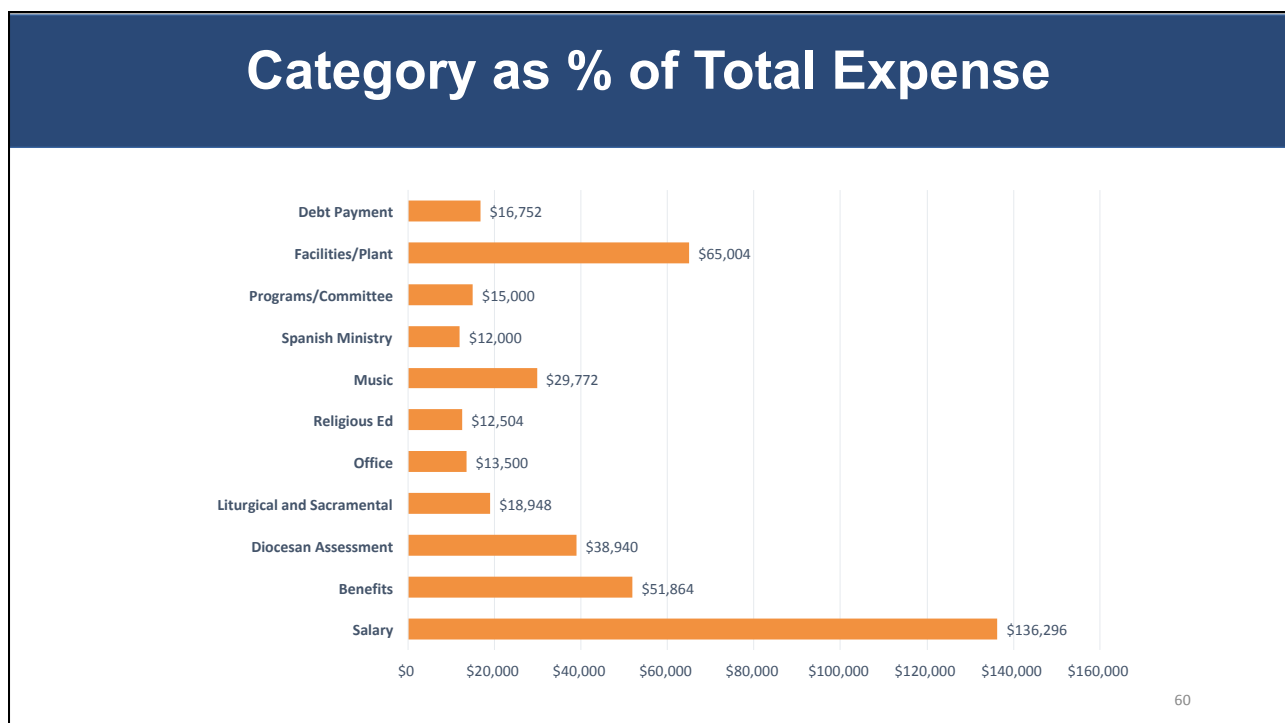
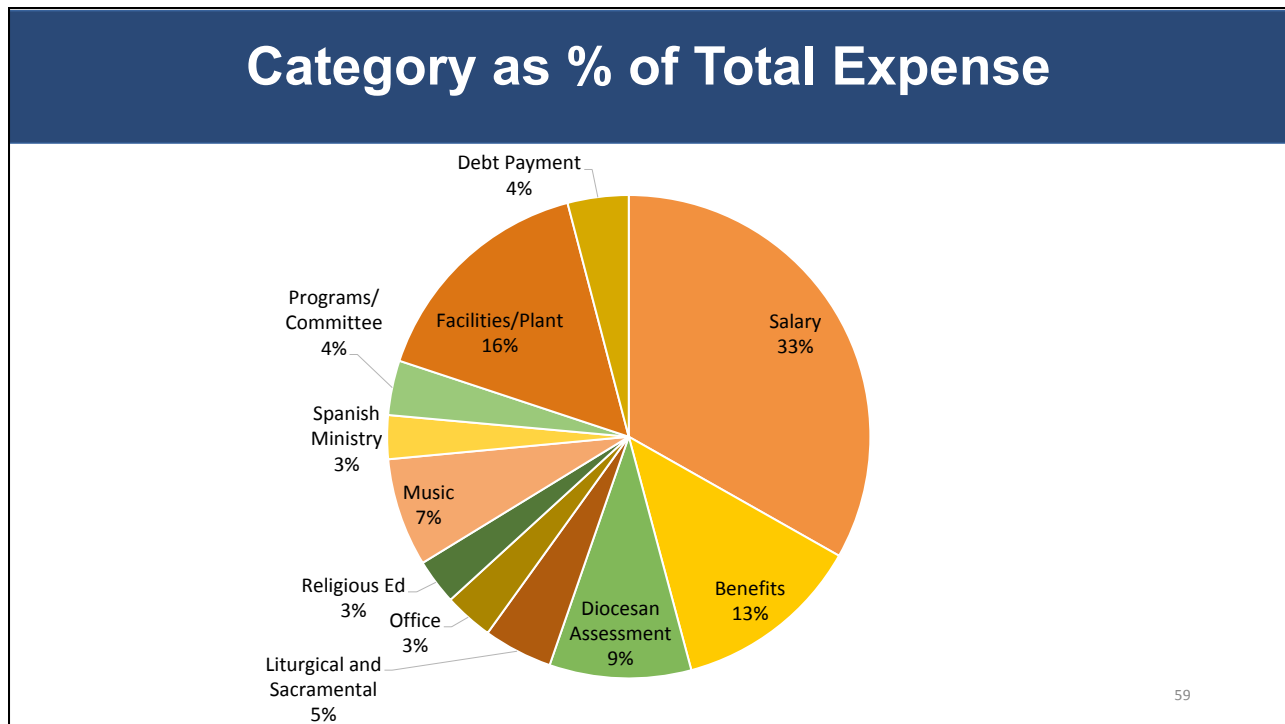
| Income | Annual | BCIP |
|----------------------------|------------------|-------------|
| Sunday Collections | \$354,024 | 95% |
| Donations | \$15,000 | 4% |
| Ads/Sale of Goods | \$3,504 | 1% |
| Total | \$372,522 | 100% |
| Expenses | | |
| Salary | \$136,296 | 33% |
| Benefits | \$51,864 | 13% |
| Diocesan Assessment | \$38,940 | 9% |
| Liturgical and Sacramental | \$18,948 | 5% |
| Office | \$13,500 | 3% |
| Religious Ed | \$12,504 | 3% |
| Music | \$29,772 | 7% |
| Spanish Ministry | \$12,000 | 3% |
| Programs/Committee | \$15,000 | 4% |
| Facilities/Plant | \$65,004 | 16% |
| Debt Payment | \$16,752 | 4% |
| Total | \$410,580 | 100% |

57

Category as % of Total Income



58



#5. Identify who is Responsible for which component. Use RAM

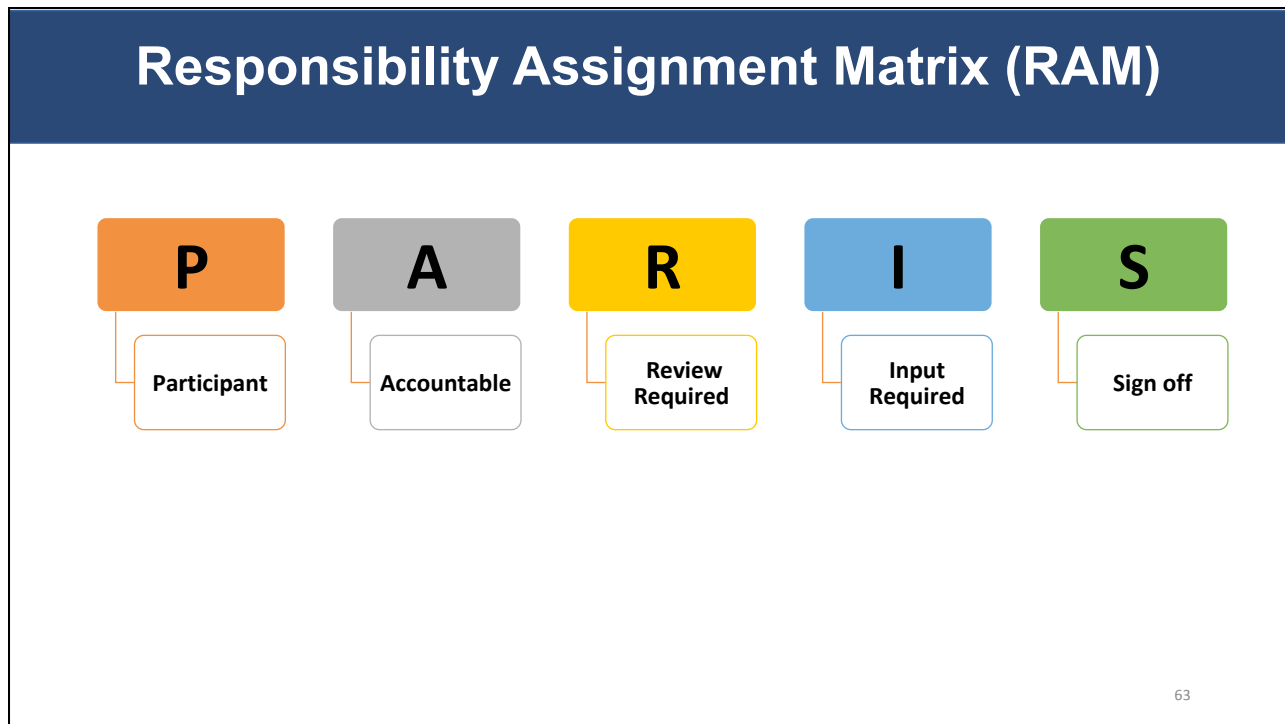


61

Responsibility Assignment Matrix (RAM)

- Illustrate the connections between work that needs to be done and project team members.
- Allows a person to see all activities associated with one person or to see all people associated with one activity.
- Who does what and who decides what

62



PARIS - Church Management Example

| Tasks | Participant 1 | Participant 2 | Participant 3 | Participant 4 | | |
|--------|------------------|------------------|------------------|------------------|--|--|
| Task 1 | | | | | | |
| Task 2 | | | | | | |
| Task 3 | | | | | | |
| Task 4 | | | | | | |
| Task 5 | | | | | | |
| Task 6 | | | | | | |

P = Participant A= Accountable R= Review Required I = Input Required S = Sign off

64

PARIS - Church Management Example

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| | | | | | | |
| Budget Memo | | | | | | |
| Gather Estimates | | | | | | |
| Submit Budget/ Narrative | | | | | | |
| Prelim Budget | | | | | | |
| Town Hall Sessions | | | | | | |
| Final Budget Approval | | | | | | |

P = Participant A= Accountable R= Review Required I = Input Required S = Sign off

65

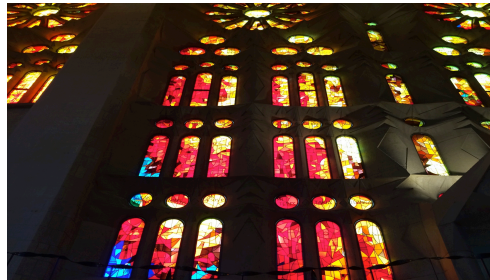
PARIS - Church Management Example

| | Pastor | Acct | Julie | Tom | Parishioners | Finance Council |
|-----------------------------|--------|------|-------|-----|--------------|-----------------|
| Budget Memo | S | I | -- | -- | -- | I |
| Gather Estimates | P | R | P | P | -- | -- |
| Submit Budget/ Narrative | R | R | A | A | -- | I |
| Prelim Budget | S | R | R | R | P | P |
| Town Hall Sessions | A | P | P | R | I | P |
| Final Budget Approval | A | P | P | -- | -- | S |

P = Participant A= Accountable R= Review Required I = Input Required S = Sign off

66

#6. Develop a performance dashboard to stay on track



67

Variance Analysis Example

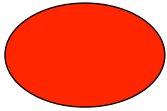
| 1 | 2 | 3 | 4 | 5 |
|----------------------------|--|--|---|--|
| Category | \$ Budgeted Amount <i>(January – March 2014)</i> | \$ Actual Amount <i>(April 1, 2014)</i> | \$ Variance <i>Over/Under Budget</i> = Budgeted – Actual | % Variance <i>Over/Under Spent</i> = (Variance / Budgeted) X 100 |
| Office and Technology | \$17,000 | \$18,000 | -\$1,000 | - 6% |
| Utilities | \$12,000 | \$12,250 | -\$ 250 | -2% |
| Liturgical and Sacramental | \$25,000 | \$22,500 | \$2,500 | 10% |

Tips:

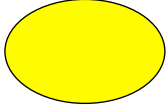
- Note that variance is always a snapshot in time
- Establish Process to evaluate results

68

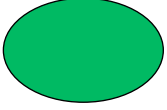
Variance Analysis - Stoplight






Variance + or - Greater than 10%



Variance + or - Between 5%- 9%



Variance + or - Less than 5%

| 1 | 4 | 5 |
|----------------------------|--------------------|--|
| Category | % Over/Under Spent | Analysis |
| Office and Technology | - 6% | - 6%  |
| Utilities | - 2% | - 2%  |
| Liturgical and Sacramental | 10% | 10%  |

69

#7. Safeguard parish assets with internal controls

What are the policies and procedures for safeguarding Cash, Sunday collections, etc.?



70

#8. Mistakes Happen, Use QUEST and 3-R Strategy



71

Analysis

- **Q = Question**
- **U = Understand**
- **E = Evaluate**
- **S = Solve**
- **T = Track**



72

Course of Action Questions

1. What impact does this challenge have on the overall budget?
2. Which stakeholders need to be involved in the solution?
3. How quickly do we need to implement a solution (immediately, zero to three months, six months to one year, long term)?
4. What are the alternative options available to implement?
5. What are the risks to the success of the solution? How can we mitigate these risks?



73

Reprogramming/Reallocation

- Adjustments of the budget through the movement of money from one category to another.

Cautions

- Ensure proper alignment of funds
- Make this a limited practice
- Understand any rules and regulations for movement of money
- Revisit movements



74

The 3-R Approach to Errors

- **Reflect** on what has occurred. What is the actual data telling you about what happened?
- **Review** reasons or circumstances that affected the forecast and to consider any changes that may be needed in how you project or estimate amounts in the future.
- **Refine** any policies and procedures to mitigate the likelihood that the error will occur again.



75

#9. Collaborate and communicate church financial information with impact and ease



76

Pope Francis

What we say and how we say it, our every word and gesture, ought to express God's compassion, tenderness and forgiveness for all. Love, by its nature, is communication; it leads to openness and sharing. If our hearts and actions are inspired by charity, by divine love, then our communication will be touched by God's own power.



*FOR THE 50th WORLD COMMUNICATIONS DAY
Communication and Mercy: A Fruitful Encounter, 24 January 2016*

77

Parish Communications

Parish Bulletin (93%)

- 0% increase in contributions

Parish Newsletter (32%)

- 23% increase in contributions

Parish Website (41%)

- 13% increase in contributions

Open Parish Forum to Discuss Finances/Budget (14%)

- 29% increase in contributions

78

Strategies

- Key Audiences
- Key Messages
- Transmission



79

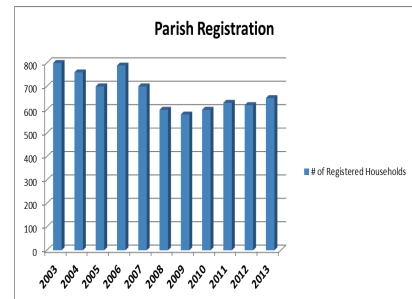
#10. Visualize



80

Visualization

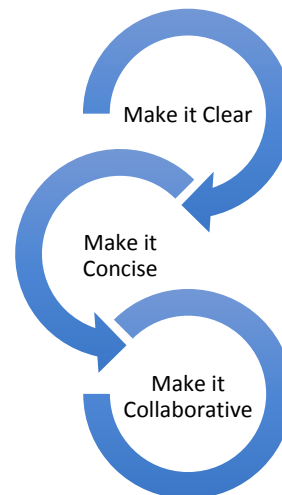
- Visualizations/Infographics predate writing!
- You can't go to visualizations unless you know what you are trying to see.
- Visualizations assist you to better tell the story of what God is doing
- Offer information in a digestible format
- Communicate information succinctly
- Simplify large amounts of data



81

Tactics

- What is your goal?
- What are your criteria?
- Is this better written or visualized?
- What is the story that the visual is telling?
- Is it clear?
- Is it distinguishable?

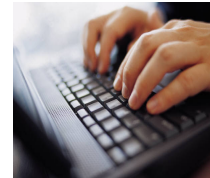


82

Please stay in touch

- **Connect with me:**

- Website
 - www.ChurchManagementAcademy.com
 - Church Finance 30/30 – 30 Tips in 30 Days
- Twitter
 - @MikeCastrilli
- LinkedIn
 - www.linkedin.com/in/michaelcastrilli
- Facebook
 - www.facebook.com/ChurchManagementAcademy/
- Email
 - michael.castrilli@villanova.edu or mjcastrilli@gmail.com



Financial Literacy Program for Pastoral Leaders.

- **Website offering brief presentations on both parish finances and personal finance for clergy**

www.finances4ministers.Villanova.edu

Welcome!

Welcome to the online community of Villanova University's Center for Church Management Financial Literacy Program!

This program is designed to increase the financial literacy and management skills of pastoral leaders by providing information and resources in as user-friendly means as possible.

Getting Started

Please use the navigation bar on the left to:

- Watch our **Online Video Courses**
- Download our **Library of Resources**
- Participate in the **Discussion Board**, available for you to interact with your classmates around the world
- Review a schedule of **Webinars**

We hope you will find this program enlightening and informative, as we work to build church management skills.

This project was made possible through a generous grant from the Lilly Endowment's National Initiative to Address Economic Challenges Facing Pastoral Leaders!

Start Here - Intro to Church Budgeting 101

Enabled: Statistics Tracking

In this video series, explore the elements of the **Church Master Budget** including operating and capital budgets, the three phases of church **budget development**, and how to develop a **collaborative and transparent** budget process at your church.

ACCESS OUR LIBRARY

Access the program's knowledge base where you can **read articles**, check **resource guides**, and **download tools and templates**. Topics include:

- Basics of Church Budgeting
- Communicating Church Financial Information
- Internal Controls
- Performance Management and Analytics

PARTICIPATE ON OUR DISCUSSION BOARD

Ask **questions**, seek **feedback**, and gain **insights**. Benefit from the knowledge of other **pastoral leaders and practitioners** as you engage with members of the program's online community.

REVIEW UPCOMING WEBINARS

Coming soon, you will be able to **build upon your skills** by joining our **remote classroom** from anywhere in the world. Learn from **Villanova faculty**, and **practitioners** in church management, as you dive deeper into more advanced topics and discussions.

| St. Vincent De Paul Budget 2017 | | | | | | | | | | | | | |
|--|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Annual | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun |
| Income | | | | | | | | | | | | | |
| Sunday Collections | \$354,024 | \$29,502 | \$29,502 | \$29,502 | \$29,502 | \$29,502 | \$29,502 | \$29,502 | \$29,502 | \$29,502 | \$29,502 | \$29,502 | \$29,502 |
| Donations | \$15,000 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 |
| Ads/Sale of Goods | \$3,504 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 |
| Income Total | \$372,528 | \$31,044 | \$31,044 | \$31,044 | \$31,044 | \$31,044 | \$31,044 | \$31,044 | \$31,044 | \$31,044 | \$31,044 | \$31,044 | \$31,044 |
| Expenses | | | | | | | | | | | | | |
| Salary | \$136,296 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 |
| Benefits | \$51,864 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 |
| Diocesan Assessment | \$38,940 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 |
| Liturgical and Sacramental | \$18,948 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 |
| Office | \$13,500 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 |
| Religious Ed | \$12,504 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 |
| Music | \$29,772 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 |
| Spanish Ministry | \$12,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| Programs/Committees | \$15,000 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 |
| Facilities/Plant | \$65,004 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 |
| Debt Payment | \$16,752 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 |
| Expenses Total | \$410,580 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 |
| Income - Expenses = Surplus (Deficit) | -\$38,052 | -\$3,171 | -\$3,171 | -\$3,171 | -\$3,171 | -\$3,171 | -\$3,171 | -\$3,171 | -\$3,171 | -\$3,171 | -\$3,171 | -\$3,171 | -\$3,171 |

Operating Budget

| 2017 Budget Summary | |
|----------------------|------------------|
| Total Income | \$372,528 |
| Total Expenses | \$410,580 |
| \$ Surplus (Deficit) | -\$38,052 |
| % Surplus/Deficit | -10% |

| Income | Annual | BCIP |
|----------------------------|------------------|------|
| Sunday Collections | \$354,024 | 95% |
| Donations | \$15,000 | |
| Ads/Sale of Goods | \$3,504 | |
| Total | \$372,522 | |
| Expenses | | |
| Salary | \$136,296 | |
| Benefits | \$51,864 | |
| Diocesan Assessment | \$38,940 | |
| Liturgical and Sacramental | \$18,948 | |
| Office | \$13,500 | |
| Religious Ed | \$12,504 | |
| Music | \$29,772 | |
| Spanish Ministry | \$12,000 | |
| Programs/Committee | \$15,000 | |
| Facilities/Plant | \$65,004 | |
| Debt Payment | \$16,752 | |
| Total | \$410,580 | |

Making Sense of the Numbers

| Year | Number of Registered Families | % Change from Prior Year |
|------|-------------------------------|--------------------------|
| 2010 | 875 | -- |
| 2011 | 849 | |
| 2012 | 721 | |
| 2013 | 714 | |
| 2014 | 693 | |
| 2015 | 672 | |
| 2016 | 692 | |
| 2017 | 681 | |

| Year | Annual Collection | % Change from Prior Year - Collections |
|------|-------------------|--|
| 2010 | \$437,500 | -- |
| 2011 | \$428,619 | |
| 2012 | \$404,567 | |
| 2013 | \$395,678 | |
| 2014 | \$390,568 | |
| 2015 | \$375,678 | |
| 2016 | \$359,638 | |
| 2017 | \$354,024 | |

Making Sense of the Numbers

| Year | Number of Registered Families | % Change from Prior Year - Families | Annual Collection | % Change from Prior Year - Collections |
|------|-------------------------------|-------------------------------------|-------------------|--|
| 2010 | 875 | -- | \$437,500 | -- |
| 2011 | 849 | | \$428,619 | |
| 2012 | 721 | | \$404,567 | |
| 2013 | 714 | | \$395,678 | |
| 2014 | 693 | | \$390,568 | |
| 2015 | 672 | | \$375,678 | |
| 2016 | 680 | | \$359,638 | |
| 2017 | 681 | | \$354,024 | |

89

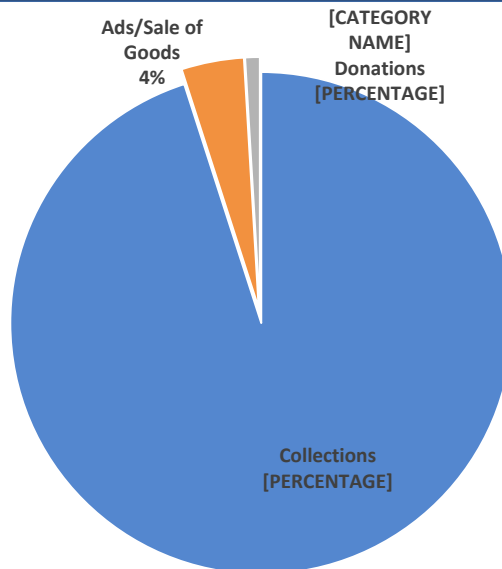
St. Vincent's Case Study Answers

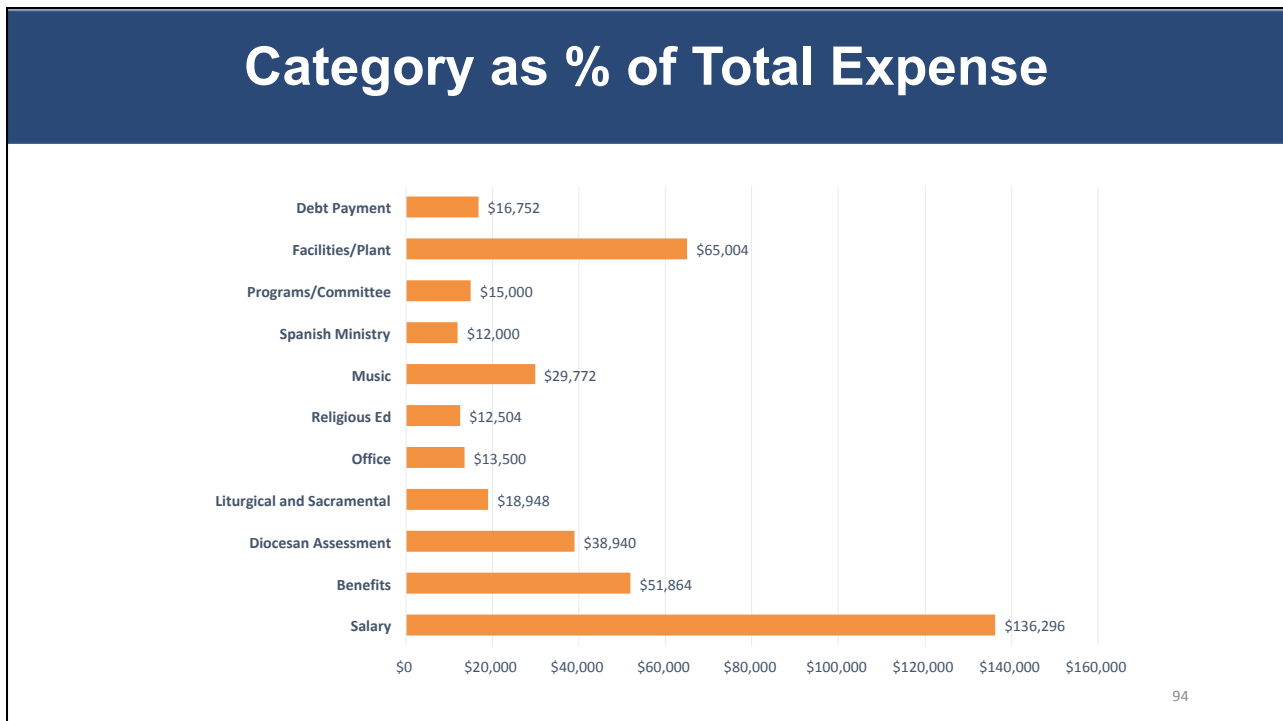
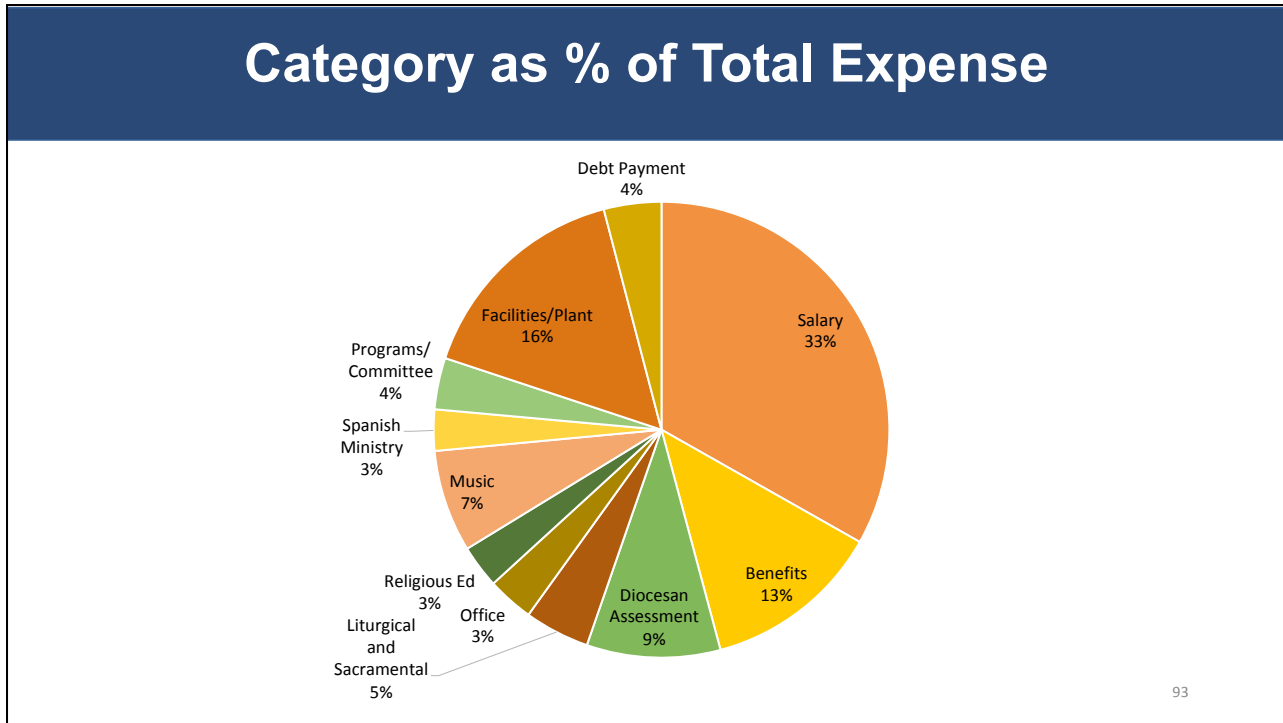
Operating Budget – BCIP Answer

| 2017 Budget Summary | |
|----------------------|------------------|
| Total Income | \$372,528 |
| Total Expenses | \$410,580 |
| \$ Surplus (Deficit) | -\$38,052 |
| % Surplus/Deficit | -10% |

| Income | Annual | BCIP |
|----------------------------|------------------|-------------|
| Sunday Collections | \$354,024 | 95% |
| Donations | \$15,000 | 4% |
| Ads/Sale of Goods | \$3,504 | 1% |
| Total | \$372,522 | 100% |
| Expenses | | |
| Salary | \$136,296 | 33% |
| Benefits | \$51,864 | 13% |
| Diocesan Assessment | \$38,940 | 9% |
| Liturgical and Sacramental | \$18,948 | 5% |
| Office | \$13,500 | 3% |
| Religious Ed | \$12,504 | 3% |
| Music | \$29,772 | 7% |
| Spanish Ministry | \$12,000 | 3% |
| Programs/Committee | \$15,000 | 4% |
| Facilities/Plant | \$65,004 | 16% |
| Debt Payment | \$16,752 | 4% |
| Total | \$410,580 | 100% |

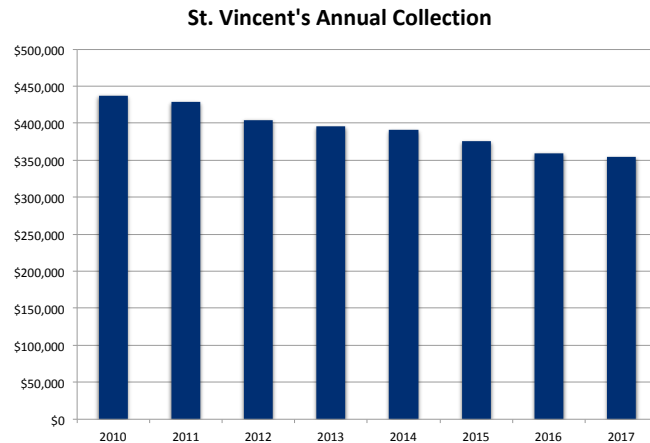
Category as % of Total Income





Making Sense of the Numbers

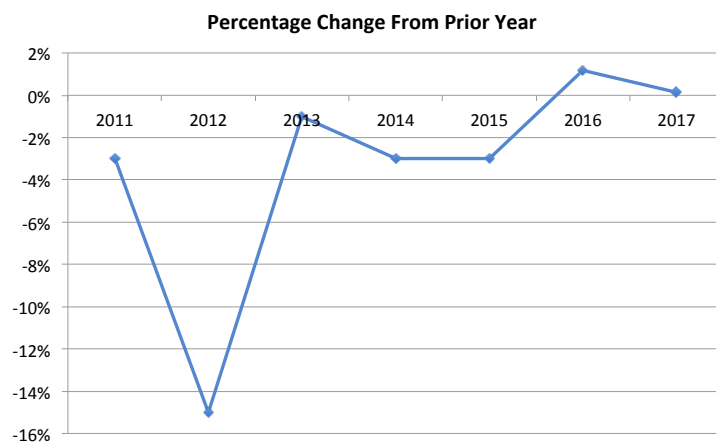
| Year | Annual Collection | % Change from Prior Year - Collections |
|------|-------------------|--|
| 2010 | \$437,500 | 0% |
| 2011 | \$428,619 | -2% |
| 2012 | \$404,567 | -6% |
| 2013 | \$395,678 | -2% |
| 2014 | \$390,568 | -1% |
| 2015 | \$375,678 | -4% |
| 2016 | \$359,638 | -4% |
| 2017 | \$354,024 | -2% |



95

Registered Families

| Year | Number of Registered Families | % Change from Prior Year |
|------|-------------------------------|--------------------------|
| 2010 | 875 | -- |
| 2011 | 849 | -3% |
| 2012 | 721 | -15% |
| 2013 | 714 | -1% |
| 2014 | 693 | -3% |
| 2015 | 672 | -3% |
| 2016 | 692 | 1% |
| 2017 | 681 | 0% |



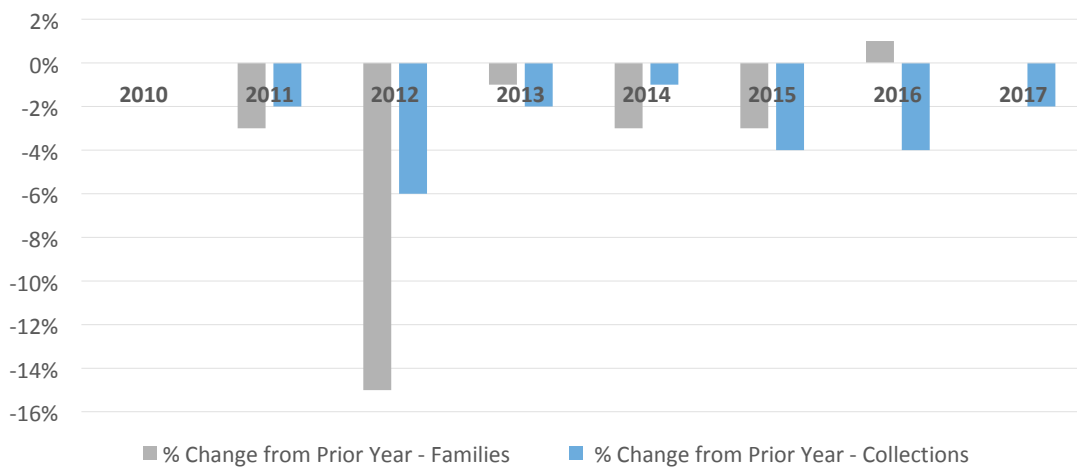
96

Making Sense of the Numbers

| Year | Number of Registered Families | % Change from Prior Year - Families | Annual Collection | % Change from Prior Year - Collections |
|------|-------------------------------|-------------------------------------|-------------------|--|
| 2010 | 875 | -- | \$437,500 | 0% |
| 2011 | 849 | -3% | \$428,619 | -2% |
| 2012 | 721 | -15% | \$404,567 | -6% |
| 2013 | 714 | -1% | \$395,678 | -2% |
| 2014 | 693 | -3% | \$390,568 | -1% |
| 2015 | 672 | -3% | \$375,678 | -4% |
| 2016 | 680 | 1% | \$359,638 | -4% |
| 2017 | 681 | 0% | \$354,024 | -2% |

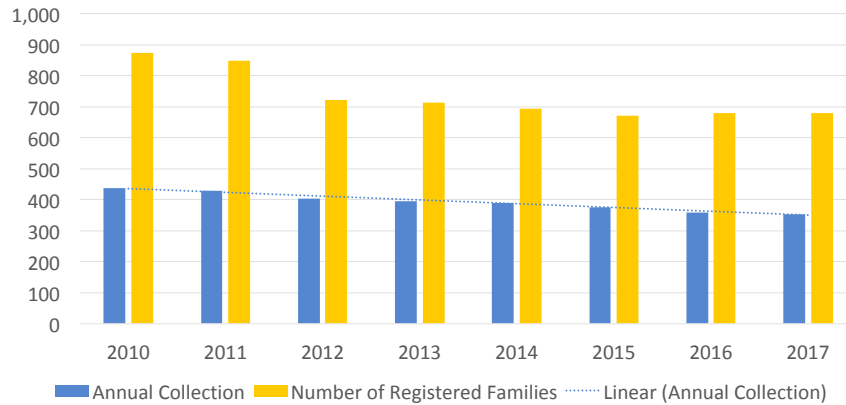
97

% Change Families and Collections



98

Making Sense of the Numbers



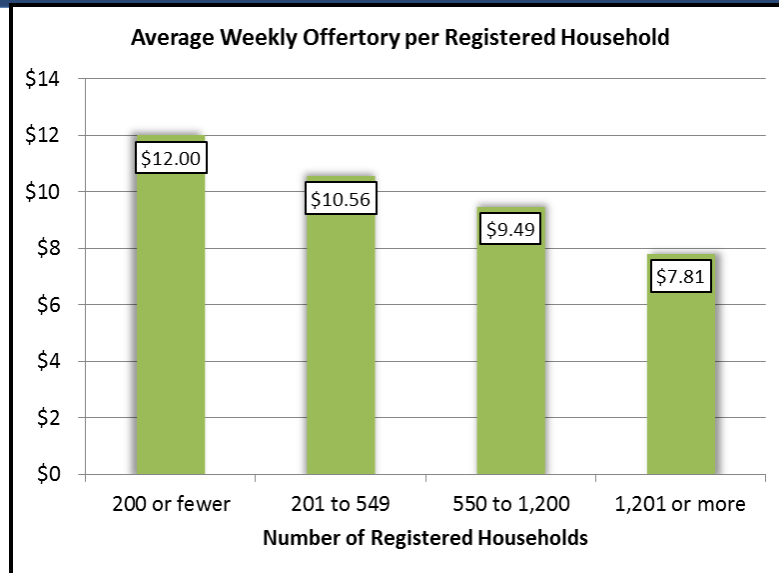
99

% Change from Prior Year

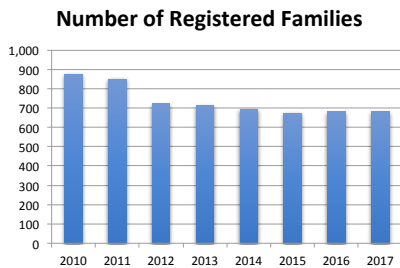
| Year | Number of Registered Families | Percentage Change From Prior Year | Annual Collection | % Collection Change From Prior Year | Annual Contribution Per Family | Average Weekly | Average Per Month Collection |
|------|-------------------------------|-----------------------------------|-------------------|-------------------------------------|--------------------------------|----------------|------------------------------|
| 2010 | 875 | -- | \$437,500 | 0% | \$500 | 9.62 | \$36,458 |
| 2011 | 849 | -3% | \$428,619 | -2% | \$505 | 9.71 | \$35,718 |
| 2012 | 721 | -15% | \$404,567 | -6% | \$561 | 10.78 | \$33,714 |
| 2013 | 714 | -1% | \$395,678 | -2% | \$554 | 10.65 | \$32,973 |
| 2014 | 693 | -3% | \$390,568 | -1% | \$564 | 10.84 | \$32,547 |
| 2015 | 672 | -3% | \$375,678 | -4% | \$559 | 10.75 | \$31,307 |
| 2016 | 680 | 1% | \$359,638 | -4% | \$529 | 10.17 | \$29,970 |
| 2017 | 681 | 0% | \$354,024 | -2% | \$520 | 10.00 | \$29,502 |

100

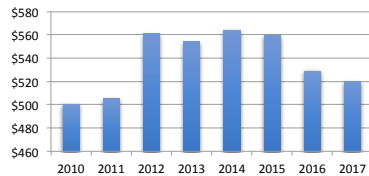
Average Weekly Offertory in the U.S.



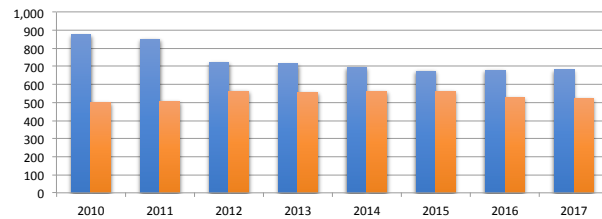
Contribution Per Family



Annual Contribution Per Family

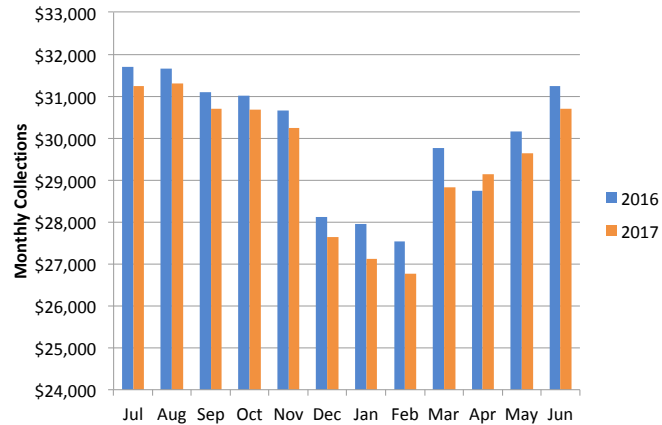


of Registered Families and Average Annual Contribution Per Family



Forecasting

| Month | 2016 | 2017 |
|--------------|------------------|------------------|
| Jul | \$31,693 | \$31,250 |
| Aug | \$31,667 | \$31,300 |
| Sep | \$31,100 | \$30,700 |
| Oct | \$31,020 | \$30,680 |
| Nov | \$30,650 | \$30,240 |
| Dec | \$28,112 | \$27,650 |
| Jan | \$27,950 | \$27,125 |
| Feb | \$27,540 | \$26,760 |
| Mar | \$29,760 | \$28,837 |
| Apr | \$28,740 | \$29,135 |
| May | \$30,156 | \$29,645 |
| Jun | \$31,250 | \$30,702 |
| Total | \$359,638 | \$354,024 |



103

| St. Vincent De Paul Budget 2017 | | | | | | | | | | | | | |
|--|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Annual | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun |
| Income | | | | | | | | | | | | | |
| Sunday Collections | \$354,024 | \$31,250 | \$31,300 | \$30,700 | \$30,680 | \$30,240 | \$27,650 | \$27,125 | \$26,760 | \$28,837 | \$29,135 | \$29,645 | \$30,702 |
| Donations | \$15,000 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 |
| Ads/Sale of Goods | \$3,504 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 | \$292 |
| Total Income | \$372,528 | \$32,792 | \$32,842 | \$32,242 | \$32,222 | \$31,782 | \$29,192 | \$28,667 | \$28,302 | \$30,379 | \$30,677 | \$31,187 | \$32,244 |
| Expenses | | | | | | | | | | | | | |
| Salary | \$136,296 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 | \$11,358 |
| Benefits | \$51,864 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 | \$4,322 |
| Diocesan Assessment | \$38,940 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 | \$3,245 |
| Liturgical and Sacramental | \$18,948 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 | \$1,579 |
| Office | \$13,500 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 | \$1,125 |
| Religious Ed | \$12,504 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 |
| Music | \$29,772 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 | \$2,481 |
| Spanish Ministry | \$12,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| Programs/Committees | \$15,000 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 |
| Facilities/Plant | \$65,004 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 | \$5,417 |
| Debt Payment | \$16,752 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 | \$1,396 |
| Total Expenses | \$410,580 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 | \$34,215 |
| Income - Expenses = Surplus (Deficit) | -\$38,052 | -\$1,423 | -\$1,373 | -\$1,973 | -\$1,993 | -\$2,433 | -\$5,023 | -\$5,548 | -\$5,913 | -\$3,836 | -\$3,538 | -\$3,028 | -\$1,971 |

New – Cash Flow Budget

104

Monthly Deficit – Cash Flow Budget

