



Inspiring Budgets

Connect givers to the mission they value.

When people ask you about your church, what do you tell them? Do you talk about how much it costs to heat the building? Or what percentage of the budget is spent on youth ministry? No! You tell them about your friends, about your favorite parts of worship, about the community gatherings, or about the ministries that mean the most to you. A narrative budget (or mission spending plan) tells this story — it touches your givers personally, connecting them to what they love best about your church and its work in the world.

Narratives inspire giving

Around annual campaign time in most churches, the finance committee distributes the line-item budget and hopes people will give enough to pay the bills. While a standard page-of-numbers document may be great for church financial management, that black & white document offers little inspiration to potential givers.

Narrative budgets tell your church's story in pictures and text, reminding people of the relationships and programs that mean so much to them, and moving them toward support of the ministries they value.

Narratives don't replace financials

The usual page-of-numbers budget is great for management — but does it make you smile? Just like you don't mow the lawn with hedge clippers, you don't inspire giving by focusing on the bills. A narrative budget has its place *alongside* the traditional financial documents that the finance committee or church council use to manage the church's day-to-day operations. They are complementary, each with its own job to do.

Narratives may be more accurate

Because narrative budgets divide costs across ministry areas, they actually reflect the cost of a given ministry more accurately than a traditional budget. Your church's worship budget, for instance, probably doesn't take into account the amount of staff time that goes into preparing for worship — that's on a separate line! *CONTINUED*

A SNAPSHOT

- Above all, a narrative budget (or mission spending plan) tells the story of your church's mission & ministry. Use lots of pictures, bullet-point lists & graphs — but as few numbers as possible.
- What images come to mind when you think of your church? What ministries mean the most to your people? This is the story you want your budget to tell!
- Narrative budgets are designed to inspire giving. They complement and supplement line-item budgets — they don't replace classic management budgets.
- To see and download examples of different narrative budgets, visit the *Learn* section on the Cornerstone Fund website.

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But a narrative budget divides staff time, even administrative costs, across your ministries and ultimately reflects the true cost of ministry with even greater accuracy.

Narrative budgets are flexible

With a narrative budget, you tell a story, which gives you the opportunity to highlight areas that need special focus. Have an outreach program that's new to the budget? A narrative lets you say more about it. Want to celebrate the volunteer hours that make your church successful? In a narrative budget, you can do that with words and photos. You can be as creative as you want to be. The idea is to inspire potential donors!

To create a narrative budget, gather a small group of leaders who can think creatively, and start to tell your story —

1. Set your frame with categories

Frame your story with four to six categories, arranging your choices:

- by ministry areas: worship, education, pastoral care, youth, mission
- by goals: building faith, reaching out, working for justice
- around your mission statement
- using a combination of categories

Active words are better — instead of a churchy category like *Christian Education*, how about *Building Believers*?

2. Assign expenses to categories

A category like *Building Believers* might combine expenses associated

with Christian education, pastoral care, youth ministry and more. Your frame will determine how you allocate costs.

- Feel free to divide costs among different categories. The pastor's salary, for instance, might be divided between worship, education, pastoral care and administration — allocations that actually reflect the cost of ministry more accurately than one number lumped under Personnel (or worse, under Administration).
- Ask the pastor to estimate the percentage of his/her work that applies to each of your frame's categories. Combine the salary, housing and fringe benefits into one total compensation amount.
- Follow a similar procedure with other staff compensation and even with office expenses like postage and internet costs. Eliminate the catch-all Administration category by dividing costs so that each category in your frame includes its fair share of general/admin costs.
- Instead of a separate Building & Grounds category, consider spreading facilities costs among other categories like Worship or Christian Education, estimating what percentages of facilities costs can be attributed to those ministries and categories.

3. Tell the story lots of ways

Some people love photos of their church friends (be sure to include the grumpy people, too!). Others like bullet-point lists. Still others prefer pie charts and graphs. Your narrative budget offers a great opportunity to describe each category using a range of appeals. You're limited only by your imagination!



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