

5 Steps to Effective Budgeting

"We didn't actually overspend our budget. The allocation simply fell short of our expenditure." – Keith Davis

Step 1 – Remember the Money is Not Yours

The most important thing to remember when it comes to budgeting for your youth ministry is that the money is not yours. You are a steward of God's money. Your ministry is responsible for investing that money wisely into endeavors that produce dividends or fruit for God's kingdom.

Some youth ministers look at their budget like the loaves and the fishes. They believe they need a miracle to feed the masses or fund their ministry. A more appropriate way to look at budgeting is to think of it like the talents parable. God has given you 1, 2, 5, or even 10 talents to invest in the lives of young people.

As you begin the budgeting process take time by yourself or with your team to pray. Keep in mind that members have sacrificed and given of their resources trusting that your ministry will be good stewards. Ask yourself what is necessary and critical to our ministry. Being attentive to the spiritual aspect of stewardship will allow God to be at work.

Step 2 – Understand the System

The second most important thing you need to know when budgeting is how the budget works at your church. You need to have a clear understanding of what portions of the budget you are responsible for. You need to know the budget approval process. Does your budget go directly to the finance committee or is your budget apart of the Christian Education budget and needs to go through that committee first? Understanding the system is essential to ensure that you receive the funding you need. Here are some questions to keep in mind:

- What line items affect the youth ministry budget?
- Are all youth ministry dollars located under the youth ministry programming lines or are they spread out and youth missions are under the church missions' budget?
- Do you need to budget for office expenses like paper, printer ink, etc. or is that covered under another line?
- Are you responsible for raising any of the budgeted money through fundraisers? (See [Step 5](#))
- Are there any designated or memorial funds available to the youth ministry? What can they be used for?
- Is there money available for volunteer training or continuing educational training for you or do you need to budget for those things?
- How is the budget approved? Will you have the opportunity to present your need? If the stewardship campaign does not fund the entire proposed budget, how are decisions made about what gets funded?

Step 3 – Know What You are Doing

Church budgets that put down arbitrary numbers for ministries are usually neither effective nor realistic. There is no reason that your youth ministry should not know what it is doing for the next twelve to eighteen months. Plan ahead and build the budget from detailed estimates for each event and mission trip. Finance committees and supervisors respond to well thought through budgets.

To develop the event portions of your budget, follow these steps:

Determine the cost for each event including the cost of registration, transportation, food, and any other related costs.

Determine the maximum number of people who can participate in each event.

Determine what the amount each youth will be responsible for.

Determine how many adults you will need and whether you will pay their expenses.

How much if any of the cost of the event/trip will be raised through fundraisers and which one?

Here are a couple of sample event budgets:

Mission Trip Individual Cost:

\$225 registration (includes food)
\$25 bus transportation
\$25 rafting costs
40 people x \$275 = \$11,000
Charge Youth \$125 x 34 = \$4250
6 Adults cost covered
Budget = \$4250
Fundraise = \$2500 @ Spring Kidsale

Lock-In:

Food = \$250 (\$5 per person)
Game Supplies = \$150
Total Cost = \$400
Cost per person = \$10 for 40 youth
Charge youth \$5
Budget = \$200

Step 4 – Know What You Need

In addition to funding for events and mission trips, you need to plan for other programming expenses for your ministry. Just like the events area having a well thought out budget will show your commitment and intentionality to being a good steward. Here are the most common categories youth ministers need to consider in their budget:

Programming – This category is used for supplies for regular programs like youth group and Bible studies. Do not forget money for messy game supplies.

Curriculum – Do you need new curriculum for Sunday School, Small Groups, or Bible Study?

Volunteer Training and Appreciation – Will you take your volunteers to a training event this year? Volunteer gifts and appreciation dinners are part of the ministry. They should come from the church budget not yours!

Technology – Do you need new software or video equipment? Be careful to follow the need not want stewardship rule here.

Communication – Do you need to budget for the youth website? What about printing costs for newsletters or brochures? Do not forget the stamps.

Step 5 – Fundraising

Each church deals with fundraising a little differently. Some churches have no fundraisers and if you are at one of those churches consider yourself blessed. Most youth ministries raise some portion of their youth ministry budget. Some churches budget the income from these fundraisers as a part of the expected income. Others do not budget income from fundraisers in the budget, but instead expect the youth ministry to determine how to use raised funds. You must know how this operates at your church. If your church budgets fundraisers as income, then you may be held responsible for raising a certain dollar amount.

Knowing how much you will need to fundraise is an important part of the budgeting process. Be sure to use realistic figures so that you can accomplish your goals.

Other Budgeting Tips

- Pray for Wisdom.
- Start Early.
- Look at last year's budget to see where you overspent and underspent.
- Get help. After making a draft, get someone to look at it with you and double check your math.
- If you do not get to present your budget to the finance committee, ask for a meeting with the chair or another member to explain the ministry's needs.
- Does your church have a scholarship fund for students who can't afford trips? You might start one or budget some scholarship money.
- Did you only budget items that are necessary?
- Need a new computer? Is there a staff technology budget where it can come from?

Ways to Save:

- Reuse and Recycle – Curriculum, supplies, and materials from previous years often can be used again.
- Share – Most youth ministers complain about the lack of space and resources. Your church has tons of space and lots of resources. Train your mind to consider how you might use all the church has for your ministry and share your resources with other ministry areas.
- Joint Ventures – Work with other churches to host joint events and share the costs.
- Borrow – Need a sound system, need VBS materials, then borrow them from the church that has them.
- Buy Used– There are lots of great computers, projectors, and sound systems that are sitting in someone else's closet. Additionally, there are plenty for sale online.

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