

# The Budget is the Plan

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Aligning Strategy, Spending, & Stewardship



WELS NATIONAL CONFERENCE ON  
**LUTHERAN LEADERSHIP**



## Accounting That Equips Ministry



**Janet J. Egan, CPA**

At Egan Financial Services, we believe accounting is more than numbers — **it's stewardship.**

We come alongside ministries and nonprofit organizations with clarity, integrity, and financial insight so you can focus on serving your community with confidence.



### Churches

Confident financial management to help your ministry grow with stability.



### Nonprofits

Clear reporting and compliance so you can direct more resources towards your mission.



### Christian Organizations

Faith-aligned financial support from a team that understands the unique needs of ministry operations.



## Mission Focused Budgeting

- Treats budgeting as a **prayerful practice**, not just an administrative task
- Encourages **faithful stewardship** through intentional planning
  - Reflects the church's **values, priorities, and vision**
    - Translates **faith into action through** wise resource usage
  - Recognizes that **every budget line reflects a ministry choice**
- Invites leaders to **narrate the budget in ministry terms**, not numbers
- Aligns spending decisions with **what matters most to your mission**

Set-and-Forget Budgets



Unrealistic Giving Assumptions



Miscellaneous Categories



Unclear Line Items



Siloed Planning



# Common Challenges



# Budgeting Basics

## Common Budgeting Approaches

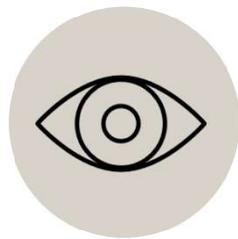
- Incremental budgeting
- Zero-based budgeting
- Program-based budgeting
- Mission-based budgeting

## Process Best Practices

- Consistent chart of accounts
- Timely posting of transactions
- Monthly reconciliations and timely reporting
- Clear, written financial policies

## Budgeting Phases

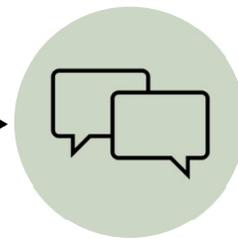
*(assuming June 30<sup>th</sup> fiscal year end)*



Visioning  
*(Jan – Feb)*



Development  
*(Mar – Apr)*



Implementation  
*(May – Jun)*



Monitoring  
*(Jul – Dec)*

# Visioning

## *Turning Vision into Ministry Plans*

- Engage each functional ministry area in planning conversations
- Identify clear ministry goals before assigning numbers
- Look 3-5 years ahead to support sustainable growth
- Connect goals to resources through collaborative planning



# Development

## *Revenue Assumptions and Projections*

- Ground projections in historical giving and trends
- Consider known changes in attendance, enrollment or pledges
- Use realistic assumptions, not best-case scenarios
- Assumptions should not be considered locked for the year



# Development

## *Staffing and Personnel Costs*

- Align staffing levels with ministry priorities and goals
- Account for salaries, benefits and payroll-related costs
- Consider sustainability over a 3-5 year horizon
- Recognize staff as both a resource and responsibility



# Development

## *Ministry and Program Expenses*

- Tie expense directly to defined ministry goals
- Distinguish between core ministries and optional programs
- Identify opportunities for efficiency and stewardship
- Treat operations as support for ministry, not the mission itself



# Development

## *Facilities, Reserves, and Other Obligations*

- Plan for ongoing maintenance and capital needs
- Avoid deferring repairs that increase future costs
- Build and protect appropriate financial reserves
- Support long-term ministry stability and flexibility
- Restricted or special fund considerations





# Implementation

## *Review, Refinement, and Approvals*

- Communicate finances in clear, understandable language
- Connect financial updates to ministry impact and mission
- Share information consistently, not only when there's a concern
- Be transparent about challenges as well as progress
- Instill confidence through clarity, transparency and follow-through

# Monitoring

## *Staying on Course Throughout the Year*

- Ensure accounting leadership is well-versed in the budget and assumptions
- Review financial results monthly
- Compare actual results to budget and discuss meaningful variances
- Update forecasts as conditions change
- Communicate significant changes clearly and timely



## Key Takeaways

- A thoughtful budget begins with **vision and ministry goals**
- Every line items reflects a **choice about mission and priorities**
- Strong accounting practices supports **faithful stewardship**
- Ongoing review and clear communication builds **trust and confidence**
- When aligned with mission, the budget becomes a **tool for impact**



# Let's Continue the Conversation

Website



Survey



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