

Tabernacle Baptist Church
Proposed Contributions & Expenditure Ministry Plan
Fiscal Year 2021-2022
August 24, 2021

The proposed **Contributions & Expenditure Ministry Plan** has been developed by the Finance Committee and church staff with input from ministry lay leaders, the Missions Partnerships Council, and the Properties and Personnel Committees. The proposed plan has been reviewed and approved by the Deacon Administrative Council and deacon body and is presented to the church for consideration.

Funding ministry and missions priorities as well as providing funding for ongoing operations, maintenance and personnel is the basis for the proposed Contributions & Expenditure Plan. In addition, certain reserves will continue to be maintained to provide funds for unexpected major repairs or projects as well as to provide ministry funds in the event of fluctuations in giving.

The proposed plan will be published weekly in the Tidings beginning August 24. Members are encouraged to contact the Finance Committee with any questions or suggestions at any time, and are encouraged to attend a September 12 called church conference for the purpose of discussing the plan and considering any suggested modifications. Upon request, members of the Finance Committee will visit Sunday School classes to briefly discuss plan highlights and answer any questions, similar to the way members of the Envisioning Transformation Planning Team visited classrooms leading up to the vote on that major project.

Following the September 12 called church conference, the final plan will be published in the Tidings on September 14 and 21 along with the announcement that the plan will be voted upon without discussion following the worship service on September 26.

Finance Committee Members: Eddie Adams, Chad Campbell, Janis Lee, Joe Murrah, Shawn O'Neal, Dana Spivey.

Ministry Focus
Dr. Stephen Allen

As we enter the new fiscal year, we recognize the importance of prioritizing ministry that will energize the congregation into a fully vibrant expression of faith. After weathering the COVID storm for the past year and a half, we are well poised to regather and engage our community with greater ministry focus, clearer congregational identity, and deeper spiritual intentionality. From a ministry perspective, changes to the expenditure plan focus on opportunities that will catalyze areas that atrophied during the pandemic and deepen purposeful initiatives that have already emerged over the past year. Maintaining a realistic expectation of matching expenditures to actual tithes and offering, there were equitable reductions made in ministry expenses across all areas. All of these

were made with an understanding that ministry success is more dependent on relational capital rather than financial means for the progress of ministry. Conversely, the increase expenditure in the outreach area reflects our conviction that outward action best reinforces inward formation. There is a deep need for the congregation to focus more outwardly as a means for envisioning and fulfilling the Great Commission.

Contributions & Expenditure Ministry Plan Summary

While the traditional account detail format is also included, the following provides a summary of the plan. The first column is the proposed C&E Plan and the last column is a comparison of the plan to the current fiscal year projected actual. In reviewing the information please note the following:

- (1) 2020-2021 is estimated based upon the actual year to date gifts and expenditures and a projection for the months remaining in this fiscal year. This column reflects the change in contributions and expenditures when comparing the F/Y 2021-2022 plan to the current year projected actual.
- (2) The 2020-2021 actual Media & Communications spending includes project expenditures. Such project expenditures will be included in the Major Projects Plan in F/Y 2021-2022. Excluding these projects in the current year would reduce Ministry expenditures to \$200,045 such that the 2021-2022 plan of \$237,950 would actually be an increase of \$37,905 in comparable spending.
- (3) In addition to Outreach (missions) funded through the Contributions & Expenditure Plan, the church will support the following via *solicited designated giving initiatives and (goals)*: Lottie Moon (\$40,000), Annie Armstrong (\$20,000), plus other designated gifts to other ministries such as the Christmas Store and the Backpack Ministry. Total Outreach is expected to be more than 12% of total expenditures.
- (4) The church is moving to a contract service provider of housekeeping services. That expense has been removed from the Personnel budget and reclassified consistent with how other contracted services are reported. Previously janitorial personnel were employees of the church.
- (5) The Personnel budget reflects the reclassification of janitorial noted above as well the addition of the Youth Pastor and Operations Manager.

Per the church Financial Procedures, the Finance Committee and Senior Pastor, in consultation with those with budget responsibility for the affected ministry area, may, with the approval of the Deacon Administrative Council, reassign funds from budgeted line items to cover other ministry expenses so long as the overall amount budgeted for that ministry area is not exceeded. This provision is presented as a part of the Contributions & Expenditure Plan for church approval and authorization.

Contributions & Expenditure Plan Summary - F/Y 2021-2022					
Giving Categories:	2021-2022 Plan	%	2020-2021 Plan	vs. 2020-2021 Plan	vs. 2020-2021 Projected (1)
Unrestricted Giving	\$ 1,449,290		\$ 1,481,580	\$ (32,290)	\$ 30,020
Budgeted Missions	\$ 23,500		\$ 30,000	\$ (6,500)	\$ 1,223
	\$ 1,472,790		\$ 1,511,580	\$ (38,790)	\$ 31,243
				-2.6%	2.2%
Expenditures:					
Discipleship	\$ 28,150		\$ 31,250	\$ (3,100)	\$ 15,175
Student	\$ 13,950		\$ 15,100	\$ (1,150)	\$ 3,794
Children	\$ 20,850		\$ 25,100	\$ (4,250)	\$ 13,305
Pastoral	\$ 11,450		\$ 13,000	\$ (1,550)	\$ (2,150)
Music & Worship:	\$ 37,050		\$ 35,000	\$ 2,050	\$ 2,609
Media & Communication (2)	\$ 26,500		\$ 74,200	\$ (47,700)	\$ (46,665)
Administrative	\$ 100,000		\$ 107,000	\$ (7,000)	\$ 1,837
Total Ministry	\$ 237,950	16.2%	\$ 300,650	\$ (62,700)	\$ (12,095)
				-20.9%	-4.8%
Outreach - Missions (3)	\$ 120,840	8.2%	\$ 106,640	\$ 14,200	\$ 16,516
				13.3%	15.8%
Operations & Maintenance (4)	\$ 276,060	18.7%	\$ 224,650	\$ 51,410	\$ 64,942
				22.9%	30.8%
Personnel (5))	\$ 837,940	56.9%	\$ 879,640	\$ (41,700)	\$ 17,457
				-4.7%	2.1%
Total	\$ 1,472,790	100.0%	\$ 1,511,580	\$ (38,790)	\$ 86,820
				-2.6%	6.3%

Major Projects Plan

With the completion of several major projects in recent years, many of the needs in our nearly 37-year-old facility are being addressed. With major upgrades to the HVAC system, new and expanded AV capabilities and the renovations that were part of the Envisioning Transformation project, much has been done to catch up on deferred maintenance and to better position the facility to carry out the ministries of the church in the years ahead. However, while much has been done, there are several items that remain that will need to be addressed within the next few years.

Going forward, annually a Major Projects Plan will be developed and prioritized by the Church Council in consultation with the Properties and Finance Committees and communicated to the church along with, but separate from, the annual Contributions & Expenditure plan. The Major Projects Plan will include those non-recurring items not typically included in the Contributions & Expenditure Plan.

Funding for such projects will be provided through a solicited designated giving initiative and possibly other funding sources when available. Projects will be included that may reasonably be expected to be funded through designated gifts above and beyond usual unrestricted giving levels within the current fiscal year.

The following major projects have been prioritized for completion in fiscal year 2021-2022. Priorities may be adjusted based upon actual funding availability.

<u>Project Title</u>	<u>Cost Estimate</u>
Third Floor Renovation (flooring, painting, restrooms, equipment)	\$137,500
Worship Center Renovation Evaluation (Paragon scoping proposal)	15,000
Fellowship Hall (serving room renovation, chairs, equipment)	134,500
Outside Projects (cameras, landscaping, drainage, steeple repairs)	48,500
Worship Center Equipment (lighting, projection)	20,500
TLC Gym Equipment (sound, projection)	<u>27,000</u>
	\$383,000

Funding Sources

The church is grateful for the faithful and generous giving by the membership in providing the funds that allow Tabernacle to carry out her ministry. There are several ways in which funds are given.

Unrestricted Gifts

The annual Contributions & Expenditure Plan is the church unified ministry budget and is the primary source of funding support of mission and ministry programs of the church. *It is suggested that gifts in support of the annual plan be prioritized over any designated giving.*

Solicited Designated Gifts

Church wide solicited designated gifts are restricted to use for specified purposes. Examples include Envisioning Transformation, the capital campaign for building renovation, and missions giving such as the Annie Armstrong and Lottie Moon offerings. The Major Projects Plan is to be funded through solicited designated giving.

Support of solicited designated gifts should be above and beyond gifts usually given in support of the annual Contributions & Expenditure Plan.

Other Designated Gifts

The Finance Committee seeks to fully fund all ministry efforts of Tabernacle Baptist Church through the annual Contributions & Expenditure Plan. *Therefore, it is our desire that discretionary gifts be designated for specific ministry line items contained in the plan and only as rare exceptions. It is preferred that tithes and offerings be unrestricted gifts.*

In the circumstances that a donor gives funds restricted for use, as specified by the donor, or gifts exceeding normal giving, such as estate gifts, then the church may designate those monies or investments for specific use. *It is suggested that designated gifts should be above and beyond an individual's tithe and offering given in support of the annual Contributions & Expenditure Plan.*

Reserve Accounts

The church maintains reserve accounts in which funds are set aside as a contingency for unexpected expenses, fluctuations in giving and unplanned ministry opportunities. Although these accounts are not reflected in the annual Contributions & Expenditures Plan since they are carried as balance sheet items, they are important and provide a degree of protection against unexpected expense and fluctuations in giving. Currently the following reserves are funded to the target levels.

Operating Reserve

The Operating Reserve provides funds to meet planned expenditures when current cash flow is insufficient to cover expenses that have been budgeted for in the annual Contributions & Expenditure Plan. Approximately 80% of planned expenditures are

considered fixed or relatively fixed expenses assuming ongoing operation of the church. The target level for the Operating Reserve is the equivalent of the total of the annual expenditure plan divided by 12.

When funds of the Operating Reserve must be used to cover a shortfall, those funds will be replaced on a priority basis at the discretion of the Finance Committee from future cash flow when income exceeds near-term projected expenditures.

Facilities & Equipment Reserve (formerly the Capital Reserve)

A Facilities & Equipment Reserve account will be maintained at all times with the funding target level established annually by the Finance Committee. The Facilities & Equipment Reserve for the current fiscal year is \$100,000 minimum. When funds from this reserve are used, they will be replaced on a priority basis when cash flow exceeds near term projected expenditures and the Operating Reserve is funded to its target level. While the use of the Facilities & Equipment Reserve may, with the approval of the Finance Committee, be used to supplement expenditures contained in the annual Contributions & Expenditure Plan, its intended use is to provide funding for significant, unforeseen items including, for example, major repairs, equipment replacement, and upgrades. Parties responsible for qualifying areas may request use of these funds from the Church Council in consultation with the Finance Committee.

In the event that funding needs exceed availability, the Senior Pastor and the chairs of the Deacon Administrative Council and Finance Committee will determine spending priority.

Ministry Reserve

The Ministry Reserve is an account set aside to cover unforeseen ministry opportunities that are not included in the annual Contributions & Expenditure Plan. The Contributions & Expenditure Plan should include those ministries that the church supports on an ongoing basis. The Ministry Reserve should not be used to supplement budgeted ministries, but may be, at the discretion of the Church Council in consultation with the Finance Committee. The Operating Reserve is intended to cover budget shortfall.

The amount held in the Ministry Reserve should be established annually as a part of the financial planning process. When this fund is exhausted, it will not be replenished until the next fiscal year. Available Ministry Reserve funds may be used at the discretion of the Church Council and the Senior Pastor. The Ministry Reserve for the current fiscal year is \$30,000.

