

Budget Benchmarks, Remedies and Tips

In addition to helping parishes finance their building projects, CFC meets with parishes to help them address budgeting issues. In the course of this work, here are two recent budget tips passed along to us.

Setting three benchmarks. We met with a parish whose claim to budgeting fame is threefold.

- First, they pay their people above market salaries to ensure their versatility in multiple roles.
- Second, they set their expenses at 90% of projected revenues to preserve the integrity of their programs and the employment of their people. In the event revenues come in at or above projections, the parish uses the surplus to prepay its debt.
- Finally, the parish limits personnel expenses to 33% of total budget.

Covering a shortfall. Another parish tells us they had anticipated an 8% growth in revenues for the 2002-03 fiscal year. Midway through the year, they began seeing a decrease in revenues and it appeared as though they would finish the year in the red. The pastor immediately communicated this situation to his parishioners. They responded, and the parish finished the year with a 6.5% growth in revenues.

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