

CFC Collaborating with Parish Staffs on Budgets

Since September of 2006, Catholic Finance Corporation has been asked to participate with 16 different parishes as they craft their budgets. Some of the assistance we have been giving revolves around budgeting for a specific project that is being contemplated. However, most of our engagements in this area concern the desire of parishes to address a combination of challenges and opportunities that they are currently facing.

Some of the elements that we are seeing that are common to many parishes at this time include:

- Declining Sunday contributions
- Declining enrollment in their school
- The combined effect of increasing expenses and an existing debt load
- Increased focus on beginning to plan for future “big ticket” and ongoing maintenance items
- A stronger interest in refining the accuracy of revenue and expense forecasts relative to historic trends

Generally, it is best to take a long view when discussing these types of issues within a budget framework. By studying past trends and developing sound assumptions for future projections we are able to more effectively predict how a decision made today will affect parish finances several years into the future. This is particularly important when there are a larger number of budget variables.

CFC has developed a long-term financial model that assists in this process. We have found it to be extremely helpful by showing the various effects of different decisions, as well as focusing discussion on areas that prove to be problematic. In addition, the model can serve as an excellent road map for future financial planning.