

Ten Reasons It Is a Bad Idea to Operate Without a Budget

A church budget is a **roadmap to help make planning your expenses easier**. Many churches take a “use it or lose it” stance on money, trusting God to provide more when it's needed. Though trusting in God to bless us is important, we still need to put forth effort on our own to think ahead.

[Ten Reasons You Need a Church Budget - Sharefaith Magazine](#)

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I once read a personal finance guru who said that people don't need budgets. They just need to make more money. I'm doubtful of his advice. There is one thing I'm pretty sure of: your church needs a budget. Unfortunately, some church leaders run the church finances like they run their personal finances...with no budget in sight. There are ten reasons that this is (to put it gently) a very bad idea.

Maybe your church has a “budget,” but what does it look like? A half-completed Excel spreadsheet on someone's personal computer? An envelope stuffed with receipts dating back to 2007? Some figures jotted on the back of a church bulletin? If that's the case, this is for you, too.

1. **You are paralyzed whenever you are faced with a spending choice.** When you don't know what's supposed to happen to your money, you can't spend correctly.
2. **You develop liability for fraud.** Financial fraud is, quite simply, being deceptive with money. You may not be intentionally deceiving anyone with the money, but if there are no books to record financial information, you're automatically open to charges of fraud.
3. **You have no plan for saving, thus putting your local church at considerable financial risk.** A budget is intended to keep a church from careening off a financial precipice. Unless you have the protection of a budget, you could suddenly find your church in big money trouble.
4. **You have no plan for regulating church spending.** This can lead to overspending, binge spending, unnecessary hoarding, and a ton of stress.
5. **You run the risk of mismanaged money and irate givers.** When people give money to the church, they expect that money to be handled in a responsible way. If the money is not being handled responsibly, those givers may just be incensed and quit giving.
6. **You place yourself and others in a position of temptation.** When the finances are in disarray, it's much easier to steal church funds. That means that someone could be faced with the temptation to overspend, “borrow,” or even take some money – a first step and, if undetected, could develop into even more. If you are a church leader in a church with no budget—even if you're as honest as can be—people will begin to question you.
7. **You are wasting money without a budget.** One reason to have a budget is to find out where your financial leaks are. Most churches are wasting money in some way or another. Possessing a budget enables you to spot the leaks and plug them up.
8. **You have no plan in place for when finances increase.** It's every pastor's dream—increased giving! A church with more funds is able to do more. But without a budget, what are you going to do? You are paralyzed by indecision. A budget makes things so much easier. And, as little word of advice, you don't have to have a lot of money to need a church budget.
9. **You are unable to strategically analyze your local church's mission and vision.** The way a local church spends its money indicates its mission. Unless you have a clear purpose and plan for spending, you are compromising the church's ability to communicate with intentionality and effectiveness.

10. **Your church business meetings are awful experience. Wild church business meetings are the stuff of legend.** Want to see a really bad church business meeting? Try one with no budget. Someone is going to get upset. Someone is going to lose their temper. Someone is going to leave the church. Something bad will happen.

Need help in drawing up a budget? You may have someone in your church who can help. Or, with a bit of learning, you can create your own budget using some inexpensive software.

Ramsey Solutions – (Dave Ramsey)

Whether for a single person, married couple, or church family—a healthy budget is a must for any financial plan. A budget is your roadmap, and it makes life easier.

Many churches today take a “use it or lose it” stance on money in the name of trusting God to provide more when it’s needed. But **even though we trust that God will bless us, we need to have a plan!** Proverbs 27:23 reminds us: “Be sure you know the condition of your flocks; give careful attention to your herds.”

Make your plan on paper, on purpose before the month begins. Let’s take a look at what that plan needs to include to be as effective as possible for a church.

Building Your Budget

To build [a healthy church budget](#), ensure that these things are true from the get-go:

- The budget’s priorities reflect the church [mission statement](#).
- It’s based on projected income, not just the past.
- It includes a spending plan.
- Leadership agrees on the plan.
- The plan is communicated clearly to all involved.

The budget won’t work perfectly the first quarter. No one’s does! That’s why you need to put a review process in place to keep it functional and realistic.