

# FINANCIAL FORUM REIMAGINED

by *Monica Nolan, Executive Director*

If your eyes glaze over when you hear the word “fiscal,” or you’ve never dreamed of (and perhaps even dreaded) attending a financial forum, or you’ve uttered something in the realm of “we are a congregation, not a business,” then our upcoming opportunities for financial reflection and conversation might be for you. The June events are also for the finance experts and those with a special affinity for balanced budgets.

Dan Hotchkiss, church governance expert and author, shares in his article, “Green Eyeshades and Rose-Colored Glasses,” a somewhat humorous description of two distinct financial orientations, provides suggestions for avoiding divisiveness, and how to create budgets that comply with policies, accomplish the vision, and transform lives. Together, we’ll explore where you and our community fall on this spectrum of green and rose-colored perceptions and how it impacts our success in embodying our principles.

Our annual Financial Forum will be unlike years past, as we embody our Vision of Ministry call to practice adaptability, nurture community, and dismantle systems of oppression. At the end of May, a “FUS Financial Reflection” YouTube video will be made available for viewing at your convenience. Watch your inbox for more information. Instead of a 45-minute Zoom presentation, in which my cat attempts to implement his long-planned scheme to become an internet sensation live, my rural internet proves just how archaic it truly is, and my toddler may or may not sing “Puff the Magic Dragon” for 30 minutes at truly terrifying decibels, we’ve planned a hybrid between a traditional worship service and a financial forum. We’ll strive to provide food for thought, as well as relevant year-to-date financial information and an introduction to the proposed 2021-2022 budget. In addition to a reading from “Green Eyeshades and Rose-Colored Glasses,” we’ll explore the question, “how much is enough?” And we’ll look at our proposed budget as the moral document that it is—inviting you to consider what our budget says about us, our purpose, mission, vision, priorities, and principles.



*Monica*

We hope the “FUS Financial Reflection” will stir you before we gather together via Zoom, on Sunday, June 6, at 11 am. After a brief recap of the reflection questions presented in the video, we’ll break into small groups and discuss these topics and practice our active listening and curiosity skills. Facilitators will note comments which aren’t expressly communicated as confidential and will share with the larger group the themes and diverse opinions shared. The board and staff leadership team will review these notes during its meeting on Wednesday, June 9. Frequently asked questions and requests for budget modifications will be compiled, responded to, and made available before the June 13 Parish Meeting when we vote on our 2021-2022 budget.

I strongly encourage you to join us for these opportunities to listen and engage in thoughtful, ethical conversation around our fiscal orientations, thresholds for financial risk and pursuit of security, and perceptions around how we use our resources to be a force for good in the world. Though we may not have the culinary gifts of the Food Haulers to entice your attendance, there will be music, thoughtful readings and reflections, good conversation, and dare I say, even a little bit of fun.



## Green Eyeshades and Rose-Colored Glasses

Posted on May 20, 2009 by Alban

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Congregational budget-makers frequently divide into two camps that approach the task in different ways. The first camp is likely to include children of the Great Depression, experts in finance, elementary school teachers, and persons anxious about their own money situation. Their first priority is to make sure that the budget balances and that the congregation makes no plans or commitments it is less than 100 percent certain it can meet. They squint over budget sheets like bookkeepers of old with their bright lamps and shoulder garters—I call this camp the Green Eyeshades.

The second camp typically includes young clergy, upscale decorators, Baby Boomers, college professors, and commission salespeople. They firmly believe that with God (or even without God) all things are possible. They say, “We are a congregation, not a business.” This camp can be identified at budget meetings mostly by their absence. When shanghaied into talking about money, they glaze over. Staring at a distant sunrise, they float over the surface of numerical reality—I call them the Rose-Colored Glasses.

The division between the Eyeshades and the Glasses is as old as Mary and Martha, Moses and Aaron, Job and Job’s wife. It is as deeply rooted in our culture as the duality of secular and sacred, temporal and spiritual. There is nothing wrong with it, so long as people see themselves as members of one team and value one another’s contributions. But too often, the division becomes rigid—one group always thinks of ways to spend more money; the other always says we can’t afford it. It certainly forms part of the tension between clergy called to transform lives and boards elected to control purse strings—especially when they understand their roles that way.

The budget process often sets up friction between the Glasses and the Eyeshades. Typically the word goes out for each program unit to request a budget for next year. Knowing how

these things work, program committees (full of rosy thinkers) ask for more than they expect and then some. A finance committee (strapping on their eyeshades) puts all of the requests onto a spreadsheet as a “dream budget.” Usually even the dream budget gets trimmed quite a bit, making it resemble the Green Eyeshades’ own, fiscally-sound dreams.

The fund drive naturally falls short of the “dream” goal. How could it not? Calling a goal a dream almost guarantees that you’ll fall short. The finance committee sharpens its pencils and begins grinding the dream down to a practical nub.

The program people rise up, asking “How can we say we can’t afford what God has called us to accomplish?” The finance people answer, “Good stewards live within their means.” The Green Eyeshades with their pencils and their spreadsheets go to battle with the Rose-Colored Glasses, armed with blunt-end scissors, opera glasses, and pink feathers. It is not a pretty picture.

Sometimes the Roses win the day until they’ve run up deficits and the Greens come like an exasperated crew of parents to clean up after them. If the Greens win too consistently, the Roses trade their glasses in for blinders and quit dreaming. Sad.

Nothing can do away with the division between Green and Rose; it is too deeply rooted in the temperaments and histories of the players. But if we can’t change human nature, we can at least stop setting up the budget process to bring out the worst in us. Here is a budget process that can help narrow the divide:

Instead of starting by inviting program units to submit budget requests to the finance committee, this process begins with the governing board. Their first task each year is to define not a budget but a statement: A Vision of Ministry. The Vision is a short list of the new and different ways this congregation plans to transform lives over the next one to three years.

Why a short list? Because if you have a long list of priorities, they are not priorities! The fact that something does not make the list does not mean that it won’t happen. The Vision is a short list of things the board means to accomplish no matter what. While creating it, the board will bank a number of ideas for the future: pieces of a long-term vision to which the board is not prepared to make an iron-clad commitment this year.

The board may create the Vision by itself. Or, better, it may ask a varied group, including staff and clergy, to join them in creating a statement for the board to authorize. The Vision of Ministry confronts directly the question that most budget debates are about indirectly: What aspects of our mission will be our top priorities?

The board votes a new Vision of Ministry each year. It also adopts, and less frequently revises, written Budget Policies defining the core principles that will guide budgeting each year.

The principles will likely include fair compensation, adequate building maintenance, a financial audit, adequate insurance, and a strong mandate to maintain high standards of health, safety, and accessibility.

After the board adopts the Vision of Ministry and the Budget Policies, these form the basis for the annual call for budget proposals from the program units. The request is not for a “dream” budget but for a budget that will accomplish the Vision and comply with the Policies. The board, not a finance committee of Green Eyeshades, determines the actual proposed budget.

The annual fund drive, then, communicates the Vision of Ministry over and over again. Contributors are asked for amounts which, if about half of them say “yes,” will make the Vision possible. The board, clergy, and staff make it clear that the Vision is not something the congregation plans to shoot for but that it intends to accomplish. Year after year, the people learn that when this congregation asks for gifts, it means it. If they give what is asked, the results promised come to pass. Over time the fund drive becomes easier, more pleasant, and more popular.

One reason for this is that the division between Green Eyeshades and Rose-Colored Glasses, while it never goes away, is addressed in creating the Vision of Ministry. The fund drive comes, not in the middle of the argument, but after it has been resolved.

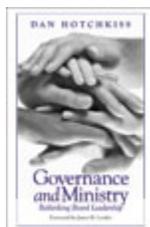
**Comment on this article on the [Alban Roundtable blog](#)**

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Dan Hotchkiss is a senior consultant at the Alban Institute. “Green Eyeshades and Rose-Colored Glasses” originally appeared in the April 2006 issue of *Clergy Journal* ([www.logosproductions.com](http://www.logosproductions.com)) and is reprinted with permission.

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## FEATURED RESOURCES



[Governance and Ministry:  
Rethinking Board Leadership](#)

**by Dan Hotchkiss**

In *Governance and Ministry*, Alban Institute senior consultant Dan Hotchkiss offers congregational leaders a roadmap and tools for changing the way boards and clergy work together to lead congregations. Hotchkiss demonstrates that the right governance model is the one that best enables a congregation to fulfill its mission—to achieve both the outward results and the inward quality of life to which it is called.



**Proposed Operating Budget for 2021-2022**

	<b>21-22 Budget</b>	<b>20-21 Budget</b>	<b>Variance</b>
<b>Income</b>			
Pledge Payments	\$1,092,295	\$1,109,656	(\$17,361)
Rentals	\$255,133	\$254,283	\$850
Foundation Income	\$174,595	\$158,238	\$16,357
Collection & Gifts	\$122,988	\$140,541	(\$17,553)
Fundraising	\$37,500	\$51,000	(\$13,500)
Program Income	\$31,271	\$44,415	(\$13,144)
Funds Transfers	\$109,947	\$62,975	\$46,972
Other Income	\$7,500	\$9,428	(\$1,928)
<b>TOTAL INCOME</b>	<b>\$1,831,229</b>	<b>\$1,830,535</b>	<b>\$694</b>
<b>Expenses</b>			
Personnel Expenses	\$919,695	\$884,970	\$34,725
Personnel Benefits/taxes	\$305,126	\$297,706	\$7,420
Mortgage	\$182,114	\$187,333	(\$5,219)
Building	\$192,768	\$202,514	(\$9,746)
Program	\$123,932	\$150,831	(\$26,899)
Administrative	\$83,543	\$77,581	\$5,962
Communications	\$13,400	\$15,500	\$2,100
Fundraising	\$10,650	\$14,100	\$3,450
<b>TOTAL EXPENSES</b>	<b>1,831,229</b>	<b>1,830,535</b>	<b>\$694</b>
<b>NET OPERATING INCOME</b>	<b>(0)</b>	<b>(0)</b>	

**Proposed Unrestricted Reserve Budget**

<b>Estimated Cash Balance July 2021</b>	<b>\$450,000</b>
Total Income	\$20,000
Transfer to Operating	-\$98,500
<b>NET</b>	<b>-\$78,500</b>
<b>Estimated Cash Balance June 2022</b>	<b>\$371,500</b>

**Proposed Designated/Restricted Budget**

<b>Estimated Cash Balance July 2021</b>	<b>\$28,230</b>
Total Income	\$10,000
Total Expenses	-\$3,600
Transfer to Operating	-\$7,400
<b>NET</b>	<b>-\$1,000</b>
<b>Estimated Cash Balance June 2022</b>	<b>\$27,230</b>



## Budget vs. Actual for 2020 - 2021

July 2020 – March 2021

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Last Year YTD Actual</b>	<b>Change</b>
<b>Income</b>					
Pledges	744,217	851,653	-107,436	868,877	-124,660
Rentals	128,218	151,071	-22,853	133,013	-4,795
Foundation Income	99,846	103,503	-3,657	98,965	881
Collection & Gifts	84,319	100,870	-16,551	67,331	16,988
Fundraising	14,029	43,500	-29,471	30,633	-16,604
Program Income	9,090	20,751	-11,661	19,816	-10,726
Funds Transfers	51,725	51,725	0	87,332	-35,607
Other Operating Income	14,485	7,051	7,434	58,279	-43,794
Paycheck Protection Income	147,456	0	147,456	0	147,456
<b>TOTAL INCOME</b>	<b>\$1,293,385</b>	<b>\$1,330,124</b>	<b>\$-36,739</b>	<b>\$1,364,245</b>	<b>\$-70,861</b>
<b>Expenses</b>					
Personnel Expenses	647,287	661,853	-14,566	660,680	-13,393
Personnel Benefits/Taxes	224,199	223,312	886	208,219	15,980
Mortgage	136,586	140,500	-3,914	186,810	-50,224
Building	140,286	157,683	-17,397	171,938	-31,652
Program	68,245	113,610	-45,365	87,497	-19,252
Administrative	63,123	58,523	4,600	60,904	2,219
Communications	5,753	11,625	-5,872	7,936	-2,183
Fundraising/Membership	3,612	13,650	-10,038	17,403	-13,791
<b>TOTAL EXPENSES</b>	<b>\$1,289,091</b>	<b>\$1,380,755</b>	<b>\$-91,665</b>	<b>\$1,401,387</b>	<b>\$-112,296</b>
<b>Net Operating Income</b>	<b>\$4,295</b>	<b>\$-50,631</b>	<b>\$54,926</b>	<b>\$-37,143</b>	<b>\$41,438</b>
<b>Other Income</b>					
Designated/Restricted Income	600	13,250	-12,650	53,044	-52,444
Capital Income	43,173	230,000	-186,827	185,543	-142,370
<b>Total Other Income</b>	<b>\$43,773</b>	<b>\$243,250</b>	<b>\$-199,477</b>	<b>\$238,588</b>	<b>\$-194,815</b>
<b>Other Expenses</b>					
Designated/Restricted Expenses	3,001	2,600	401	53,663	-50,662
Capital Expenses	15,665	3,100	12,565	1,906,014	-1,890,349
Transfers to Operating	51,725	51,725	0	76,750	-25,025
<b>TOTAL OTHER EXPENSES</b>	<b>\$70,391</b>	<b>\$57,425</b>	<b>\$12,966</b>	<b>\$2,036,427</b>	<b>\$-1,966,036</b>
<b>Net Other Income</b>	<b>-\$26,618</b>	<b>\$185,825</b>	<b>\$-212,443</b>	<b>\$-1,797,839</b>	<b>\$1,771,221</b>
<b>NET INCOME</b>	<b>-\$22,324</b>	<b>\$135,194</b>	<b>\$-157,518</b>	<b>\$-1,834,982</b>	<b>\$1,812,658</b>