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## CONVERTING LINE ITEM BUDGET TO A NARRATIVE FORMAT

Converting a line item budget to a narrative format reframes the budget as a mission and ministry statement. All aspects of ministry are grouped into ministry areas and administrative (personnel, property, insurance) costs are distributed across ministry areas. Detailed instructions follow.

1. Obtain a copy of the line item budget.
2. Dialogue with congregational leaders and determine the ministry categories which describe your ministry. Each church selects the number of categories and titles. Do NOT include an administration category! Categories might include Missions, Education, Worship, Nurture/Communications, etc.
3. Write the categories selected across the top of Conversion Table I, adding or deleting columns as needed. See the sample below.
4. List all line item budget categories in first column.
5. Determine what percentage of each line item to place in each category. Some items may be distributed evenly, others weighted more in one or more categories. Each year, the percentages can be adjusted as clarity about how resources are used emerges. Don't worry about being "right" the first time!

<b>Conversion Table I (Percentages)</b>				
	<b>Missions</b>	<b>Education</b>	<b>Worship</b>	<b>Nurture/Communication</b>
<b>Budget lines</b>				
Postage	25%	25%	25%	25%
Food Pantry	75%			25%
Pastor	25%	25%	25%	25%
Music Director		10%	80%	10%

6. Now use the Conversion Table II to assign the dollar amounts to each column. Take the assigned percentage in Table I and multiply that times the actual line item dollar amount. (Example: Postage 25% times \$1000 budget equals \$250.) Enter the result in the appropriate column in Table II.
7. Work through each line item calculating the distribution of each line item by the assigned percentage on Table I.

