



NARRATIVE BUDGET DEFINITION

Narrative Budget*

(adapted from United Methodist Foundation of Louisiana's District Stewardship Initiative)

A Narrative Budget transforms the line item budget into a faith in action story using easy to understand descriptive terms. The financial line item budget of money and expenses becomes an exciting and enlivening picture of the ministries and missional expressions of the congregation.

Research studies indicate that churches often fail to communicate the value of the ministries they provide and the changes occurring on personal lives through ministries. Contributors, therefore, have a limited understanding of the use of their gifts and contributions and almost no relationship to those benefiting from the congregation's ministry.

A line item budget effectively supports the work of the finance committee and those managing resources. It is not an effective means of interpreting, communicating or witnessing to those ministries and their impact. A narrative budget helps members of the congregation understand what the church is doing in ministry, mission, discipleship training, benevolences and ministry as well as maintenance. It effectively connects the donor to the ministry. A well-composed narrative budget educates and inspires everyone!

HOW TO START TELLING THE STORY

Recruit a small team composed of representatives from finance and/or stewardship committees, the staff and a skilled writer and graphic artist.

1. Review the line item budget and group items by ministry areas such as worship, education, youth, missions, etc.
2. Review the congregations mission statement. Creatively describe the various ministries as they fulfill the mission statement.
3. Consider pro-rating infrastructure costs such as personnel, building operations and maintenance as well as program funds into specific ministry areas.
4. Write one or two descriptive paragraphs for each ministry area. Use examples that describe the ministry. Show readers how the ministries have impacted and changed lives. Use stories to illustrate the ministry's effectiveness during the previous year. Picture new or expanding ministry as the rationale for additional funding.
5. Provide a positive, clear explanation of significant funding changes, whether they are proposed increases or decreases.
6. Expand the reader's horizons by identifying several relevant and exciting additional or future ministries.
7. Consider a pie chart to show ministry areas visually.
8. Prepare the narrative budget in an attractive, inviting, readable brochure format.

Determine ways to use the narrative budget most effectively to communicate the exciting message of ministry throughout the congregation!