

Finance Update 25 September 2016

Introduction

The financial year of Anglican Churches in Melbourne is from 1 October to 30 September. Our annual meeting is set for 11 October this year. At that meeting the parish council will present the new annual budget for ministry expenses. There will be a call for **an increase in giving from the congregation to meet our expenses in the year ahead**. This report gives a summary of important matters that lie behind the new budget and the call for an increase in giving. The full financial reports and budget will be available on-line before the annual meeting and in hard copy at the meeting or on request.

St Michael's receives its money for all its expenses from a combination of congregational giving and some donations from users of our halls. There is no other source of income. Along with paying for staff, property maintenance and other ministry costs, we have continuing debt to pay on a loan for the building of the glass foyer that should be paid out completely by 2020.

Key Points

- Our income for 2015/2016 will fall about \$6000 short of our budget target.
- After a call by the wardens for an increase in giving this year to move towards sustaining our current staffing, direct giving via electronic means did not increase.
- Open giving in the offering bowls did increase (including an increase in giving at 5.30pm services).
- Some large unexpected costs relating to property and equipment had to be met this year (e.g. heating in the hall, emergency plumbing for flooded entrances).
- We lost some regular users of our halls and though we are building a new base of donations for hall use, we had a reduced income from halls this year.
- Our cash reserves are now at around \$30,000 (minimum desired to ensure good cash flow and sound business risk management).
- Some generous one-off gifts at the beginning of 2016 helped us to meet most challenges and come close to our budget target.

Next Challenge

We are a church making significant efforts to reach out to people to make the Gospel accessible and offer people a welcoming and grace-giving Christian community. To do this effectively we need a substantial, sustained level of shared financial giving.

To be able to employ a full-time Vicar and a half-time Vicar's Assistant and a part-time office secretary, and to properly manage our ministries and property for mission and ministry we need to act now. Please consider the following:

- We need an **increase of \$18,000** to meet budget in the period 1 October 2016 to 30 September 2017. We need a **sustained increase in regular giving** to carry out our ministries effectively with this level of staffing and management of our properties in the coming years.
- We need those who can to **give one-off large financial gifts** to help make the transition to a higher level of regular giving in the coming years.
- Most importantly, we need all St Michaels' people who **earn a regular income to prayerfully consider an increase in their giving** to the church's ministries and mission now.
- Donations **from hall must also increase** significantly in the next year to help meet budget, requiring new, regular users to be found and increased use from current clients.

Implications

If 80 givers increased their giving by just \$225 per year we could we could cover this new budget increase (that's one large coffee per week for each!). But we know that in churches there are often a few regular givers who sustain the income for the many who attend church services. We need to **increase the number of regular direct electronic givers** so that the financial burden of ministry is **shared by a larger percentage** of the congregation.

If we cannot see evidence of increased giving and overall increases in income in the first quarter of the new church financial year, **cuts to staffing** will have to be considered and the parish council will report progress regularly to the congregation. It is our prayer that we can, together, increase our financial base as a parish church and keep moving forward in our mission to Proclaim Christ, Build Community, Share Hope and Serve Others.

Prayerful Consideration

As always, we should look to the Bible and the encouragement of the New Testament writers and remember to check our motives for giving and base it on thankfulness for God's generosity and partnership in the Church's mission. We should give prayerfully, cheerfully, not out of compulsion, and not to bring hardship upon ourselves. For more biblical information let me commend this article from Bible.org at

<https://bible.org/seriespage/lesson-5-giving-god-s-way-selected-scriptures>.

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