

6-4: Operating Budgets

1. Responsibility Centre: Financial Management Committee

2. Rationale or Purpose

To provide the Church and each of its Committees with an operational plan for a given period, normally the calendar year in conjunction with the annual Activity Plan. Such a plan allows each Committee to plan its activities and their respective costs in relation to projected receipts which should allow for more effective operations over the course of the budget year.

3. Policy Statement

The Financial Management Committee (FMC) is to prepare an Operational Budget for approval by the Church Board and Congregation each year.

4. Scope

The Operating Budget is to cover the financial requirements of all Church Committees, excluding the UCW.

5. Procedures

The time-line for the Operating Budget preparation process is found in the Annual Planning Calendar included in this *BCUC Policy Manual*. The ultimate target for this procedure is to have the Operating Budget, in conjunction with the annual Activity Plan, prepared and ready for the Congregation for their review and approval at the Annual Meeting held before the end of February each year.

In early November the FMC distributes Estimate Forms to all BCUC the Committees for completion and submission.

In December the FMC proceeds with an estimate of next year's anticipated receipts from all sources, based on past experience and any other factors that may be known to them.

In December or early January the FMC completes its first draft of the Operating Budget and presents it to the Church Board. Depending on the circumstances, further drafts may be prepared and reviewed until the Church Board essentially is satisfied. At this point the Operating Budget, in conjunction with the annual Activity Plan, is ready for presentation, review and approval by the Congregation at its Annual Meeting in February.

6. Roles/Responsibilities

The Chair of the FMC is responsible for coordinating the preparation of the Operating Budget, liaison with Chairs of the Committees, and presentations to the Church Board and the Congregation for discussion and approval.

The Chair of the Stewardship Committee is responsible for providing the projected total pledges to the FMC for consideration in the budget preparation process.

Chairs of Committees are responsible for the timely preparation and submission of Committee estimates to, and liaison with, the Chair of FMC on these matters.

The Church Board is responsible for providing the Chair of FMC with any budget preparation guidelines it deems appropriate prior to its preparation, as well as assessing and approving the Operating Budget for presentation to the Annual Congregational Meeting, for due consideration and approval by that body.

7. Definitions

- a) “Church” means Bells Corners United Church (BCUC).

8. References:

- a) *BCUC Handbook*, Terms of Reference of the Financial Management Committee:
The Committee...1. manages BCUC’s annual financial planning cycle, including:
 - a. coordinating the preparation of the forecast of expenditures for each area of responsibility within the Church
 - b. forecasting anticipated revenues
 - c. preparing an annual financial budget on behalf of the Church Board, which recognizes priority programs, within the available resources of the Church
- b) Minutes of the Annual Congregational Meetings normally held in February to approve the new year’s Operating Budget, and the previous year’s audited Financial Statements.

9. Approval authority: Church Board

10. Reviewed: Financial Management Committee: May 2013

Approved: Church Board: January 15, 2014

Replaces: October 2008