



Steps to Determining the General Tithe Fund Budget

Have you ever wondered how the Rocky Mountain Ministry Network determines its annual General Tithe Fund Budget? That is a good question worthy of a thoughtful response. Our process was updated in January of 2021 to include the highest levels of transparency, accountability, and participation. From beginning to end there are three different organizations and literally hundreds of people that are part of the budget process. We have provided an answer to that question in the form of a Q&A format below.

1. What is the Network's General Tithe Fund? The General Tithe Fund is very similar to what the local church may call the General Fund. It does not include departmental or other fund budgets but is the primary financial engine of the Network. It receives the tithes and offerings from our ministers as well as any additional income. It also finances most of our expenses related to operations, employee remunerations, minister enrichment, MBA retirement contributions, and Network wide initiatives.

2. How many people, task groups, and organizations are involved in the annual budget process? Our process was updated in January of 2021 to include the highest levels of transparency, accountability, and participation. From beginning to end there are three different organizations and literally hundreds of people that are part of the budget process. This would include the following.

- **Network office team.** The District Superintendent, Secretary/Treasurer, accounting staff and entire Network team is at some point involved in the preparation of the General Tithe Fund budget. This group includes about twelve individuals.
- **YCA.** YCA (Your Church Admin) is an outside accounting and bookkeeping provider overseen and operated by the Illinois District of the Assemblies of God. They provide bookkeeping and administrative services for several District Offices in the Assemblies of God. More information about YCA can be found at www.yourchurchadmin.org. About six of YCA's team members are involved in our bookkeeping services.
- **Auditor.** Each year the Network pays for a full audit by the Adam's Group. Each year the Adam's group deploys a team of auditors to conduct a full audit of the RMMN and its ministries. They conclude the audit by giving a report and answering questions from the Presbytery or Budget and Finance Team in session. The Adams Group, LLC is based out of Denver, Colorado and performs approximately 100 certified audits per year for counties, cities, and governmental special districts (metro districts, fire districts, and water and

sanitation districts). They also assist a Colorado county and several offices of the Public Trustee in closing their accounting records and preparing their financial statements. Other entities served include not-for-profit entities (voluntary health and welfare organizations, community services, missionary organizations, and churches), HUD projects, a multi-state title insurance company, a multi-state manufacturer, agencies, contractors, life insurance companies, employee plans, food services, nursery growers, professional services, and retailers. The firm is authorized to practice in Colorado as a limited liability company and all auditing personnel are properly licensed as Certified Public Accountants in Colorado. In 2021 the Adams Group, LLC became the auditors for the Rocky Mountain Ministry Network. You can learn more about the Adam's group at www.tagcpaco.com. The audit team working on our books usually consists of about four individuals.

- **Budget and Finance Committee.** The Network's Budget and Finance Committee consists of the three Executive Officers, the three Executive Presbyters, and three other ministers from the Network. They are given more detailed financial statements throughout the year and review the budget draft before making a recommendation to the Network Presbyter. The Budget and Finance Committee consists of about nine individuals.
- **Network Presbytery.** The Network presbyter receives financial reports through the year, reviews the audit report, and approves the final budget each January. There are eighteen members of the presbytery.
- **Network Council in Session.** Each year the Network Council in session receives a finance report, an audit, and financial statements to review two weeks prior to the meeting. Those reports are presented with the opportunity for members to ask questions and approve the report. This presentation is made in the business meeting that usually includes about 200 voting members.

3. What steps and processes are used to create the annual General Tithe Fund Budget? Our process was updated in January of 2021 to include the highest levels of transparency, accountability, and participation. From beginning to end there are three different organizations and literally hundreds of people that are part of the budget process. That process consists of the following steps which are also similar to those of each departmental budget.

- 1. Determine priorities.** The Superintendent and Secretary/Treasurer will determine administrative, operational, and visionary priorities as well as unique needs the year may present.
- 2. Evaluate income history.** Actual income history from the prior year is evaluated to determine an income budget based on the prior year's income. This is where the consistent faithfulness of our ministers has the largest impact on what can be accomplished in the next year. As a general rule, the Network has a conservative approach to budgeting and does not project growth in income over the prior year.
- 3. Evaluate expenses history.** The Superintendent and Secretary/Treasurer evaluate every expense line and its previous history. If needed bids are secured for services, patterns are considered and a budgeted income and expense for every line item is determined.

4. **Determine monthly and consolidated budgets.** We assign budgeted income and expense amounts for each line item in twelve (12) different budgets. Those twelve individual budgets are then combined into one consolidated balanced General Tithe Fund budget.
 5. **Budget and Finance Committee.** Collaborate with the budget and finance committee to evaluate the budget and make an informed recommendation to the full presbytery.
 6. **Presbytery Board approval.** The budget is then presented to the full presbyter for review and final approval.
 7. **YCA integration.** The budget is then sent to YCA for input and insertion into the accounting software and reporting platform.
 8. **Monthly reporting.** Each month we input data and submit reports to YCA, who will then prepare and formulate the various monthly reports we require. Those documents consist of financial reports for the General Tithe Fund, departmental reports, fund reports and complete ledger of all accounts. The ledger of accounts is a report that details every transaction such as income, expense, bank related ACH transaction, or adjustment that contributed to each category's total for a given month. Those reports usually consist of at least 225 pages.
 9. **Review reports.** The secretary treasurer does a review of the first draft reports from YCA to evaluate, check for errors, and collaborate with YCA to make any needed corrections.
 10. **Monthly finance meeting.** The Superintendent and the Secretary/Treasurer have a monthly finance meeting to do a line-by-line evaluation of the previous months financial statements to identify and evaluate patterns, posting errors, items under and over budget or oversight that need to be corrected. Corrections are made right then in real time. Once that review is complete, we then insert the actual income and expense figures into the appropriate months budget for the next coming year's budget. This enables us to use accurate data while information and context is still fresh in our mind.
 11. **Audit.** An audit is scheduled for the end of the annual calendar year where the books are fully audited by a third-party auditing firm. That firm then prepares a formal audit report and management letter.
 12. **Audit review.** The full audit is presented to the full presbytery and or finance committee where the presbytery board can interact with the auditors in person, ask questions, and receive informed answers.
 13. **Report to network council.** The audit and financial statements are made available online two weeks prior to Network Council and then presented to the members by the Secretary/Treasurer before being received in the form of a motion.
4. **How are financial documents provided and reviewed?** Each month the books are closed, and financial statements are provided by YCA to the Secretary/Treasurer around the 10th of each month. They are then reviewed by the Secretary/Treasurer and are revised to correct errors or mispostings. They are then reviewed in a monthly finance meeting around the 15th of each month by the Secretary/Treasurer and District Superintendent. That meeting has three purposes. First to review results, get clarification from inhouse staff, and if needed, correct errors in real time. Second to identify patterns or trends. Three to use the accurate data to determine a budget for that same month in the next year. Financials are then

emailed to the Budget and Finance Committee and presbytery three times a year. Once the annual audit is completed, it is presented by the auditor to the Budget and Finance Committee and Presbytery before being posted on the Network's website two weeks prior to Network Council to read and email questions to the Secretary/Treasurer. The financial report is also posted and included in the Annual Report to be approved by the Network Council in session.

- 5. Where can I get additional information about the budget process.** For additional information please feel free to contact Secretary/Treasurer, John Byrant, at jbryant@rmdc.org.