



Rocky Mountain Ministry Network

Steps to Determining the General Tithe Fund Budget

Updated 9/15/2024

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

- 1. How does the Rocky Mountain Ministry Network define a budget?** A budget is an annual schedule of planned or expected revenues, expenses, assets, and liabilities allocated for the operations and execution of RMMN strategic initiatives in a given year.
- 2. What is the purpose of RMMN's annual budget?** The RMMN's annual budget serves the following purposes.
 - **Stewardship.** To better steward the financial resources God has provided.
 - **Kingdom advancement.** To advance God's Kingdom in Colorado and Utah by ...
 - Empowering ministers: Credential, equip, and resource ministers.
 - Resourcing churches: Resource, train, and network churches.
 - Building community: Connecting, including, and collaborating.
 - Spirit-driven relevance: Spirit-inspired creativity, strategy, and ministry applications that empower us to overcome unforeseen obstacles and leverage opportunities.
 - Facilitate the future: Establish a long-term vision, new and innovative income streams, and church multiplication to create future opportunities for the Assemblies of God in Colorado and Utah.
 - **Embrace priorities.** To guide future operations, prioritize spending, review performance, and maximize opportunities.
 - **Strategic planning.** To finance vision through an action plan for the forthcoming year.
 - **Accountability.** To provide financial accountability to our ministers.
 - **Evaluation.** To inform Network executives, leaders, managers, and departments of financial performance and variances.
- 3. What is the Network's General Tithe Fund?** The General Tithe Fund is similar to what the local church may call the General Fund. It does not include departmental or other ancillary budgets but is the primary financial engine of the Network. It receives the tithes and offerings from our ministers and any other undesignated income. It also finances most of our expenses related to operations, employee remunerations, minister enrichment, MBA retirement contributions, and Network-wide initiatives.

4. 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, three different organizations and hundreds of people 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 are all involved in preparing the General Tithe Fund budget at some point. This group includes about twelve individuals.
- **YCA.** Your Church Admin (YCA) 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 audit the RMMN and its ministries thoroughly. This is often referred to as a "full audit" compared to a limited "review." They conclude the audit by giving a live report and answering questions from the Presbytery or Budget and Finance Team in session. The Adams Group, LLC is based out of Denver, Colorado. It performs approximately 100 certified audits annually for counties, cities, and governmental special districts (metro, fire, 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 licensed as certified public accountants. 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 about nine individuals: the three Executive Officers, the three Executive Presbyters, and three other ministers. They are given more detailed financial statements throughout the year and review the budget draft before recommending them to the Network Presbyter.
- **Network Presbytery.** The Network presbytery receives financial reports throughout the year, reviews the audit report, and approves the final budget each January. It has eighteen members.
- **Network Council in Session.** Each year, the Network makes financial statements available on our website two to three weeks prior to Network Council. These reports consist of an annual report, finance report, audit, and financial statements to review before 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.

5. What steps and processes are used to create the annual General Tithe Fund Budget? Our process was updated in January 2021 to include the highest levels of transparency, accountability, and participation. From beginning to end, three different organizations and literally hundreds of people 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 most significant 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 expense 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 budgeted income and expense for every line item are 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.** We input data and submit reports to YCA each month, who will prepare and formulate the monthly reports we require. Those documents consist of financial reports for the General Tithe Fund, departmental reports, fund reports, and a 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 reviews YCA's first draft reports to evaluate them, 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 month's 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 will insert the actual income and expense figures into the appropriate month's budget for next year's budget draft. This enables us to use accurate data while information and context are still fresh in our minds.
- 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 audit is presented to the full presbytery and/or finance committee, where they 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 to three weeks before Network Council and then presented to the members by the Secretary/Treasurer before being received in the form of a motion.

6. What is the RMMN budget cycle? A budget cycle is usually the period between one budget and the next. It involves a series of steps that form a cycle. Although the RMMN budget process has sequential steps, it is not totally linear but circular in nature. The processes illustrated in the graph take place each month as part of the budget evaluation process. This helps our Network evaluate progress and make needed adjustments as approved by the presbytery in real-time.



7. How are financial documents provided and reviewed?

Each month, the books are closed, and YCA provides financial statements to the Secretary/Treasurer around the 10th of each month. They are then reviewed by the Secretary/Treasurer and or revised to correct errors or mispostings. They are then reviewed in a monthly finance meeting around the 15th of each month with the Secretary/Treasurer and District Superintendent. That meeting has three purposes. First, review results, get clarification from in-house staff, and correct errors in real-time if needed. Second, to identify patterns or trends. Third, to use the accurate data to determine a budget draft 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 or Presbytery before being posted on the Network’s website two weeks prior to the 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.

8. Where can I get additional information about the budget process? Please feel free to contact Secretary/Treasurer John Byrant at jbryant@rmdc.org.