



ALTERNATIVE REVENUE STREAMS FOR CHURCHES AND MINISTRIES

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This is not legal advice.
Please consult with an attorney.

Effective Church Operations & Ministry

– Cost Money

- Passion
- People
- Purpose
- **FUND THE VISION!!**

Expenses – Salaries, Benefits, Websites, Rent, Insurance, Internet, Travel Programs, Supplies, Computers etc.

QUICK STORY – MY FIRSTBORN

- Age 20
- Saved
- Junior at Duke
- Campus Ministry

Received Disappointing Phone Call!
Ministry Trip – During Spring Break,
Share Gospel & Evangelize, &
Necessary Budget - \$1400

SHARE YOUR VISION AND PROPOSED BUDGET WITH THE PEOPLE

TRANSPARENCY!!!

If You Need a \$750,000 Budget for the Calendar Year, Then Show in Details How You Expect to Raise \$750,000 in Revenue and Incur \$750,000 in Expenses.

Sample Church Budget

Church Budget

Revenue

Offerings	\$100,000
Tithe	\$250,000
Pledges	\$50,000
Theme Giving	\$50,000
Sponsorships	\$25,000
Fundraising	\$25,000

Gross Revenue **\$550,000**

Sample Ministry Budget

Ministry Budget

Revenue

Government Grants	\$50,000
Foundations	\$25,000
Donations	\$75,000
Memorial	\$25,000
Fundraising	\$25,000
Capital Campaign	\$50,000

Gross Revenue **\$200,000**

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If You Need a \$750,000 Budget for the Calendar Year, Then Show in Details How You Expect to Raise \$750,000 in Revenue and Incur \$750,000 in Expenses.

Sample Church Budget

Expenditures

Rent/Mortgage	\$60,000
Compensation	\$200,000
Utilities	\$50,000
Maintenance	\$20,000
Repairs	\$50,000
Supplies	\$25,000
Vehicles	\$10,000
Programs	\$15,000
Travel	\$15,000
Insurance	\$15,000
Reserves	\$90,000

Gross Expenses **\$550,000**

Sample Ministry Budget

Expenditures

Rent	\$12,500
Compensation	\$50,000
Programs	\$25,000
Food Pantry	\$25,000
Rental Assistance	\$25,000
Supplies	\$10,000
Tutors	\$25,000
Phones/Computers.	\$12,500
Retreats	\$ 5,000
Reserves	\$10,000

Gross Expenses - **\$200,000**

ALTERNATIVE REVENUE STREAMS TO FUND CHURCH AND MINISTRY

DEFINITIONS OF REVENUE LIST

OFFERING:

- a) Free will giving by members and supporters; and
- b) Donate via cash, checks, debit, credit card, and online platforms – Givelify, Zelle, CashApp, etc.

TITHING:

- a) Give 10% of gross income or net income;
- b) Less that 5% of most members tithe consistently at the rate of 10% on gross or net income; and
- c) Must communicate consistently to members how much regular tithing means to the church and how impactful it is and that, without it, many church activities (and funding of the budget) would not be possible.

ALTERNATIVE REVENUE STREAMS TO FUND CHURCH AND MINISTRY

DEFINITION OF REVENUE LIST

PLEDGE DRIVES:

- a) This is a serious promise that you will provide a certain amount as a donation.
- b) Annual pledge drives should be an important component of determining your church budget for the coming year.
- c) Examples – parking lot, church bus, computers, etc.

THEME GIVING :

- a) This is organize giving around special events during the year. Traditional in COGIC.
- b) Examples - Women's Day, Men's Day, Church Anniversary, Pastoral Anniversary, Youth Day, Church Playground, Easter Sunrise Breakfast, Banquets, Gala's, etc.

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DEFINITION OF REVENUE LIST

SPONSORSHIPS:

- a) This is an organized effort to request individuals and/or businesses to financially or in-kind support certain activities.
- b) Examples – Tutoring program, adult day care, after school programs, etc.
- c) You can ask for sponsorship for any number of activities or products associated with your church.

ALTERNATIVE REVENUE STREAMS TO FUND CHURCH AND MINISTRY

DEFINITION OF REVENUE LIST

MEMORIALS AND TITHE GIFT AT DEATH:

- a) When people pass away, they often want the monetary assets that they leave behind to continue supporting the causes they promoted in life. Especially for devoted members, the church may be their top charitable priority.
- b) Last than 20% of all Americans have a will.
- c) This means that, in the event of their death, their resources will go to the next of kin or be dispersed by the courts.
- d) Universities and hospitals have figured this out and they have an inside track on getting money from estates and bequests.
- e) People who love their church want their church and even specific programs to continue well after their death.
- f) Must educate members on a monthly basis on the importance of estate planning and having your legal affairs in order.
- g) Can obtain a local attorney for free who can perform workshops on establishing will and trust.
- h) Example endowments– scholarships, mission, capitol improvements, etc.

ALTERNATIVE REVENUE STREAMS TO FUND CHURCH AND MINISTRY

DEFINITION OF REVENUE LIST

TARGETED MINISTRY CAMPAIGN:

- a) This is a legitimate cause that you would like to fund, then you must be honest about how much it will cost to get you there. Usually a passionate vision of the leader.
- b) Examples – Homeless Shelter, Food Pantry, Prison Re-entry Program, After School Programs, Covid Vaccinations, etc.

CAPITAL CAMPAIGNS:

- a) This is a method to beef up overall resources for the many missions of the church.
- b) They are done in anticipation of future needs, not in response to current ones. As needed. Not annual
- c) Capital campaigns can pay for HVAC system, parking lot, building project, mission trips, etc.

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DEFINITION OF REVENUE LIST

RENTAL INCOME:

- a) Most church facilities sit empty during the week.
- b) What if a local bank needed a place for a board meeting or the chamber of commerce needed a convention location?
- c) What if Hollywood wanted to use the sanctuary to film a movie?
- d) Some sports programs need a location for their summer programming and many churches can rent their gyms to these local businesses.

GOVERNMENT GRANTS:

A grant is a way the government funds your ideas and projects to provide public services and stimulate the economy. Government, Corporations, Foundations, Charities, etc.

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DEFINITION OF REVENUE LIST

PRIVATE FOUNDATIONS:

- a) A private foundation is a nonprofit charitable entity, which is generally created by a single benefactor, usually an individual or business, and the funds are typically derived from that single source
- b) Private foundations make grants either to fund an organization's general operating expenses or to fund a specific program.

CORPORATE SPONSORSHIPS:

- a) This is a **payment by a business (in money or in-kind donation) to a nonprofit to further the nonprofit's mission.**
- b) In writing the nonprofit generally recognizes by the business' support of the nonprofit's activities, programs, or special event.

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DEFINITION OF REVENUE LIST

DONATIONS (INDIVIDUALS & BUSINESS):

- a. These are gifts of money or property conferred by a corporation or private individual on a non-profit charitable, educational, religious, or public service organization.
- b. Always remember your warm supporters
- c. Remember sometime you can raise more by asking for less



FUNDING MINISTRIES WITH COMMUNITY DEVELOPMENT CORPORATIONS – CDC'S

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What is a Community Development Corporation?

Community Development Corporations (“CDCs”) are 501(c)(3) non-profit organizations/corporations that are created to (1) support, (2) revitalize and (3) fund Ministry Work.

As non-profit corporations, CDCs are tax-exempt on a Federal & State levels and may receive unlimited donations and grants from private and public sources.

What Ministries Are Addressed by CDCs?

- Affordable Housing
- Community Services
- Education
- Job training
- Healthcare
- Commercial Development
- Food & Clothes
- Financial Training
- Credit Repair
- Other Social Programs and Much More...

What Happens When a CDC is Effective?

1. Less Crime
2. Less Disparity Between Citizens
3. Better Jobs
4. More Talented Workforce
5. Higher Test Scores
6. Less Hunger
7. Reduce Problems
8. Opportunities for Growth
9. Better Healthcare
10. Social Justice
11. Voting Rights
12. Affordable Housing

You Must First Create a Nonprofit Corporation

- A nonprofit is a type of corporation that is created by State Law to accomplish a public benefit.
- A nonprofit corporation does not have owners. It serves the community/people at large.
- A nonprofit corporation can apply for tax-exempt status from the Internal Revenue Service (IRS) so that donations can be tax-deductible and the organization can avoid paying federal income tax.

Board of Directors for a Nonprofit Corporation

- A nonprofit corporation is governed by a board of directors drawn from the representatives of a larger community of people who care about the mission of the organization.
- The board of directors is the backbone of the corporation, particularly as it is getting started.
- Key decisions will be made by this group of directors, not by a single person.

Benefits to the Community

- A nonprofit corporation exists to benefit the community.
- This means that it is vital to have strong relationships with key community members.
- You should properly assess the needs of the community.
- It must support programs that funders will fund.

Volunteers to Serve the Nonprofit Corporation

**Paid staff once
funding is
available**

- A nonprofit corporation meeting a real community need will attract people who care and want to help.
- Board members should volunteer and may be reimbursed for out-of-pocket expenses.
- The board members should assist the corporation in obtaining volunteers.
- Once funding is available, it is proper to have certain paid positions.
(Executive Director, Secretary, Employees, Grant writers, CPA, Attorney, etc.)

Planning is a Key Element

- Organizing Plan: write down information about your idea and how you plan to implement it.
- Business plan: a document that explains your goals and how you plan to achieve them.
- Funding Plan: a document as to how capital will be raised on a regular basis.
- Sustainability Plan: a plan as to how the vision will be sustained.

PITFALLS

1. Most of Us Want the Money Before We Develop a Plan.
2. Most of Us Want the Money Before The Vision is Written Out.
3. Never Apply for Grant/ Sponsorship/Donation Before Being Legally Established and Qualified.
4. Fund Raising & Grant Writing are not about the need of the organization but how you will Change Lives.
5. Do you have a professional Grant Writer?

WHAT DONOR'S CARE ABOUT?

1. Is your mission compatible with theirs?
2. Will your program help solve a problem they are passionate about?
3. Do you help people the funder cares about?
4. Even if the funder isn't located near you, have they given grants to other organizations in your area?

Funding Sources

1. City Government– Public
2. State Government– Public
3. Federal Government– Public
4. Tax Credits – Public
5. Corporations
6. Foundations
7. Individuals
8. Grants.gov
9. USDA
10. Private Corps – 5%. \$19B
11. Private Foundations – 18% \$70B
12. Private Individuals – 77% - \$297B

PRIVATE FOUNDATIONS/ CORPORATIONS

- Walmart
- Sam's Club
- Bank of America
- Macy's
- Lowe's
- Accenture
- Home Depot
- Apple
- Verizon
- Costco
- Microsoft
- Gate's Foundation
- SWA
- Delta
- Comcast
- Ford Foundation
- Target
- Pepsi
- Banks
- Grocery Stores
- Chase Bank
- Local Bank
- Scholarships
- In-Kind

SOME BENEFITS OF A CDC!!!

1. COMPUTER LAB
 2. SPORTS & SWIM CLUB/ACTIVITIES
 3. SUMMER READING & SPORTS PROGRAM
 4. GED PROGRAMS
 5. SENIOR PROGRAMS
 6. FOOD PROGRAMS
6. MUCH MUCH MORE!!!

More Benefits of a CDC

GENERAL FUNDING IN AREAS OF:

- a) educational development,
- b) economic empowerment,
- c) crime prevention,
- d) family development and
- e) financial literacy

The Church Law & Taxation Attorney



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