

# GLOSSARY OF FINANCIAL TERMS

*The following definitions are provided to help prepare the members of St. Michael for congregational decisions related to the 2010 and 2011 budgets.*

**General fund:** the primary (“catch-all”) fund of the congregation; it provides the resources necessary to sustain day-to-day activities. We use these gifts for general operational expenses, which include normal maintenance to the facility, utilities, salaries, office expenses, and ministry teams’ expenses. A certain percentage of this money, as designated by the congregation, is used for ministries beyond ourselves in the form of benevolence gifts.

**Unrestricted funds:** donations available to be used toward any purpose or expense of the congregation.

**Restricted funds:** donations that require funds be used in a specific manner for a specific purpose. They can be considered a contract between the donor and the congregation.

**Bequest:** the act of giving or receiving property by a will.

**Endowment:** a fund established for the benefit and continued growth of the congregation. Gifts and bequests are invested in the endowment with the stipulation that the principle will remain intact and the proceeds will be used to support the congregation’s long-term maintenance, cemetery maintenance or program development.

**Trended Budget:** a budget report showing monthly projections (established from historical data) and current actual results. Congregational giving varies greatly throughout the year while expenses remain more constant. The trended budget allows for more accurate monthly review.

**Surplus:** the result when the congregation’s income exceeds its expenses.

**Deficit:** the result when the congregation spends more money than it takes in.

**Accumulated deficit:** the debt amassed by the congregation after multiple years of operating at a deficit.

**Structural deficit:** a fundamental imbalance of receipts and expenditures; occurs when the costs of maintaining the congregation’s operating structure exceeds its expected income.

**Deficit reduction:** is achieved by paying off accumulated deficits, or by balancing structural deficits by bringing costs and receipts into balance.

**Capital Plus Campaign:** a campaign initiated in 2007 to raise funds in the years 2008-2010 for several purposes, including funding new benevolences, reducing existing deficits, funding the Family and Youth Ministry Team Leader staff position, and the expansion and redesign of the facilities.