Building Campaign Financial Plan

Brief for the finance committee · New worship and education building · month 1 is Jan 2027

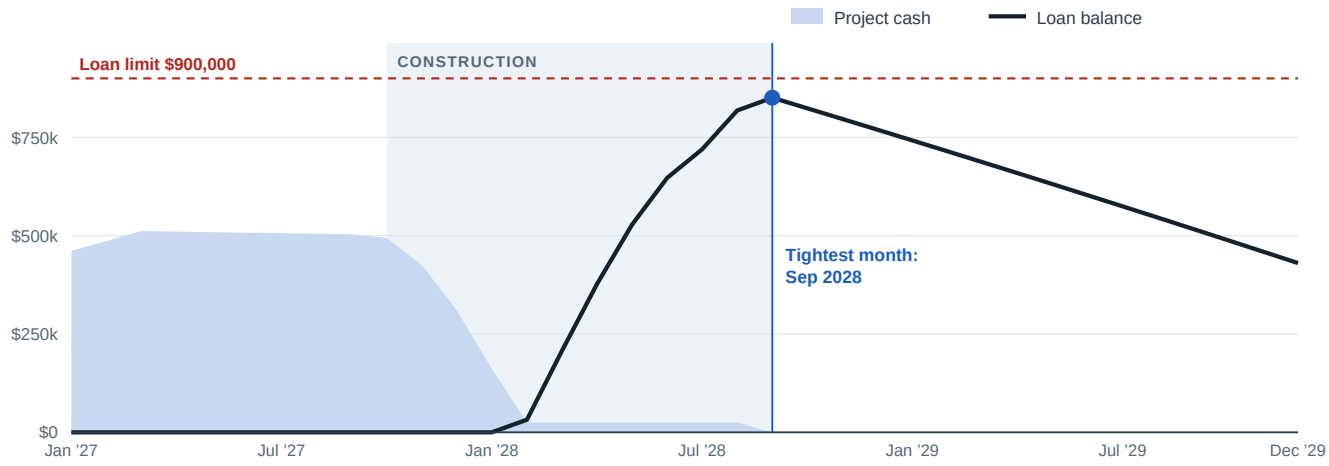
THE ANSWER

The plan holds. It borrows at most $850,839, and every rule passes.

The closest rule is loan size. The loan peaks at $850,839 in month 21 (Sep 2028). The limit is $900,000: 1.5 times $600,000 of annual general-fund giving. That leaves $49,161 of room.

PROJECT COST	MOST IT WILL EVER OWE	TIGHTEST MONTH	PERMANENT PAYMENT
$1,796,500	**$850,839**	**Sep 2028**	**$6,469 a month**
$671,475 of gifts in hand by completion	in month 21 (Sep 2028)	Month 21: $49,161 of room left	13% of general-fund giving in its first year

Project cash and loan balance, month by month



Against the church's own rules

Loan size	1.5× annual giving = $900,000	**Peak $850,839**	PASS
	The loan peaks at $850,839 in month 21 (Sep 2028). The limit is $900,000: 1.5 times $600,000 of annual general-fund giving. That leaves $49,161 of room.		
Project cash	At least $25,000 until completion	**Lowest $25,000 before completion**	PASS
	The construction line covers every month, so project cash never falls below its minimum ($25,000 until completion).		
Debt service	No more than 15% of general-fund giving	**13%**	PASS
	The permanent payment is $6,469 a month. Over its first 12 months that is $77,634 against $596,931 of general-fund giving: 13%, within the 15% limit.		
Operating reserve	At least 3 months of budget	**Lowest $201,696**	PASS
	Operating cash stays at or above 3 months of budget through month 36. The closest month is month 1 (Jan 2027): $201,696 against a $135,000 reserve.		

What would change the answer

- The plan passes down to 85.2% fulfillment. The plan assumes 92%, a cushion of 6.8 points. Below that, loan size fails first, in month 21 (Sep 2028).
- The largest project the rules allow is $1,844,000, $47,500 more than the $1,796,500 planned. Loan size is the rule that stops it.
- Construction can start as early as month 9 (Sep 2027) with every rule passing: 1 month sooner than planned.

Where the money comes from and where it goes, at completion (month 21 (Sep 2028))

SOURCES	
Cash set aside at the start	$295,000
Pledge gifts received	$639,975
Other gifts received	$31,500
Loan balance at completion	$850,839
Total	**$1,817,314**

USES	
Hard cost	$1,450,000
Contingency	$101,500
Soft costs	$160,000
Furnishings	$85,000
Construction-line interest	$20,814
Project cash on hand	$0
Total	**$1,817,314**

How much shrinkage and overrun the plan can take

Share of pledged dollars received, against cost over the full budget

	On budget	Cost +5%	Cost +10%
100% received	**Holds** $106,862 of room	**Holds** $14,183 of room	**Fails** Loan size, Aug 2028
90% received	**Holds** $34,721 of room	**Fails** Loan size, Aug 2028	**Fails** Loan size, Aug 2028
80% received	**Fails** Loan size, Aug 2028	**Fails** Loan size, Aug 2028	**Fails** Loan size, Jul 2028
70% received	**Fails** Loan size, Aug 2028	**Fails** Loan size, Jul 2028	**Fails** Loan size, Jun 2028

Each cell is a full run of the plan with every band at that fulfillment rate and every cost line that much over the full budget, contingency included. A failing cell names the rule that fails first and the month it fails.

Every assumption behind this plan

PLEDGE BAND	GIVING UNITS	PLEDGE EACH	PLEDGED	UP FRONT	EXPECTED
Lead gifts	4	$75,000	$300,000	25%	$276,000
Major gifts	12	$24,000	$288,000	10%	$264,960
Core households	45	$7,200	$324,000	10%	$298,080
Wider congregation	95	$1,800	$171,000	10%	$157,320
All bands	**156**		**$1,083,000**		**$996,360**

Giving records are sensitive. The model uses totals by band only: no donor names are entered, stored or printed.

PLEDGES AND GIFTS

Campaign length	**36 months, from Jan 2027**
Pledged in total	**$1,083,000 from 156 giving units**
Pledged dollars expected to arrive	**92%, the church's estimate**
Expected pledge gifts	**$996,360**
Given up front, in month 1	**10% unless a band says otherwise**
Timing of the rest	**Even across the campaign**
Gifts from people who did not pledge	**$1,500 a month**
Building-fund gifts after the campaign	**None assumed**
Cash already set aside	**$295,000**

GENERAL FUND

Giving today	**$50,000 a month ($600,000 a year)**
Budget today, before the loan payment	**$45,000 a month**
Giving trend	**+2% a year**
Budget trend	**+2% a year**
Campaign gifts diverted from the general fund	**8%**
Operating cash today	**$210,000**
Costs that end when the building opens	**$6,500 a month**
Costs the building adds	**$2,800 a month**

PROJECT COST

Hard cost	**$1,450,000**
Contingency	**7% of hard cost = $101,500**
Soft costs: design, permits, fees	**$160,000**
Furnishings	**$85,000**
Escalation if the start slips	**4% a year past month 10**
Project cost	**$1,796,500**

CONSTRUCTION

Starts	**Month 10 (Oct 2027)**
Lasts	**11 months; complete month 21 (Sep 2028)**
Draws	**S-curve; 5% retainage held to completion**
Soft costs paid	**Evenly over the 6 months before the start**

LOAN

Construction line	**7.5% interest only, drawn as needed**
Surplus cash during construction	**Pays the line down**
Lender commitment	**Not yet set**
Permanent loan	**6.75%, 20-year amortization**

THE CHURCH'S OWN LIMITS

Loan no larger than	**1.5 times annual giving ($900,000)**
Debt service no more than	**15% of general-fund giving**
Project cash at least	**$25,000 until completion**
Operating reserve at least	**3 months of budget**

Month by month, through month 36

MONTH	GIFTS IN	PROJECT COSTS	LINE INTEREST	LOAN DRAWN	LOAN PAID	LOAN BALANCE	PROJECT CASH	OPERATING CASH
1 Jan 2027	$166,295	–	–	–	–	–	$461,295	$201,696
2 Feb 2027	$25,259	–	–	–	–	–	$486,554	$204,676
3 Mar 2027	$25,259	–	–	–	–	–	$511,813	$207,655
4 Apr 2027	$25,259	$26,667	–	–	–	–	$510,405	$210,634
5 May 2027	$25,259	$26,667	–	–	–	–	$508,998	$213,614
6 Jun 2027	$25,259	$26,667	–	–	–	–	$507,590	$216,593
7 Jul 2027	$25,259	$26,667	–	–	–	–	$506,182	$219,572
8 Aug 2027	$25,259	$26,667	–	–	–	–	$504,775	$222,551
9 Sep 2027	$25,259	$26,667	–	–	–	–	$503,367	$225,531
10 Oct 2027	$25,259	$34,329	–	–	–	–	$494,297	$228,510
11 Nov 2027	$25,259	$94,127	–	–	–	–	$425,429	$231,489
12 Dec 2027	$25,259	$140,637	–	–	–	–	$310,050	$234,468
13 Jan 2028	$25,259	$173,859	–	–	–	–	$161,450	$237,548
14 Feb 2028	$25,259	$193,792	–	$32,082	–	$32,082	$25,000	$240,627
15 Mar 2028	$25,259	$200,436	$201	$175,378	–	$207,460	$25,000	$243,706
16 Apr 2028	$25,259	$193,792	$1,297	$169,829	–	$377,289	$25,000	$246,786
17 May 2028	$25,259	$173,859	$2,358	$150,958	–	$528,247	$25,000	$249,865
18 Jun 2028	$25,259	$140,637	$3,302	$118,680	–	$646,927	$25,000	$252,944
19 Jul 2028	$25,259	$94,127	$4,043	$72,912	–	$719,839	$25,000	$256,023
20 Aug 2028	$25,259	$119,329	$4,499	$98,569	–	$818,408	$25,000	$259,103
21 Sep 2028	$25,259	$77,575	$5,115	$32,431	–	$850,839	$0	$262,182
22 Oct 2028	$25,259	–	–	–	$26,943	$823,897	$0	$262,566
23 Nov 2028	$25,259	–	–	–	$27,094	$796,803	$0	$262,950
24 Dec 2028	$25,259	–	–	–	$27,246	$769,556	$0	$263,333
25 Jan 2029	$25,259	–	–	–	$27,400	$742,156	$0	$263,895
26 Feb 2029	$25,259	–	–	–	$27,554	$714,603	$0	$264,456
27 Mar 2029	$25,259	–	–	–	$27,709	$686,894	$0	$265,017
28 Apr 2029	$25,259	–	–	–	$27,865	$659,029	$0	$265,579
29 May 2029	$25,259	–	–	–	$28,021	$631,008	$0	$266,140
30 Jun 2029	$25,259	–	–	–	$28,179	$602,829	$0	$266,701
31 Jul 2029	$25,259	–	–	–	$28,338	$574,491	$0	$267,262
32 Aug 2029	$25,259	–	–	–	$28,497	$545,994	$0	$267,824
33 Sep 2029	$25,259	–	–	–	$28,657	$517,337	$0	$268,385
34 Oct 2029	$25,259	–	–	–	$28,818	$488,518	$0	$268,946
35 Nov 2029	$25,259	–	–	–	$28,981	$459,538	$0	$269,508
36 Dec 2029	$25,259	–	–	–	$29,144	$430,394	$0	$270,069

Shaded months are construction and completion. The dot marks the tightest month. Loan paid counts gifts applied to principal and the principal part of each payment. After month 36 the ledger runs on until the loan is paid off in month 120 (Dec 2036), 11 years 9 months ahead of its payment schedule, because gifts that arrive after completion go to principal. Interest over the whole plan is $186,540.

How these numbers were checked

- ✓ **Sources equal uses to the cent**
  At completion $1,817,314 in and $1,817,314 out; difference 0 cents. Whole ledger difference 0 cents.
- ✓ **No month short of cash without a flag**
  Project cash never falls below its minimum.
- ✓ **Receipts never exceed pledges times fulfillment**
  $996,360 received against $1,083,000 pledged.
- ✓ **General fund rolls forward month to month**
  120 months re-added.
- ✓ **Loan balance rolls forward month to month**
  120 months re-added.
- ✓ **Amortization closes to zero**
  $850,839 at $6,469 a month: 240 payments, ending balance 0 cents.
- ✓ **Cost draws add to the project cost**
  $1,796,500 paid against a $1,796,500 project; $77,575 retainage held and $77,575 released.

What this document is, and is not

This is a planning model built on the church's own assumptions. It is not financial, legal, tax or lending advice. The lender's actual terms and the church's CPA govern. The share of pledged dollars that will arrive is the church's own estimate, and every limit shown is the church's own rule or its lender's. None of them is an industry standard.

Draft wording, pending review by the church's CPA, lender and attorney.

Treasurer | Finance committee chair | Date reviewed