

Process for Assigning Building Costs to Mission Priorities in the Narrative Budget

The building is an instrument of mission. Every dollar of the costs of the building can be assigned to one or another of the church's mission priorities.

The formula for calculating this figure is as follows:

Divide the total hours each year that the building is open into the total expenditures for all building related operations and maintenance to produce the average operating cost per program hour.

Example: Say the building is open mon - friday from 9 - 9 (on average) and Sunday from 8 - 1 (again, on average) This would make the weekly program hours 65 and yearly 3380. You then divide this into the operating budget of, say, \$100,000 to get an hourly cost of \$296 for the whole building cost for each program hour.

Next, divide the cost per program hour by the total square feet of building space to get the cost per hour per square foot or (CHSF) for the building.

Example: Say the building has 10,000 square feet of usable space (counting the sanctuary). When we divide that square footage into the operating cost per hour we come up with three cents per square foot operating costs for each hour.

Next, estimate (or measure) the square footage used by each of the programs and multiply that by the number of hours the space was used to produce the total square footage hours or (SFH) of each program.

Example: Say the Boy Scouts are using a room that measures 50 X 50 feet or 250 square feet of space and they use it for two hours each week for 52 weeks. This would mean that they are using 26,000 square feet hours.

Now multiply the SFH by the CHSF. The resulting number will be the dollar value to be assigned to the donated space.

Example: 26,000 SFH times \$.03 would be \$780

Any contributions being made by any of these groups toward the building costs can then be subtracted from this amount to determine the total subsidy the church is providing.