Quick Financial Estimate Worksheet

The following steps will help a church determine the financial size of its relocation project:

Step 1 ____________ Add up the total amount of funds presently on hand for the project. Place in blank.

Step 2 ____________ Take the total annual financial support for the church’s operating budget for the past three years and divide it by 3 to get a yearly average. Place in blank.

Step 3 ____________ Multiply Step 2 figure times 1.5 – 3.0 (Choose a number between 1.5 and 3.0 depending on how successful you believe your fund-raising campaign will be.) Place in blank.

Step 4 ____________ Multiply Step 2 figure times .2 and subtract existing debt service found in the church’s annual budget (which is:__________________). Place answer, which is the maximum additional annual debt service your church can afford, in blank. (Some sources would raise the .2 figure to .25 or even .33; however, the higher figures may end up compromising your church’s ministries.)

Step 5 ____________ Using the loan calculator at www.hsh.com/calc-amort.html, determine the amount and terms for a loan (if desired); annual debt retirement payments not to exceed Step 4’s figure. Place the total amount to be financed in blank.

Step 6 ____________ Place the amount expected from sale of property (if applicable) in blank. Do not base this figure on the property’s insured replacement value, but rather on appraisals or the purchase prices of similar church buildings which have been recently sold.

Step 7 ____________ Place the amount anticipated from other sources of income (e.g. grants, facility rental fees, etc.) in blank.

Step 8 ____________ Total the figures in Steps 1, 3, 5, 6, and 7 and place in blank.

Step 9 ____________ Multiply Step 8 figure times .15, which will determine the total funds set aside for the project’s contingencies, and place in blank.

Step 10 ____________ Subtract Step 8 figure minus Step 9 figure and place in blank. This is the total amount your project can cost or the Guaranteed Maximum Price.

The Guaranteed Maximum Price is the figure that your architect/builder’s must not go above when pricing the project. The amount set aside for project contingencies will cover unanticipated expenses (e.g. change orders, increased cost of materials, etc.).