

# WORKSHEET FOR VIABILITY OF BUILDING PROJECT PROPOSAL

Presbytery of Detroit Trustees, Sept 7, 2004

Church \_\_\_\_\_

Address \_\_\_\_\_ phone \_\_\_\_\_ email \_\_\_\_\_

Person submitting this form \_\_\_\_\_ address \_\_\_\_\_

email \_\_\_\_\_ relationship to congregation \_\_\_\_\_ date \_\_\_\_\_

## 1. Cost of the project

- A. contract price.....\$ \_\_\_\_\_
- B. 15% contingency.....\$ \_\_\_\_\_
- C. architect fee.....\$ \_\_\_\_\_
- D. furnishings.....\$ \_\_\_\_\_
- E. other expected expenses (inspection, permits, attorney fees, closing).....\$ \_\_\_\_\_
- F. cost of the capital funds campaign (consultant, dinner, mailings, etc.).....\$ \_\_\_\_\_
- G. Mission component: funds allocated to program beyond local church...\$ \_\_\_\_\_
- H. TOTAL COST OF PROJECT...\$ \_\_\_\_\_

## 2. Resources available

- A. unborrowed cash.....\$ \_\_\_\_\_
- B. campaign receipts expected before work is to begin.....\$ \_\_\_\_\_
- C. Interest to be earned on available cash before work is to begin.....\$ \_\_\_\_\_
- D. other funds allocated to project (source?).....\$ \_\_\_\_\_
- E. TOTAL CASH AVAILABLE \$ \_\_\_\_\_

3. Resources needed to complete project (subtract item 2E from item 1H).....\$ \_\_\_\_\_

## 4. Capacity of congregation to borrow short term (source of loan payments)

- A. total expected pledge receipts to building fund .....\$ \_\_\_\_\_
- B. 90% of line 4 A (shrinkage due to bad pledges.....\$ \_\_\_\_\_
- C. subtract campaign receipts calculated as unborrowed cash (#2B above)..\$ \_\_\_\_\_
- D. remainder available for loan payments.....\$ \_\_\_\_\_
- E. divide item 4D by number of years campaign receipts come in.....\$ \_\_\_\_\_

LINE 4E is the annual amount applied to loan payments during the remainder of the pledge income period. (usually 3 years)

- F Using a mortgage table, calculate annual principle and interest on the loan used to finance item #3 above.....\$ \_\_\_\_\_

Line 4E and Line 4F should be equal. If they are not equal additional funds are needed to make payments, either from current operating budget or from receipts of a second 3 year capital campaign.

5. capacity of congregation to pay the remainder of the loan following first pledge income period.

- A. Goal for second capital campaign, calculated at 80% of line 4 A.....\$ \_\_\_\_\_
- B. 5A divided by number of years 2<sup>nd</sup> campaign is to run, (usually 3).....\$ \_\_\_\_\_
- C. current operating budget first year following pledge income period  
Calculate budget growth next 3 years at half the growth rate for the previous 3 years.....\$ \_\_\_\_\_

. Impact of capital program on future c.o.b.

- D. If increased energy efficiency is part of the program and no increase in size of the building is involved, there should be a reduction in future expenses. Estimate cost savings:.....\$ \_\_\_\_\_

- E. Should the project include an addition to building space, what are the projected increases in utility and maintenance costs?.....\$ \_\_\_\_\_

If 5D applies, add 5C and 5D.....\$ \_\_\_\_\_

IF 5E applies, subtract 5E from 5C.....\$ \_\_\_\_\_

- F. The smaller of the amounts immediately above is the theoretical operating budget the first year after the campaign expires.....\$ \_\_\_\_\_

- G. Multiply 5F by .18 (18%). This is the amount available for loan Payments in years following the campaign.....\$ \_\_\_\_\_

Annual principle and interest on loan from 4 F above.....\$ \_\_\_\_\_

For project to be viable, line 5G must at least equal line 4F. If not, the project must be refinanced over a longer time period, or the total project cost reduced to equal available funds.