KHACHKAR STUDIOS

EMPOWERING GOOD NEWS

INFINITE SROI MEMO: BUILDING PRESERVATION RESERVE

FAITHFUL STEWARDSHIP • TRANSPARENCY • ACCOUNTABILITY • PERFORMANCE

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The Bible teaches that faithful stewardship involves planning wisely for the future, caring responsibly for what God has entrusted to us, and conducting our affairs with honesty and integrity. Jesus taught the importance of counting the cost before beginning a project (Luke 14:28). At the same time, Scripture reminds us that "it is required that those who have been given a trust must prove faithful" (1 Corinthians 4:2). Proverbs repeatedly commend prudent planning and preparation. Establishing a Building Preservation Reserve reflects these biblical principles by demonstrating that the parish is responsibly planning, following recognized financial best practices, openly acknowledging the long-term realities of maintaining church property, and strengthening trust by reducing the need for emergency fundraising for predictable building expenses.

What is a Building Preservation Reserve?

A Building Preservation Reserve is a dedicated fund established to pay for the future replacement and renewal of major building components that naturally wear out over time.

These include items such as:

- Roof replacement
- Heating and air conditioning systems
- Parking lots and sidewalks
- Exterior masonry and waterproofing
- Windows and doors
- Electrical and plumbing systems
- Interior renovations
- Accessibility improvements
- Safety and security systems

These are not unexpected expenses—they are normal and predictable costs of caring for a church building over many decades.

Why is it important?

A Building Preservation Reserve demonstrates that the parish is:

- Planning rather than reacting to emergencies.
- Following recognized financial best practices used by well-managed churches, schools, hospitals, and nonprofit organizations.
- Being transparent about the true long-term cost of maintaining church facilities.
- Building trust by showing parishioners that future building needs have been responsibly anticipated rather than becoming recurring fundraising emergencies.
- Preserving God's house for future generations.

A Best Practice

Financial professionals generally recommend that institutions owning significant facilities establish dedicated capital replacement reserves based upon the expected long-term cost of replacing major building systems.

Rather than viewing these future costs as surprises, prudent organizations recognize them as an ongoing responsibility and budget for them annually.

For a church comparable to Holy Cross Armenian Catholic Church in Belmont, Massachusetts, a reasonable planning estimate would typically be:

Annual Building Preservation Reserve: approximately $60,000–$80,000 per year.

The precise amount should ultimately be determined through a professional engineering reserve study, but establishing a reserve within this range represents prudent long-term planning.

Transparency Builds Trust

Openly disclosing a Building Preservation Reserve allows parishioners to understand better the financial realities of operating and preserving a church.

When future capital needs are identified, planned for, and funded gradually over time, parishioners can have greater confidence that contributions are being managed responsibly and that predictable building costs are less likely to become unexpected fundraising appeals.

Financial transparency strengthens trust, supports accountability, and reflects faithful stewardship of the resources God has entrusted to His Church.

“Moreover, it is required in stewards that one be found faithful.” — 1 Corinthians 4:2

“Suppose one of you wants to build a tower. Won’t you first sit down and estimate the cost?” — Luke 14:28

“The plans of the diligent lead surely to abundance.” — Proverbs 21:5