

**COUNCIL ON FINANCE AND ADMINISTRATION**

The purpose of the Council on Finance and Administration (CFA) is “to develop, maintain, and administer a comprehensive and coordinated plan of fiscal and administrative policies, procedures, and management services for the annual conference” (§ 611.1, 2004 *Discipline*). The council has adopted this theme for its work:

***Empowering Financial and Administrative Leadership.***

Receipts on all funds for 2007 were \$24,441,653, or 89.15% of the total apportioned. For 2008, the charge conferences accepted 92%, or \$27,140,772.

The Council on Finance and Administration is proposing the budget for 2009 based upon the new funding paradigm implemented in 2005. The two-part presentation consists of Operating Costs and Ministry FairShare Askings—Conference and General Church. The Operating Costs are proposed at \$5,441,215. The overall apportioned budget for Operating Costs and Askings totals \$15,401,692. The budget amounts were set based on the stewardship concepts contained in the new funding paradigm. Those concepts emphasize setting future budgets based on past support, indexed for inflation and conference growth.

The council sees itself as joining with the Stewardship of Giving Task Force and the local church in the work of the financial ministry of the annual conference. We commend the 2009 budget to the conference. It represents the uniqueness and depth of ministries and missions provided by our church and the economic realities of our conference.

We note, however, that this proposed total budget is 6.6% lower than our 2008 budget, a decrease of \$1,094,413, and the Conference Operating Costs budget for 2009 is \$1,223,977 less than the 2009 paradigm target amount.

**Proposals: 2009 Conference Funds and Financial Policies**

**(Petition 1)**

The Council on Finance and Administration proposes:

1. That each of the funds described in the section of this report headed “Conference Funds for 2009” be approved and that the traditional **decimal** formula be used in determining the apportionments and FairShare Askings for 2009 for each chartered church/charge for these funds:

<i>Apportioned Funds</i>	<i>FairShare Askings</i>
Conference Operating Costs:	Conference Ministry:
District Superintendents' Fund	Conference Benevolences
Equitable Compensation Fund	Higher Education: Colleges, Universities, Scholarships
Retiree/Incapacity Insurance Support	Higher Education: Campus Ministry
Conference Support	Health and Human Services
Administrative Staff Support	Congregational Development
Administrative Office Support Items	
	General Church:
	Africa University Fund
	Black College Fund
	Episcopal Fund
	General Administration Fund
	Interdenominational Cooperation Fund
	Jurisdictional Administration Fund
	Lake Junaluska Dam and Lake Restoration Fund
	Ministerial Education Fund
	World Service Fund

The formula shall be based on the average of the amounts paid by chartered churches during 2005, 2006, and 2007 on the following items:

<b>Item</b>	<b>Lines</b>
Total Conference Apportioned Funds Paid .....	Line 38c2 or c3
District/County Mission Society .....	Line 48
District Administration/Expense Fund .....	Line 56
Pastor(s) Health Insurance Premiums .....	Line 63
Salaries, Housing, Utilities, Travel, and Other Cash	
Allowances Paid to Pastor and Associate(s) .....	Lines 64-68
Compensation of Deacon(s)/Diaconal Minister(s) .....	Line 69
Compensation of All Other Church Employees .....	Line 70
Local Church Expenses for Program .....	Line 71
Other Local Church Operating Expenses .....	Line 72

(Notes: Line numbers refer to corresponding entries on Table 2 of the year-end reports of the pastors and local churches.)

Provided, however, that, upon request by the Cabinet and with the approval of the Council on Finance and Administration, apportionments to a newly merged church and/or relocated church ("Renewal Church") shall be calculated as if the church were a new congregation.

2. That the following policy be approved and observed:  
At the beginning of the calendar year, the Council on Finance and Administration shall determine which portions of the Conference Support Fund (Fund 505) and the Conference Benevolences Fund (Fund 508) are "fixed costs" (salaries, benefits, etc.) and shall thus be authorized to be paid at 100% of the approved budget. On the basis of prior-year receipts to these funds and the acceptance reports from the charge conferences, the council shall then determine a percentage of the approved budget to be authorized for expenditure in the remaining items of each budget, so that expenditures shall not exceed income.
  - a. The Conference Operating Costs are "fixed costs," consisting primarily of salaries, benefits, and direct operating costs. Each church, therefore, is encouraged to support these items at 100% of the apportioned amount.
  - b. The churches are requested to make payments thereon aggregately, with the understanding that the conference treasurer will allocate the payment according to the appropriate percentage due it according to the charge conference acceptance sheet.
3. That an Unrestricted Fund Balance Account be maintained by the annual conference at a level of 20% of the current total of the Conference Operating Costs and Conference Benevolences Fund (Fund 508) and that any undesignated interest income plus unused balances in budget accounts be transferred to the undesignated fund balance at the end of the fiscal year. Reserves are created by earnings, while budget amounts are wholly designated for ministries.
4. That all apportioned funds, FairShare Askings, and pension and health benefits costs, both receipts and disbursements, be managed through the office of the conference treasurer and that all boards, agencies, committees, and commissions use the conference treasurer as fiscal agent.
5. That the group medical insurance plan be continued and that all churches be asked to participate through the payment of premiums through the office of the conference treasurer.
6. That local churches be reminded that the discontinuance of prior claims funding, effective January 1, 2007, for the Equitable Compensation Fund, Pension and Benefits Fund, Episcopal Fund, and District Superintendents' Fund does not relieve the churches from their obligation to observe the rule of proportional payment (§§ 621 and 638.4, 2004 *Discipline*), and that § 638.4(c) be observed by the statistician in reporting apportionments and payments to the Pension and Benefits Fund.
7. That for 2009 and beyond, the salary and benefits (including clergy housing) for district superintendents and all Conference Memorial Center personnel be set by the Committee on Conference Staff Relations policy within the approved total salary budget.
8. That all agencies receiving funds from the conference budget shall affirm that those funds will not be expended for the use of alcoholic beverages or to promote acceptance of homosexuality in violation of § 612.18 and .19 of *The Book of Discipline* (2004).
9. That the amount of compensation designated as housing allowance for ordained staff members and district superintendents of the conference be set by an annual resolution of the conference Council on Finance and Administration after consideration of a statement of amounts to be used during the year.
10. That church-related travel expenses of all members of conference boards, agencies, committees, and commissions; conference staff; district superintendents; and local church clergy be paid by voucher on a mileage basis at the amount allowed by the Internal Revenue Service. This will be considered as a church-related business item and will not be factored into any compensation package by the Cabinet.

11. That the governing boards of Aldersgate United Methodist Retirement Community, Inc. (Epworth Place and Asbury Care Center); Arbor Acres United Methodist Retirement Community, Inc.; Givens Estates United Methodist Retirement Community, Inc.; The Children's Home, Inc.; UMAR-WNC, Inc.; The United Methodist Foundation of Western North Carolina, Inc.; Camp Tekoa; Bennett College for Women; Brevard College; Greensboro College; High Point University; Pfeiffer University; the Western North Carolina Conference Brotherhood/Sisterhood; the Western North Carolina Conference Historical Society; approved counseling centers of the conference; and Disciple Bible Outreach Ministry be granted the privilege of soliciting and receiving funds from churches, individuals, and other sources (but not from conference-wide offerings except as indicated in the list which follows) in keeping with *The Book of Discipline*; that two conference-wide capital campaigns, the Bishop's Initiative for Africa University and The Children's Home capital campaign, 2008-09, be approved for 2009; and that the following, and only the following, conference-wide offerings be approved for 2009:

<i>Offering</i>	<i>Authorized by</i>
Human Relations Day (January 18, 2009).....	General Conference
UMAR Sunday (June 14, 2009).....	Annual Conference
One Great Hour of Sharing (March 1, 2009) .....	General Conference
Native American Awareness (April 5, 2009).....	General Conference
Golden Cross (May 3, 2009).....	General/Annual Conferences
Medical Mission Teams (November 1, 2008) .....	Annual Conference
Mother's Day (Aldersgate, Arbor Acres, Givens) (May 10, 2009) ...	Annual Conference
Disciple Bible Outreach (August 24, 2008).....	Annual Conference
Project AGAPE (April 19, 2009) .....	Annual Conference
Peace with Justice (May 17, 2009) .....	General Conference
Children's Home Sunday (September 13, 2008).....	Annual Conference
World Communion (October 5, 2008).....	General Conference
United Methodist Student Day (November 23, 2008).....	General Conference

12. That funds appropriated for Aldersgate United Methodist Retirement Community, Inc. (Epworth Place and Asbury Care Center); Arbor Acres United Methodist Retirement Community, Inc.; and Givens Estates United Methodist Retirement Community, Inc., be used exclusively for supplementary care for members of United Methodist churches of the Western North Carolina Conference. Any local church wishing to give to any of these agencies funds in excess of the amount apportioned may do so by forwarding such funds to the conference treasurer with proper advisement as to their disbursement, or by direct giving to the appropriate agency.
13. That clergy be reimbursed for moving expenses in the following manner, effective upon adjournment of the 2008 conference session:
- IN-CONFERENCE MOVES: The conference shall pay \$500, plus \$2.50 per mile, on those moves which are required as pastors are moved from one appointment to a new appointment, on a one-way basis.
  - MOVES INTO THE CONFERENCE: The conference shall pay on the same basis as in item 13a above. The moving allowance will apply to the number of miles on the most direct route traveled from the conference boundary to the pastoral appointment.
  - MOVING AT RETIREMENT: Retiring clergy, surviving spouses of active clergy who died during the year, and clergy who go on incapacity leave during the year shall receive a moving allowance of \$750, plus \$2.50 per mile, from the pastoral appointment to the retirement residence or the conference boundary. A retiree who moves to a parsonage and serves a pastorate in retirement is eligible for an in-conference moving allowance upon approval of the district superintendent.
  - MOVES OUT OF THE CONFERENCE (moving to another conference, withdrawing from conference membership, leave of absence, etc.): No allowance will be paid.
  - SABBATICAL LEAVE: No allowance is granted when the leave begins; however, an allowance will be given when the leave is completed and the clergy person is again available for appointment by the bishop. The amount will be consistent with items 13a and 13b above.
  - In many instances, the moving allowance will not cover the total expense of the move. This reimbursement is given to help with the over-the-road cost of the move. Each church/charge receiving a new pastor is strongly urged to pay any out-of-pocket expenses incurred by the new pastor as a result of the move. The district superintendent will negotiate the request with the church/charge well in advance of moving day.
  - The district superintendent is asked to make a very special appeal that each church/charge be especially sensitive to both parsonage families during this stressful time. The appeal should include assistance with meals, packing, unpacking, loading, and unloading where helpful and appropriate for the parsonage family.
14. That the total 2008 compensation of conference clergy in appointments extending the ministry of the church and beyond the local church and the total current compensation as of July 1, 2009, of all clergy appointed to local churches of the conference be published in the 2009 Journal.

15. That the president, vice-president, and secretary of the conference Council on Finance and Administration, the conference treasurer-director of administrative services, a Cabinet representative, and one lay member of the CFA constitute the executive committee of the conference Council on Finance and Administration.
16. That the Council on Finance and Administration be authorized to appoint a conference auditor.
17. That each local church make a very special effort to undergird the meal, transportation, and lodging expenses of annual conference members in attending annual conference. The district superintendents are asked to encourage such support at each charge conference. Upon recommendation by the Committee on the Annual Conference Meeting, the conference per diem for 2009 shall be set at \$34.00 per day.
18. That conference agencies receiving funds from the Conference Support Fund (Fund 505) and the Conference Benevolences Fund (Fund 508) not be permitted to carry over unspent funds from one conference year to another unless specifically authorized by the Council on Finance and Administration. Agencies receiving funds from sources other than apportioned funds may carry over such unspent funds into the next year. Congregational Development Fund (Fund 509) receipts from all sources are considered to be designated receipts for specific purposes and are carried forward into the next year.
19. That 3:00 P.M., Friday, January 9, 2009, be the cutoff time by which all payments from local churches must be in the office of the conference treasurer in order to be applied to the 2008 year.
20. That each conference board, agency, or institution receiving or disbursing funds not managed by the conference treasurer maintain adequate financial records and prepare and submit annual audit reports to the conference treasurer and the conference Council on Finance and Administration. All treasurers should be properly bonded.
21. That the conference fiscal year begin on January 1, 2009, and end on December 31, 2009.
22. That the conference Council on Finance and Administration be responsible for designating depositories for conference funds.

James C. Windham, Jr., *President*