

Financial Interpretation

Of the 2017 Annual Budget

Of the Western North Carolina Conference

January, 2017

The information contained on the following pages represents the financial interpretation of our Conference and District budgets, and thus our apportionments, for the year ending December 31, 2016. This budget, throughout its creation, was reviewed by the various committee of the Conference who submitted budgetary requests, the leadership team of the Western North Carolina Conference, and approved by Council on Finance & Administration for recommendation to the Annual Conference in June, 2015. After discussion, this budget was approved as recommended.

After reviewing this document, if you have any questions about these funds or want additional information about these, please do not hesitate to inquire to your Conference Treasurer, Jennifer Burton, your Treasury Services staff, or your District staff as it relates to the District Funds.

Conference Funds

Fund 504, District Operations

This fund has been redesigned after the determination of the Conference reduction from fifteen (15) districts to eight (8) districts. Based on the District Transition Team proposal, all financial activities of the districts, including all spending for district personnel and operations, is to be performed by the Conference Office of Treasury Services. Therefore, this fund now includes **all** district personnel salary and benefits (district superintendents, administrative assistants, and congregational vitality strategists) and district operations of the office (which is supported by an equal allocation to each district office).

Fund 505, Conference Support

This fund includes all administrative operations of the Conference Office. This includes all personnel costs (salary and benefits), staff expenses for travel, office operations, committee operations (as deemed required by the Book of Discipline), operations of the Episcopal office (not including personnel costs for the resident Bishop), operations of the Cabinet, expenses for professional fees such as legal, audit, etc. Further breakdown is shown in Schedule One of the annual budget.

Fund 506, Equitable Compensation

This fund represents all monies provided as salary grants to local churches that are unable to provide total funding for a pastor in their appointment. This fund is designed to provide grants on a six month basis, but no one church will receive funding over longer than a three-year period, during which funding is reduced each year.

Fund 507, Medical Leave Benefit Supplement

This fund represents pension and clergy health benefits to those persons who have been granted medical leave, formerly known as incapacity leave. Our annual conference typically averages 30 persons on medical leave.

Fund 508, Vision and Goals

This fund represents expenditures for various ministries and to constituent organizations within the bounds of our Conference, namely, Leadership Development, Campus Ministries, camping ministries including Camp Tekoa and our district camps, conference Youth Ministries, Justice & Reconciliation (Ethnic Ministries), Congregational Development and Vitality, Mission and Disaster Response, and to our health and welfare organizations (Methodist Colleges, retirement homes, and Children's Home). Some of the programs which this fund provides include, but not limited to:

- Grants to local church programs
- Resources for congregational vitality
- Funding for start-up congregations and their pastors
- Clergy leadership development programs and coaching
- Operations of the Fishin' Hole and the Mission Response Center
- Operational funding for campus ministries for each public college/university in our bounds
- Operational funding for conference camping ministries of Camp Tekoa and our three district camps
- Youth, disaster relief, mission and ethnic programs within the Conference

Fund 509, Intentional Interim Ministry

This fund represents a ministry designed to provide churches experience unique transitions a specially trained interim pastor for a period of 1 to 2 years. The fund, established in 2015, has been requested by the Cabinet in order to provide a consistent salary for intentional interim ministers as they move throughout the Conference. As it was established, the total funding of \$200,000 will be requested over a period of three years (2015 – 2017) at which time the ministry is expected to be self-sustaining due to remittances from the churches who have intentional interim ministers appointed.

District Funds*Fund 401, District Missional Engagement*

This district fund provides support for missional projects. It encompasses the former Mission Society funds, but creates more room for funding for projects within the missional networks created in each of our eight (8) districts.

Fund 402, District Benevolence Fund

This district fund provides support for benevolent causes within the district bounds. This fund encompasses past funding, if determined to be continued, for organizations such as Methodist counseling centers, campus ministries, and ethnic ministries within the districts.

Fund 403, District Congregational Vitality

This district fund provides support for congregations – both those seeking to rebuild vitality in their churches and those just starting out.

General Church Funds

Fund 503, Episcopal Fund

This general church fund provides for the salary and expenses of active bishops from the date of their consecration and for the support of retired bishops and surviving spouses and minor children of deceased bishops. Over the quadrennium, the average cost of a jurisdictional bishop is projected to be \$1,250,000 while the average cost of a central conference bishop is projected to be \$750,000.

These expenses include salaries of each bishop, Episcopal office expenses, partial support for maintenance of Episcopal residences, pension, health, and disability benefit premiums for bishops and their families, travel, meeting, and moving expenses, and pensions for bishops, surviving spouses and/or adult dependent children. Additionally, this fund supports the offices of the executive secretary and ecumenical officer of the Council of Bishops.

Fund 513, Africa University

This general fund was established in order to provide funding for the development and operation of Africa University, the first private university for male and female students in all of Africa. It offers post-secondary education for students through colleges of agriculture and natural resources, management and administration, theology, education, health sciences, and humanities and social sciences, and postgraduate faculties in agriculture, management and administration, theology, health sciences, and peace and governance. Funds are disbursed through General Board of Higher Education and Ministry (GBHEM) to Africa University or to the Board of Directors of the University.

Fund 514, Black College Fund

The objective of this general fund is to provide financial support for institutions of higher education that have historically served the educational needs of black students; however, many students from other races and nations attend these quality schools. This support helps these institutions maintain academic quality and financial stability while limiting individual student tuition costs. Distribution of these funds occurs through GBHEM to these colleges in accordance with the plan set forth in ¶1815 of the 2012 Book of Discipline.

Fund 515, General Church Administration

Through the General Administration Fund, United Methodists implement a trustworthy system of administrative oversight and fiscal accountability; underwrite the legislative work of General Conference; fund the work of the Judicial Council to adjudicate questions of Church law; maintain United Methodism's official documents and historical artifacts; and designate historical shrines, landmarks and sites.

The General Administration Fund finances those general church activities that are specifically administrative in nature. Therefore, for the 2013 – 2016 quadrennium, this general fund will provide the resources for the work of the General Council on Finance and Administration (47%), General Conference (including travel and reimbursement for all delegates and meeting operations) (30%), Standing Committee on Central Conference Matters (1%), General Commission on Archives & History (12%), Judicial Council (2%), Pension and Salary aid for specific organizations, namely, Oklahoma Indian Missionary Conference and Rio Grande Conference (7%), and a contingency reserve (1%).

Fund 516, Interdenominational Cooperation Fund

This general fund provides basic support for ecumenical agencies through which the United Methodist Church participates in God's mission in cooperation with other Christian communions. The following items are included in the budget:

- Interpretation resources for promotion of the Interdenominational Cooperation Fund by United Methodist Communications
- General Council on Finance and Administration for the receiving and disbursing of these funds
- National Councils of Churches/Regional Ecumenical Organizations in order to support the work of these councils whose membership is limited to a specific country or geographic region. Among the specific organizations currently receiving support is the National Council of Churches of Christ in the USA.
- World Councils of Churches/International Ecumenical Organizations in order to support the work of councils or organizations whose membership is not limited to a specific country or geographic region. These funds support United Methodist participation in the committee work and life of the World Council of Churches, including commitment for costs of the WCC Assembly, including travel and related expenses for Christians from developing nations.
- Christian World Communions/Methodist Unity in order to support the work of ecumenical organizations whose members trace their origins to some part of the religious tradition started by John Wesley. This fund provides for United Methodist participation in the basic budget of the World Methodist Council, with the United Methodist Church representing the majority of the funding for the North American section and for the general administrative and program activity of the active Council.
- Pan-Methodist Commission for meetings with representatives of The African Methodist Episcopal Church, the African Methodist Episcopal Zion Church, the African Union Methodist Protestant Church, the Christian Methodist Episcopal Church, and the Union American Methodist Episcopal Church regarding areas of mutual interest and cooperation
- Ecumenical/Multilateral Conversations for those with representatives of other denominations
- Ecumenical Representative Travel for those United Methodist representatives named by General Conference, Council of Bishops or GCCUIC, including travel to various meetings and events of these various organizations
- Interreligious Relations to provide resources for United Methodists to engage more directly with neighbors of other faith communications, to provide information, material and support for dialogues locally and regionally.
- Contingency Reserve for unforeseen or emerging assignments.

Fund 519, Ministerial Education

Through this general fund, support is provided for the thirteen United Methodist seminaries in the United States and global initiatives through GBHEM, as well as local pastor courses of study, continuing education, and other programs that strengthen the ministry of every local church. Of the total collected, 25% is retained by each annual conference which directly supports ministerial education in that conference, under the supervision of the Board of Ordained Ministry.

As approved by General Conference, GBHEM plans to establish the Central Conference Theological Education Initiative in 2013 in collaboration with the General Board of Global Ministries (GBGM). This initiative will seek to improve and strengthen existing indigenous structures of theological education in order to create a sustainable, contextual system of education in areas where it now least exists. This program initiative is intended to be a continuation of the Africa Theological Education

Initiative begun during the past quadrennium. It will continue and expand the theological and training opportunities that are currently taking place.

Fund 520, World Service Fund

This general fund provides the opportunity for each of our local churches to become a partner with the Church's agencies to be in mission and ministry at home and around the world. This fund provides resources for specific fixed charges as follows:

- General Council on Finance and Administration for services provided in the collection and disbursement of funds,
- Connectional Table operations whose task it is to discern and articulate "the vision for the church and the stewardship of the mission, ministries, and resources of the United Methodist Church"
- Interpretation resources to produce marketing materials to interpret United Methodism's connectional funds, including "Promotion of Giving" to provide comprehensive financial stewardship tools.

In addition to these fixed costs, these funds also provide support to the general program boards and agencies to produce activities within four program areas of the denomination: leadership, church growth, ministry with the poor, and global health. These program agencies and boards include the following:

- General Board of Church & Society
- General Board of Discipleship
 - Native American Comprehensive Plan
 - Strengthening the Black Church
- General Board of Global Ministries
 - Asian American Language Ministry
 - Korean Ministry Program
 - National Plan for Hispanic/Latino Ministry
 - Pacific Island Ministry
- General Board of Higher Education and Ministry
- General Commission on Christian Unity and Interreligious Concerns
- General Commission on Religion and Race
 - Minority Group Self Determination
- General Commission on the Status and Role of Women
- General Commission on United Methodist Men
- United Methodist Communications

Jurisdictional Funds

Fund 517, Jurisdictional Church Administration

This fund represents the jurisdictional apportionments which provide for the expenses of the jurisdictional committees, including Council on Finance & Administration, Coordination & Accountability, expenses for the quadrennial jurisdictional conference, and funding to certain agencies with debt authorized by the jurisdictional conference. These apportionments, due to the decision made by the Jurisdictional Conference in 2008 to discontinue operational agency funding, have been cut to one-half of the previous quadrennium's amount.

For additional information regarding the general church funds, the General Council on Finance and Administration publishes *The Financial Commitment of The United Methodist Church 2013 – 2016*. The information above was compiled from this publication and the Advance Daily Christian Advocate published for General Conference. This publication can be accessed at http://s3.amazonaws.com/Website_GCFA/reports/financial/Documents_/Financial_Commitment_Book_2013-2016_FINAL_1-23-13_w_Rpt_8_edit.pdf