

THE COUNCIL ON FINANCE AND ADMINISTRATION

Recommend to the 2013 Annual Conference

PREFACE

On behalf of the Council on Finance and Administration, I want to thank each United Methodist in South Carolina for their generosity of time, talent, service and gifts in 2012. We achieved a new recent high in apportionment giving. I mailed personally signed letters to all clergy members whose churches paid 100% of their apportionments or increased their giving. All disciples are called to be stewards of the mysteries of God.

The following pages outline the ministry funding plan for our South Carolina Annual Conference in the Calendar/Conference Year 2014. The Council has sought to prepare this document in prayer and faithful reflection. The overall budget targets again moves us closer to the intended goal of setting this at 15% of average net funds by 2015. CF&A is beginning to review budgeting goals over a longer time period.

Again, CF&A will staff an information table on the concourse level. This table will provide resources on stewardship, financial administration, and the Annual Conference budget. Please stop by during our time of conferencing this year in Florence.

The Council appreciates the interest and support of our new Bishop, Jonathan Holston in our work. He brings a wide range of experience including service on the General Council on Finance and Administration.

Our South Carolina CF&A has sought to be better organized as the new term of service has begun. We have organized around four subcommittees – Budget and Planning chaired by veteran lay member Dan Bozard; Audit, Investment and Control chaired by new clergy member, The Reverend Marie Nuckles; Personnel and Operations chaired by veteran lay member, John Redmond and Stewardship, Education and Communication chaired by new clergy member, The Reverend Walter Cantwell.

Planning goals for the years 2012 – 2016 have been adopted by the Council. As always, the entire Council is resourced and informed in vital and significant ways by our Conference Treasurer/Director of Administrative Services, Anthony “Tony” Prestipino and his helpful staff.

The Reverend David C. Surret, President, Council on Finance and Admin.

Report No. 1

We recommend that the following funds be apportioned to churches on the basis of percentages of average net funds.

	FUND	Approved for 2013	Requested for 2014	Recommended for 2014	% Change	Average Net Funds Factor
1	Conference Benevolences	\$ 2,367,906	\$ 2,415,594	\$ 2,350,594	-0.7%	
2	Retiree Health/Transition/Contingency	1,952,536	1,952,536	1,952,536	0.0%	
3	District Superintendents Salary	1,097,683	1,097,683	1,130,606	3.0%	
4	Equitable Compensation	556,000	351,000	425,000	-23.6%	
5	District Administration	820,000	820,000	830,000	1.2%	
6	Conference Administration	1,572,751	1,572,751	1,557,947	-0.9%	
7	Camps & Retreat Ministries	328,324	350,000	311,908	-5.0%	
8	Congregational Development	960,000	960,000	960,000	0.0%	
9	Senior College Scholarships	1,228,590	1,324,832	1,167,161	-5.0%	
10	Spartanburg Methodist College	634,838	850,000	634,838	0.0%	
11	Campus Ministry	637,801	637,801	637,801	0.0%	
12	Methodist Homes Residents' Assistance	540,228	589,713	540,228	0.0%	
	Sub-total	\$ 12,696,657	\$ 12,921,910	\$ 12,498,618	-1.6%	0.0000%
13	World Service **	\$ 2,048,738	\$ 2,076,038	\$ 2,060,254	0.6%	
14	Episcopal Fund **	593,702	578,861	601,590	1.3%	
15	General Conference Administration **	247,217	237,461	248,663	0.6%	
16	Ministerial Education **	703,364	704,041	707,317	0.6%	
17	Interdenominational Cooperation **	54,981	55,034	55,291	0.6%	
18	Black College **	280,552	280,822	282,129	0.6%	
19	Africa University **	62,783	62,843	63,136	0.6%	
20	Jurisdiction Mission/Ministry #	170,187	170,187	85,093	-50.0%	
	Sub-total	\$ 4,161,524	\$ 4,165,287	\$ 4,103,473	-1.4%	0.0000%
	TOTALS	\$ 16,858,181	\$ 17,087,197	\$ 16,602,092	-1.5%	16.1679%

** Line items marked with ** are General Conference apportioned funds.

Line item marked with # is a Southeastern Jurisdictional apportionment.

* 16.1679% of the expected 2012 Avg Net Funds

Report No. 2

The Conference Benevolences Fund (Item 1, Report No. 1) will be divided as follows:

Fund	Approved for 2013	Requested for 2014	Recommended for 2014	% Change
A. Connectional Ministries				
1. Conference Advance Specials				
Ministry Programs	\$ 165,000	\$ 180,000	\$ 155,000	-6.1%
Special Salary Supplements	19,000	20,500	20,500	7.9%
Sub-totals (1)	\$ 184,000	\$ 200,500	\$ 175,500	-4.6%
2. Board/Agency Programs				
District Councils	\$ 90,000	\$ 90,000	\$ 90,000	0.0%
The Board of Church and Society	20,000	20,000	18,000	-10.0%
The Board of Education	12,000	12,000	10,000	-16.7%
The Board of Evangelism	1,500	1,500	1,000	-33.3%
The Board of Global Ministries	38,000	38,000	35,000	-7.9%
The Board of Health and Welfare Ministries	4,000	4,000	4,000	0.0%
The Board of Higher Education & Campus Ministry	35,000	35,000	33,000	-5.7%
The Board of Laity	13,000	13,000	13,000	0.0%
The Commission on Christian Unity & Interreligious Concerns	1,250	1,250	1,250	0.0%
The Commission on Religion & Race	2,000	2,000	1,000	-50.0%
The Commission on Worship	6,500	6,500	4,000	-38.5%
The Commission on The Status & Role of Women	1,000	2,000	1,000	0.0%
The Commission on Archives and History	3,000	3,000	3,000	0.0%
The Committee on ELCC	37,750	41,500	37,750	0.0%
The Committee on Native American Ministry	3,750	4,000	3,750	0.0%
Communications	0	2,400	2,400	100.0%
Disaster Response	5,000	5,000	5,000	0.0%
Division on Young People	38,000	38,000	35,000	-7.9%
Sub-totals (2)	\$ 311,750	\$ 319,150	\$ 298,150	-4.4%
3. Board/Agency Administration	\$ 60,000	\$ 50,000	\$ 50,000	-16.7%
4. Operations (100% guaranteed)				
Salaries	\$ 1,214,906	\$ 1,239,204	\$ 1,239,204	2.0%
Contract Services	190,500	194,310	194,310	2.0%
Sub-totals (4)	\$ 1,405,406	\$ 1,433,514	\$ 1,433,514	2.0%
5. Communications				
Electronics	\$ 42,500	\$ 42,500	\$ 42,500	0.0%
Resource Center	35,000	35,000	28,000	-20.0%
Public & Media Relations	40,000	40,000	30,000	-25.0%
Sub-totals (5)	\$ 117,500	\$ 117,500	\$ 100,500	-14.5%
6. Advocate	\$ 140,000	\$ 135,000	\$ 135,000	-3.6%
Sub-totals (A)	\$ 2,218,656	\$ 2,255,664	\$ 2,192,664	-1.2%
C. Other Conference Agencies				
Cabinet Emergency Fund	\$ 25,000	\$ 25,000	\$ 23,000	-8.0%
Bishop's Contingency Fund	10,000	10,000	10,000	0.0%
Episcopal Office	0	12,000	12,000	100.0%
Committee on Episcopacy	1,500	1,500	1,500	0.0%
Episcopal Residence	10,000	20,000	20,000	100.0%
Archives & History: Conference Archivist Contract	20,700	21,700	21,700	4.8%
Ordained Ministry				
1) Operations	62,550	49,730	49,730	-20.5%
2) Career Planning Programs	17,500	20,000	20,000	14.3%
3) Residency I	2,000	0	0	-100.0%
Sub-totals (B)	\$ 149,250	\$ 159,930	\$ 157,930	5.8%
Total Conference Benevolences	\$ 2,367,906	\$ 2,415,594	\$ 2,350,594	-0.7%

Report No. 3

The Conference Administration Fund (Item 6, Report No. 1) shall be divided as follows:

Fund	Approved for 2013	Requested for 2014	Recommended for 2014	% Change
1 Contingency Fund	\$ 260,000	\$ 270,000	\$ 270,000	3.8%
2 Journal Publication	20,000	20,000	20,000	0.0%
3 Ministers Book	5,000	4,000	4,000	-20.0%
4 Director of Administrative Services Office	717,750	717,750	717,750	0.0%
(Less Benefits Administration Carry-Over)	(60,000)	(42,000)	(42,000)	-30.0%
5 Print Media Services Deficit Reduction	70,000	40,000	40,000	-42.9%
6 Conference Expense Fund	240,000	240,000	240,000	0.0%
7 Administrative Committees	3,000	3,000	3,000	0.0%
8 Conference Secretary	44,804	45,000	45,000	0.4%
9 Methodist Center Trustees	22,000	26,000	26,000	18.2%
10 Coordinator of Clergy Services	184,197	184,197	184,197	0.0%
11 General Conference Delegates	6,000	5,000	5,000	-16.7%
12 Judicial/Administrative Proceedings	60,000	45,000	45,000	-25.0%
TOTALS	\$ 1,572,751	\$ 1,557,947	\$ 1,557,947	-0.9%

Report No. 4

- A. The compensation for the District Superintendents for the year 2013 will be set at \$92,684 94,217. (DS compensation for 2011 was \$91,200, and for 2011/2012 is \$91,473.)
- B. The Council on Finance and Administration of the South Carolina Annual Conference, The United Methodist Church, hereby designates up to 15% (\$13,721) (\$14,136) of the district superintendent's salary for the year 2014 as allocated for parsonage utilities and maintenance, not including maid service and such expenses as paid by the district.
- C. The District Administration Fund will be handled as follows:
 - 1) The item "Office Expense" in the District Administration Fund will be for the operation of the District Office to pay such items as secretary, postage, and supplies and will be set at \$21,000 per district.
 - 2) Exceptions: Inasmuch as the Columbia District Office must be in The United Methodist Center, one-half of that office rent will be paid from the Conference Expense Fund. Inasmuch as the Columbia District superintendent is designated as the Cabinet secretary, one-half of the salary and benefits of the secretary in that office will be paid from the Conference Expense Fund.
 - 3) The funds for program in each district are based on the membership of the district, beginning with a base of \$2,800 for the smallest membership district and adding \$100 for each one thousand (1,000) members, or major fraction thereof, above 18,000. These funds are not guaranteed and are contingent upon the apportionment receipts and other requirement of the district administration fund. The schedule for 2014 will be as follows (Final amounts will be reflected in the 2013 Journal):

District	2012 Membership	Amount
Anderson		
Charleston		
Columbia		
Florence		
Greenville		
Greenwood		
Hartsville		
Marion		
Orangeburg		
Rock Hill		
Spartanburg		
Walterboro		
Totals		

- 4) Travel (in and out-of-district) is set at \$150,000 for the total of all districts, plus \$6,000 for the common lodging and meal expenses of retreats. This will be set at \$12,500 per district or an allocated amount set by the Cabinet not to exceed a total of \$150,000. In addition, insurance & pensions is set at \$312,200 (\$26,100 per district), and continuing education at \$700 per superintendent.
- 5) Vouchers for continuing education must be approved prior to payment. The unused portion of the Continuing Education allowance may be carried forward from year to year during a district superintendent's tenure, not to exceed a total amounting to three year's Continuing Education allocation. Not more than fifty percent of accumulated funds shall be used for travel expenses. The accumulation is cancelled in full when a district superintendent leaves the superintendency. It does not carry forward to the new district superintendent. However, by application to the CF&A in advance of leaving the superintendency, the district superintendent may within a reasonable length of time use the unused portion of the Continuing Education allowance to take training that would assist in his/her return to the parish ministry or other appointment. For the year in which there is a move, one-half of the Continuing Education allowance will be available for each superintendent.

D. Each District Board of Trustees shall administer all funds for the District Parsonage Fund, which provides funds for parsonage payments, repairs, insurance and furnishings (not to include parsonage utility payments). The moving expenses of an in-coming district superintendent may also be paid from the District Parsonage Fund, not to include more than \$350 packing expenses. Each district office shall provide its trustees with regular reports of all receipts and expenditures of the District Parsonage Fund.

E. Below are the percentages of average net funds that each church is asked to pay to its respective District Parsonage/Office Fund (Avg. Net Funds will be printed in the Journal):

District Funds	Parsonage	Office	Total	Avg. Net
Anderson	\$ 15,000	\$ 37,000	\$ 52,000	
Charleston	23,000	40,000	63,000	
Columbia	25,000	45,000	70,000	
Florence	25,000	45,000	70,000	
Greenville	30,000	30,000	60,000	
Greenwood	30,000	20,000	50,000	
Hartsville	17,000	32,000	49,000	
Marion	50,000	25,000	75,000	
Orangeburg	25,000	40,000	65,000	
Rock Hill	10,000	27,000	37,000	
Spartanburg	22,000	25,000	47,000	
Walterboro	25,000	40,000	65,000	
Total	\$ 288,000	\$ 402,000	\$ 690,000	

Report No. 5

A. We recommend that the following special observances be a part of the program of each local church and that appropriate free-will offerings be received.

- Human Relations Day – January 19, 2014
- Golden Cross Sunday – February 2, 2014
- One Great Hour of Sharing – March 30, 2014
- Native American Awareness Sunday – May 4, 2014
- Peace with Justice Sunday – June 15, 2014
- Epworth Children's Home
 - Mothers' Day – May 11, 2014
 - Work Day – September 7, 2014
 - Church school offering first Sunday each month
- Aldersgate Special Needs Sunday – August 10, 2014
- Youth Service Fund Sunday – September 21, 2014 (youth offering)
- World Communion Sunday – October 5, 2014
- Conference Advance Specials Sunday – November 2, 2014
- United Methodist Student Day – November 30, 2014

B. An offering may be taken to support the Bessie Parker Memorial Scholarship Fund as a part of the observance of Women in the Pulpit Sunday, March 2, 2014.

- C. We offer the following:
- 1) That all boards, commissions and committees receiving funds from the conference treasurer shall submit with each voucher adequate supporting data (receipts, bills, contemporaneous travel log, etc.). Payments in excess of \$1,000 should be approved by the Conference Treasurer in advance.
 - 2) That boards, agencies and conference institutions which are allowed to withdraw lump sums from the conference treasurer shall submit an annual audit (with management letter) by a certified public accountant to the Council on Finance and Administration, along with evidence of fidelity insurance coverage and compliance with payroll tax laws.
 - 3) That all boards, commissions and agencies of the conference reimburse persons at a rate of 24 cents per mile when traveling on conference business. In order to encourage car pooling, we recommend that if a car contains two persons traveling on church business, the mileage rate be increased to 32 cents; if a car contains three or more persons all traveling on church business, the rate be increased to 40 cents per mile. Pastors who are members of such agencies should submit reimbursement requests to their appointed church or charge for the difference between their conference reimbursement and the approved IRS mileage rate, since participation in the ministries of the district and conference is an expected responsibility of all appointed pastors. Conference employees will be reimbursed at the approved IRS mileage rate when traveling on church business. We recommend that other expenses for travel on church business be paid. We also recommend that the guideline amount paid to a person for meals shall be \$7.00 for breakfast, \$13.00 for lunch and \$20.00 for the evening meal.
 - 4) That the balance held for each board, commission, committee or agency on the books of the conference treasurer shall be carried forward from one year to the next and that this shall be taken into consideration in the subsequent budget request.
 - 5) That conference boards and agencies may not spend in excess of funds received on budget for the given conference year, except that funds carried forward may be spent in addition to funds received in the current year if such carryover funds were included in the budget presented to CFA. Any expenses beyond the combination of anticipated receipts (based on previous-year percentage of payment) plus budgeted carryover funds will not be paid by the treasurer.
 - 6) That "average net funds" as used in the calculation of 2014 apportionments shall mean for each church the four-year average of net funds in the years 2009, 2010, 2011, and 2012. When a church has declined for two consecutive years in "net funds," the term "average net funds" shall mean the average of the last two years only; the first year net funds increases, a three-year average will be used, and the following year the normal four-year average. Newly organized churches will be treated in the same manner as other churches of the conference. A four-year average of net funds will be used, but for the years prior to the organization of the new church, the net funds figure will be zero. Churches that provide a housing allowance in lieu of a parsonage may exclude the lesser of the actual housing allowance or 25% of the minister's compensation.
 - 7) That "net funds" be defined as the total of figures reported on lines 53 through 62 (inclusive) of Table 2 or lines comparable to lines 53 through 62 based on the Tables Used For the 2009 – 2012 Quadrennium.
 - 8) That once the apportionments are calculated from Table 2 statistics for any given year, those apportionments cannot be altered. Needed corrections can be made on Table 2 reports for use in future year calculations.
 - 9) That the funds received on the apportionment for Methodist Homes Residents' Assistance (item 12, Report No. 1) be divided 50% to Methodist Oaks (Orangeburg), 35% to Wesley Commons (Greenwood), 15% to Methodist Manor of the Pee Dee (Florence); that the funds received on the apportionment for Senior College Scholarship Fund (item 9, Report No. 1) be divided in three equal parts, one-third each going to Wofford College, Columbia College and Claflin College; that the funds received on the apportionment for Camps and Retreat Ministries (item 7, Report No. 1) be distributed to the various Camps and Retreat Ministries as determined by the Board of Trustees of the South Carolina United Methodist Camps and Retreat Ministries.
 - 10) That the Annual Conference Council on Finance and Administration be authorized to grant amounts up to \$15,000 from the Conference Contingency Fund to meet any individual emergency or unanticipated need.
 - 11) That the salaries and fixed essential expenses of Conference Connectional Ministries (section A-4 of the Conference Benevolences budget) be funded up to 100% of budget by using funds from the Contingency Fund; the remainder of that budget will be funded at the percentage paid on the line item.
 - 12) That the salaries and benefits portion of the Campus Ministry budget be funded up to 100% of budget by using funds from the Contingency Fund; the remainder of that budget will be funded at the percentage paid on the line item.
 - 13) That the budgets of the District Superintendent Salaries, Director of Administrative Services, the Conference Archivist Contract and the Coordinator of Clergy Services be funded up to 100% of budget by using funds from the Contingency Fund.

- 14) The Council on Finance and Administration of the South Carolina Annual Conference, The United Methodist Church, hereby designates up to 15% of the salary for each conference clergy staff for the year 2013, exclusive of a designated housing allowance as allocated for utilities and maintenance, not including maid service.
- 15) That local churches of the conference incorporate. (See ¶¶ 2506, 2507, 2528.1 of the 2008 Book of Discipline.) An informational pamphlet prepared by the Conference Chancellor and the Cabinet is available at www.umcsc.org. After incorporation, churches should take care to maintain with the Secretary of State, an accurate, up-to-date record of the name and address of their registered agent.

Report No. 6

The recommended apportioned budgets for the Senior College Scholarship Fund, Spartanburg Methodist College, and Methodist Homes Residents' Assistance Fund have been reduced. These causes are significant ministries. Therefore, we ask those churches with sufficient resources to continue in 2014 to contribute what was apportioned for these funds in 2009. In addition, \$13,200 will be included in the asking for campus ministry. This combined request will be calculated for churches based on the apportionment formula and included on the bottom of the apportionment statement as a voluntary asking.

Report No. 7

While clearly understanding the Book of Discipline's requirement that no Annual Conference session can bind another session in its decision making, the Council on Finance and Administration has approved a goal of moving toward a reduced total Annual Conference budget at or near 15% of total Conference Average Net Funds by Budget Year 2015. The proposed budget for 2014 moves the Annual Conference toward this targeted goal.

Report No. 9

Following is a listing of the 2012 Average Net Funds for each district for the total Conference. These are the figures used in the calculation of the 2014 apportionments. (Final amounts will be reflected in the 2013 Journal)

District	2012	District	2012
Anderson		Hartsville	
Charleston		Marion	
Columbia		Orangeburg	
Florence		Rock Hill	
Greenville		Spartanburg	
Greenwood		Walterboro	
TOTAL			

David Surrett., President
Valerie Brooks-Madden, Vice-President
David Taylor, Secretary
Anthony C. Prestipino, Jr., Treasurer

(See next page for 2012 Designated Funds Summary.)