

1 **THE COUNCIL ON FINANCE AND ADMINISTRATION**

2
3 **Recommendations to the 2020 Annual Conference**

4
5 Each and every disciple of Christ is called to be stewards of the mysteries of God. On behalf of the Council on
6 Finance and Administration, I want to thank all United Methodists in South Carolina for their generosity in 2019.
7 We achieved a 90.02% collection rate on apportionments. This is the fifth consecutive year in which apportioned
8 giving exceeded 90% for our Annual Conference. The Council commends all congregations for their continued
9 and sacrificial support of their extended ministry through the South Carolina Annual Conference. We celebrate the
10 Walterboro district for collecting the highest percentage at 98.31%. We also celebrate the Greenville district which
11 had the largest increase in funds collected, an increase of \$83,899 over the prior year. The largest percentage
12 point increase was in the Florence district at 5.76.

13 The biennial stewardship summit was held February 29, 2020, at Union UMC in Irmo. Our speaker was Rev.
14 Bob Crossman who shared many actionable ideas and forty-eight ways to improve your annual stewardship
15 campaign. Approximately 150 people attended.

16 The following pages outline the complete ministry funding plan for our South Carolina Annual Conference for
17 calendar year 2021. The Council has sought to prepare this document with deep prayer and faithful reflection. The
18 Council is aware that the target is to have a budget at or around 15% of total Conference average net funds. It is
19 aware that this percentage had been creeping higher and we are making progress reversing this trend.

20 The recommended budget for 2021 is reduced by \$358,034 and is estimated to be 14.3% of average net
21 funds. The Council anticipated having a more significant reduction in the total budget brought about by reduced
22 apportionments from the General Church. However, because General Conference 2020 is postponed to 2021, we
23 continue to be held to the apportionment formulas passed at General Conference 2016. It is expected that if the
24 next General Conference passes the apportionment formula changes, the apportionments for the remainder of the
25 quadrennium will be adjusted for the excess amount calculated for 2021.

26 We appreciate the service of Mrs. Elizabeth (Beth) Westbury, whom we recommend to re-elect as our Annual
27 Conference Treasurer and Director of Administrative Services, and her gracious staff. I am also constantly grateful
28 for the devoted work of every lay and clergy member of the Council on Finance and Administration. They attend,
29 interact, debate and support the work of the Council in a most faithful and dependable manner.

30 May God continue to bless and guide all the ministries of our beloved SC Annual Conference!

31 *The Reverend Mitch Houston, President, Council on Finance and Administration*

32
33
34 **Report No. 1**

- 35
36 A. The compensation for the District Superintendents for the year 2021 will be set at \$103,000, a 0% increase.
37 (DS compensation for 2019 was \$103,000 and for 2020 is \$103,000.)
- 38 B. The Council on Finance and Administration of the South Carolina Annual Conference, The United Methodist
39 Church, hereby designates 15% (\$15,450) of the district superintendent's salary for the year 2021 as allocated
40 for parsonage utilities and maintenance ("utility exclusion"), not including expenses paid by the district. Any
41 subsequent changes to the utilities exclusion that may be requested by an individual may be approved by the
42 Treasurer on behalf of the Council on Finance and Administration.
- 43 C. The District Administration Fund will be handled as follows:
- 44 1) The item "Office Expense" in the District Administration Fund will be for the operation of the District Office
45 to pay such items as secretary, postage, and supplies and will be set at \$21,000 per district.
 - 46 2) Exceptions: Inasmuch as the Columbia District Office must be in The United Methodist Center, one-half of
47 that office rent will be paid from the Conference Expense Fund. Inasmuch as the Columbia District super-
48 intendent is designated as the Cabinet secretary, one-half of the salary and benefits of the secretary in
49 that office will be paid from the Conference Expense Fund.
 - 50 3) Travel (in and out-of-district) is set at \$170,000 for the total of all districts, which includes \$8,000 for the
51 common lodging and meal expenses of retreats. This will be set at \$13,500 per district or an allocated amount
52 set by the Cabinet not to exceed a total of \$162,000. In addition, insurance & pensions is expected to
53 be approximately \$325,000 (\$27,083 per district), and continuing education will be set at the amount
54 recommended by the Commission on Equitable Compensation (currently at \$750 per superintendent).
 - 55 4) Vouchers for continuing education must be approved prior to payment. The unused portion of the Continuing
56 Education allowance may be carried forward from year to year during a district superintendent's tenure,
57 not to exceed a total amounting to three year's Continuing Education allocation. The accumulation is
58 cancelled in full when a district superintendent leaves the superintendency. It does not carry forward to the
59 new district superintendent. However, by application to the CF&A in advance of leaving the superintendency,
60 the district superintendent may within a reasonable length of time use the unused portion of the
61 Continuing Education allowance to take training that would assist in his/her return to the parish ministry or
62 other appointment. For the year in which there is a move, one-half of the Continuing Education allowance
63 will be available for each superintendent.

- 5) 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 2021 will be as follows (*Final amounts will be reflected in the 2020 Journal*):

District	2019 Membership	Amount
Anderson		
Charleston	Final amounts will be reflected in the 2020 Journal.	
Columbia		
Florence		
Greenville		
Greenwood		
Hartsville		
Marion		
Orangeburg		
Rock Hill		
Spartanburg		
Walterboro		
Totals		

- 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. To comply with the change in tax law effective January 1, 2018 whereby reimbursements of moving expenses become taxable compensation to the recipient, the amount of reimbursement will be included in the district superintendent's taxable income as reported on Form W-2. Reimbursements of moving expenses for district superintendents shall be paid without the benefit of a gross up for taxes. 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	Parsonage	Office	Total	Avg. Net Funds
Anderson	40,000	45,000	85,000	
Charleston	25,000	40,000	65,000	
Columbia	25,000	35,000	60,000	Avg. Net Funds
Florence	30,000	40,000	70,000	will be reported
Greenville	30,000	35,000	65,000	In the 2020
Greenwood	40,000	40,000	80,000	Journal.
Hartsville	40,000	40,000	80,000	
Marion	10,000	35,000	45,000	
Orangeburg	25,000	30,000	55,000	
Rock Hill	15,000	35,000	50,000	
Spartanburg	35,000	25,000	60,000	
Walterboro	25,000	40,000	65,000	
Total	340,000	440,000	780,000	

Report No. 2

- 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 17, 2021
 - Golden Cross Sunday – February 7, 2021
 - UMCOR Sunday (formerly One Great Hour of Sharing) – March 14, 2021
 - Native American Awareness Sunday – April 18, 2021
 - Peace with Justice Sunday – May 30, 2021
 - Epworth Children's Home
 - Mothers' Day – May 9, 2021
 - Work Day – September 12, 2021
 - Church school offering first Sunday each month
 - Aldersgate Special Needs Sunday – August 8, 2021
 - Youth Service Fund Sunday – September 19, 2021 (youth offering)

B. 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 2021 apportionments shall mean for each church the two-year average of net funds in the years 2019 and 2018. Newly organized churches will be phased in over four years, but for the years prior to the organization of the new church, the net funds figure will be zero. "Net funds" for churches that provide a housing allowance in lieu of a parsonage will exclude the lesser of the actual housing allowance or 25% of the minister's compensation prior to calculating the church's average net funds.
- 7) That "net funds" be defined as the total of figures reported on lines 41 through 47 (inclusive) of Table 2 for 2018 and 2019.
- 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 by providing written explanation of the correction to the Treasurer.
- 9) Total apportionment funding for Methodist Homes Residents' Assistance (item 11, Report No. 9) is reduced to reflect changes in funding after Methodist Oaks is sold to a for-profit entity. Methodist Oaks requested the Conference continue assistance for four individuals in residence there. Based on the monthly assistance requested and the life-expectancy of the individuals, an expected need has been projected. For 2021, the apportionment request is reduced and the allocation of funds among the participating homes adjusted. The recommended allocations are:

	2020	2021
Methodist Oaks	50%	27%
Wesley Commons	35%	50%
Methodist Manor	15%	23%

- 10) That the funds received on the apportionment for Senior College Scholarship Fund (item 9, Report No. 9) be divided in three equal parts, one-third each going to Wofford College, Columbia College and Claflin University; that the funds received on the apportionment for Camps and Retreat Ministries (item 12, Report No. 9) 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.
- 11) That the Annual Conference Council on Finance and Administration be authorized to grant amounts from the Conference Contingency Fund or Permanent Reserve to meet any individual emergency or unanticipated need.
- 12) 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.
- 13) 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.

- 14) 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 a year end deficit, but not more than the amount budgeted, by using funds from the Contingency Fund.
- 15) The Council on Finance and Administration of the South Carolina Annual Conference, The United Methodist Church, hereby designates 15% of the salary for each conference clergy staff for the year 2021, exclusive of a designated housing allowance, as allocated for utilities and maintenance ("utilities exclusion"), not including maid service. Any subsequent changes to the utilities exclusion that may be requested by an individual may be approved by the Treasurer on behalf of the Council on Finance and Administration.
- 16) That local churches of the conference incorporate. 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. 3

As noted in our report to the 2009 Annual Conference, economic uncertainties led to the reduction in apportioned budgets for the Senior Scholarship Fund, Spartanburg Methodist College, and Methodist Homes Residents' Assistance Fund. The trend of reducing the budgets for these significant ministries continues. In an effort to increase the funds available for these ministries without adding to the apportionment budget, the voluntary asking Extra Mile for Colleges and Homes was increased from \$600,284 for 2017 to \$625,000 for 2018. Council recommends the 2021 Extra Mile for Colleges and Homes voluntary asking remain at \$625,000 with adjustments to how the funds are allocated (see below). We ask churches with sufficient resources to continue to support the Extra Mile for Colleges and Homes. 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.

	2020 actual	2021 recommendation	Notes for 2021
Senior Scholarship Fund	66.73%	67%	One-third to each: Claflin University, Columbia College, Wofford College
Methodist Homes	15.31%	15%	Wesley Commons 70% Methodist Manor 30%
Spartanburg Methodist College	17.96%	18%	All to Spartanburg Methodist College

Report No. 4

[Reserved for future use.]

Report No. 5

In accordance with the Disciplinary requirement to publish the conference investment policy at least once a quadrennium, CF&A's investment policy is to invest Conference Funds in accordance with the 2016 Discipline paragraph 613.5 and under the additional guidelines:

- A) Forms of investment authorized:
 - 1) short-term United States treasury bills or bonds and bonds of U.S. government agencies,
 - 2) savings or money market accounts that are Federally Insured,
 - 3) certificates of deposit in any Federally Insured savings and loan association, commercial bank, credit union
 - 4) term notes or demand deposits of The United Methodist Development Fund.
 - 5) funds managed by the General Board of Pension and Health Benefits (Wespath)
 - 6) endowments with The South Carolina United Methodist Foundation, Inc., or The United Methodist Church Foundation
- B) Limitations:
 - 1) no stocks (common or preferred stocks) or real estate may be purchased unless the funds are under the management of the General Board of Pension and Health Benefits (Wespath), The South Carolina United Methodist Foundation, Inc., or The United Methodist Church Foundation
 - 2) no corporate or municipal bonds may be purchased unless the funds are under the management of the General Board of Pension and Health Benefits (Wespath), The South Carolina United Methodist Foundation, Inc. or The United Methodist Church Foundation
 - 3) no loans may be made except where authorized by action of the Annual Conference, or as part of an investment of the General Board of Pension and Health Benefits (Wespath)
 - 4) no investments may be made with maturities longer than 36 months, with the exception of term notes with The United Methodist Development Fund
 - 5) no investment may exceed the then-current limit on FDIC or FSLIC insurance without approval of CF&A, with the exceptions of: the primary checking account(s); collateralized certificates; or funds

- 1 on deposit with The United Methodist Development Fund, The General Board of Pension and
 2 Health Benefits (Wespath), The South Carolina United Methodist Foundation, Inc., or The United
 3 Methodist Church Foundation
 4 C) Income on invested funds will be credited to the Permanent Reserve Fund of the Conference unless
 5 the funds are for the Annual Conference Trustees, Equitable Compensation, pension or health benefits,
 6 or are invested under a trust or as an endowment.
 7

8 **Report No. 6**

9
 10 Following is a listing of the 2019 Average Net Funds for each district for the total Conference. These are the figures
 11 used in the calculation of the 2021 apportionments. (Final amounts will be reflected in the 2020 Journal)
 12

13	District	2019	District	2019
14	Anderson		Hartsville	
15	Charleston		Marion	
16	Columbia		Orangeburg	
17	Florence		Rock Hill	
18	Greenville		Spartanburg	
19	Greenwood		Walterboro	
20	TOTAL			

21
 22 Respectfully Submitted,

Mitch Houston, President
 Smith Patterson, Vice-President
 James Bennett, Secretary
 Elizabeth G. Westbury, Treasurer

Report No. 7

The Conference Administration Fund (Item 6, Report No. 9) shall be divided as follows:

	Fund	Approved for 2020	Requested for 2021	Recommended for 2021	% Change
1	Contingency Fund	\$ 165,750	\$ 220,000	\$ 220,000	32.7%
2	Journal Publication	17,063	17,063	17,063	0.0%
3	Reserved for future use	0	0	0	
4	Director of Administrative Services Office	772,346	787,694	776,017	0.5%
5	Reserved for future use	0	0	0	
6	Conference Expense Fund	243,750	245,726	244,855	0.5%
7	Administrative Committees	3,900	4,900	4,900	25.6%
8	Conference Secretary	43,875	44,493	44,287	0.9%
9	Methodist Center Trustees	35,100	36,533	36,055	2.7%
10	Coordinator of Clergy Services	253,500	259,739	254,596	0.4%
11	General Conference Delegates	4,875	4,875	4,875	0.0%
12	Judicial/Administrative Proceedings	11,700	11,700	11,700	0.0%
	TOTALS	\$ 1,551,859	\$ 1,632,723	\$ 1,614,348	4.0%

Report No. 8

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

Fund	Approved for 2020	Requested for 2021	Recommended for 2021	% Change
A. Connectional Ministries				
1. Conference Advance Specials				
Ministry Programs	\$ 155,000	\$ 155,000	\$ 155,000	0.0%
Special Salary Supplements	20,500	20,500	20,500	0.0%
Sub-totals (1)	\$ 175,500	\$ 175,500	\$ 175,500	0.0%
2. Board/Agency Programs				
District Councils	\$ 63,000	\$ 63,000	\$ 63,000	0.0%
Advocacy	45,260	45,260	45,260	0.0%
Discipleship	62,480	62,480	62,480	0.0%
Lay Leadership	7,270	7,270	7,270	0.0%
Outreach	20,000	20,000	20,000	0.0%
Total Board and Agency Programs (2)	\$ 198,010	\$ 198,010	\$ 198,010	0.0%
3. Board/Agency Administration				
	\$ 30,000	\$ 30,000	\$ 30,000	0.0%
4. Operations (100% guaranteed)				
	\$ 1,612,804	\$ 1,650,372	\$ 1,624,116	0.7%
5. Communications				
Electronics	\$ 50,000	\$ 50,000	\$ 50,000	0.0%
Resource Center	17,000	17,000	17,000	0.0%
Public & Media Relations	35,000	35,000	35,000	0.0%
Sub-totals (5)	\$ 102,000	\$ 102,000	\$ 102,000	0.0%
6. Advocate				
	\$ 119,700	\$ 119,700	\$ 119,700	0.0%
Sub-totals (A)	\$ 2,238,014	\$ 2,275,582	\$ 2,249,326	0.5%
B. Other Conference Agencies				
1. Cabinet Emergency Fund	\$ 32,000	\$ 32,000	\$ 32,000	0.0%
2. Bishop's Contingency Fund	12,500	12,500	12,500	0.0%
3. Episcopal Office	12,000	12,000	12,000	0.0%
4. Committee on Episcopacy	2,300	2,300	2,300	0.0%
5. Episcopal Residence	23,000	23,000	23,000	0.0%
6. Archives & History: Conference Archivist Contract	26,780	27,583	27,583	3.0%
7. Ordained Ministry				
a) Operations	91,500	90,000	90,000	-1.6%
b) Career Planning Programs	10,000	10,000	10,000	0.0%
Sub-totals (B)	\$ 210,080	\$ 209,383	\$ 209,383	-0.3%
Total Conference Benevolences	\$ 2,448,094	\$ 2,484,965	\$ 2,458,709	0.4%

Report No. 9

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

FUND	Approved for 2020	Requested for 2021	Recommended for 2021	% Change
Conference Apportionments:				
1 Conference Benevolences-see Report 8	2,448,094	2,484,965	2,458,709	0.4%
2 Retiree Health/Transition/Contingency	1,800,000	1,400,000	1,400,000	-22.2%
3 District Superintendents Salary	1,236,000	1,273,080	1,236,000	0.0%
4 Equitable Compensation	565,000	565,000	565,000	0.0%
5 District Administration	819,000	831,473	819,000	0.0%
6 Conference Administration-see Report 7	1,551,859	1,632,723	1,614,348	4.0%
7 Congregational Development	930,000	951,369	946,184	1.7%
8 Campus Ministry	650,000	662,423	650,595	0.1%
9 Senior College Scholarships	1,000,000	1,000,000	1,000,000	0.0%
10 Spartanburg Methodist College	618,967	618,967	618,967	0.0%
11 Methodist Homes Residents' Assistance	526,722	400,000	400,000	-24.1%
12 Camps & Retreats Ministries	319,800	319,800	319,800	0.0%
Sub-total	12,465,442	12,139,800	12,028,603	-3.5%
General Church and Jurisdiction Apportionments:				
13 World Service **	2,227,887	2,268,426	2,268,426	1.8%
14 Episcopal Fund **	659,768	671,773	671,773	1.8%
15 General Conference Administration **	264,543	269,357	269,357	1.8%
16 Ministerial Education **	752,477	766,169	766,169	1.8%
17 Interdenominational Cooperation **	58,849	59,920	59,920	1.8%
18 Black College **	300,156	305,618	305,618	1.8%
19 Africa University **	67,174	68,396	68,396	1.8%
20 Jurisdiction Mission/Ministry #	32,554	32,554	32,554	0.0%
Sub-total	\$ 4,363,408	\$ 4,442,213	\$ 4,442,213	1.8%
TOTALS	\$ 16,828,850	\$ 16,582,013	\$ 16,470,816	-2.1%
 Average Net Funds for Apportionments ##	\$112,969,474	\$115,000,000	\$115,000,000	
Budget as percentage of Average Net Funds	14.9%	14.4%	14.3%	
 Askings: Extra Mile (reference Report No. 3)	625,000	625,000	625,000	

** Line items marked with ** are General Conference apportioned funds.
 # Line item marked with # is a Southeastern Jurisdictional apportionment.
 ## Estimated for 2021