

North/East Texas District Church of the Nazarene 2020 District Finance Committee Report

The District Finance Committee met on April 18, 2020 in Richardson, TX. The meeting was called to order at 10:00am by Chairperson Rusty Williams.

In attendance (in-person and on-line):

Rusty Williams	Jack Powers	Chris Galloway
Keven Wentworth	Joel Welch	Karl Payton
Jerry Wilson	Stephanie Henderson	Wayne Putman
Larry Wilson	Jim Howe	Teri O'Connor
Mike Cash	Phil Lindquist	Mitchell Powell

- Rusty and DS Keven Wentworth outlined the overall District budget process. They noted that this will be revised in part this year due to District Assembly being cancelled; in such cases – per Manual and guidelines from the Board of General Superintendents - the final approval of the 2020-2021 operating budget will be done by the District Advisory Committee (DAC.)
- The proposed District budget was presented by Rusty Williams. The proposal had been developed by the District Office, reviewed by a District Budget Prep Team, and then reviewed in March by the District Advisory Board. Several edits were made to the document. The goal is to present a “balanced budget”. Motion to accept proposed budget as amended and recommend to DAC; motion was seconded and approved unanimously.
- Jerry Wilson presented the proposed Scottsville (SCCC) budget for 2020-2021 which had been submitted by the SCCC Board. In discussion, it was noted that the impact of the Covid-19 pandemic on Camp reservations and income were not yet fully known and would require a review and possible amendment to the SCCC budget in coming months. A number of camp reservations have already been cancelled, and a decision was pending on whether to cancel District sponsored camps. Motion to accept proposed SCCC budget and recommend to DAC. Motion was seconded and approved unanimously.
- The Finance Committee reviewed the proposed departmental 2020-2021 budgets for SDMI, NMI & NYI. Motion to accept proposed departmental budgets; motion seconded and approved unanimously.
- The Committee reviewed Sections A. – E. of the draft Finance Committee Report. Two amendments to Section E were adopted. (see E.8 and E.9) were adopted. It was noted that the Finance Chairperson and District Treasurer would complete the financial statistics in Section D prior to submission to the DAC. Motion to accept proposed and amended narrative portion of Finance Committee Report. Motion seconded and approved unanimously.

- Meeting was adjourned.

A. General Information

1. We recommend that the District Treasurer arrange for an annual audit or review of the district treasurer's books by a CPA with approval of the District Superintendent and the District Advisory Board.
2. We recommend that mileage to and from all official district meetings of boards and committees be reimbursed at the current standard mileage rate for business purposes set by the IRS.
3. We recommend that all local churches contribute annually to Nazarene Bible College and Nazarene Theological Seminary on the designated special dates or at some other suitable time.
4. We recommend that the local church pay all expenses of all its official representatives to district functions.
5. We recommend that each church promote stewardship and that the materials available from Foundry Publishing (formerly Nazarene Publishing House) be used.
6. We recommend that the local church consider methods of assistance for retired elders and spouses to specific local, district, and general church functions.
7. We encourage every church to utilize the Church of the Nazarene Foundation to facilitate planned and deferred gifts from their members to any Nazarene ministry, if that organization does not have its own endowment program, including gifts to the local church, and to use the Foundation to manage investment accounts, endowments, or charitable trusts. Visit www.NazareneFoundation.org or call 1-866-273-2549.

B. District Superintendent

1. We recommend that the District Superintendent be reimbursed in full for his Social Security payment from the District Unified Funds by the District Treasurer.
2. We recommend that the cost of the District Superintendent's family health insurance be paid from the District Superintendent's compensation package.

C. Ministerial Support

1. We recommend that each local church reimburse its pastor for the entire amount of his/her Social Security payments, including parsonage, rental allowance, and utilities, in the basic income figure in calculating the Social Security; that this reimbursement be made regularly; that in case of pastoral change during the year, Social Security payments shall be brought up to date on the basis of months of service rendered.
2. We recommend that the local church board or appropriate committee take time once a year to give full consideration to all aspects of the pastor's financial situation--salary, fringe benefits, expenses, etc.; that adjustments be made on the basis of rising costs of living; and that raises in salary be given. Also, consideration shall be given to providing car and professional expenses required in the church work, since these are the obligations of the local church.
3. We recommend that each local church provide a minimum paid vacation each year (including paying guest minister) of two weeks for its pastor; that consideration be given for longer vacations commensurate with years of service rendered in the ministry on the following basis: 1 to 5 years, two weeks; 6 to 15 years, three weeks; 16 to 20 years, four weeks; and over 20 years, five weeks. Time used for attending district and general functions should not be counted as vacation time. A provision for a love gift at Christmas of at least one week's salary and benefits should be made. We recommend that a pastor's

years of service be considered in the provision of a sabbatical during the pastor's 7th year of service to the local congregation and that the District Superintendent be available for consultation if necessary.

4. We recommend that each local church consider setting aside monthly in a savings fund a predetermined amount, looking forward to paying the pastor's expenses in attending the General Assembly.
5. We recommend that each local church give financial assistance to its pastor to attend district, college, and general church functions where they are expected to be in attendance and where their attendance may bring benefit to the local church.
6. We recommend that each local church board provide the pastor funding for a retirement plan.
7. We recommend that each local church pay the premiums for the term life insurance offered by the general church and accidental death and dismemberment and long-term disability insurance offered by the general church.
8. We recommend that each local church consider the cost of the pastor and dependents' health insurance coverage, as well as eligible staff and dependents' insurance coverage, in setting the annual compensation packages, in accordance with the then applicable law.
9. We recommend that each local church give careful consideration to paying a minimum to an evangelist twice the weekly salary of the pastor, plus travel expenses one way.
10. We recommend that each local church that calls a commissioned, registered or tenured evangelist pay Social Security to him or her on the same basis as is recommended for the pastor in proportion to the remuneration paid.
11. We recommend that each local church remember the evangelists who have served them during the year with a Christmas check of appreciation.
12. We recommend that Sections "A," "C," and "E" of this Finance Committee report be sent to the secretary of each church board to be distributed to each board member. This letter will be sent from the District Finance Committee Chairperson. The District Office will also send a copy to each local church treasurer.

D. DISTRICT OPERATING FUNDS

Budgets for 2020-2021

I. 2020-2021 DISTRICT UNIFIED FUND

DISTRICT ADMINISTRATION

Salaries	\$115,810	
Employee Benefits	44,967	
Housing Allowance	42,000	
District Office	44,948	
District Activities	43,000	
Business and Professional	<u>28,100</u>	
Total District Administration		\$318,825

CHURCH MISSION & DEVELOPMENT

Pastoral Development	10,400	
Coordinator of Ethnic Ministries	25,132	
Other Church Development	4,500	
Ministerial Assistance	4,000	
Church Assistance	3,055	
Contingency	<u>15,271</u>	
Total Church Mission & Development		62,358

SCOTTSVILLE NAZARENE CAMP

Scottsville Operating Revenue		
Camp Operating Revenue	285,000	
Contributions Not Designated	22,600	
Snack Stand Sales	6,,000	
Lifeguards	3,500	
Salary Subsidy	0	
Royalties	2,040	
Good Samaritan	<u>8,100</u>	
Total Scottsville Operating Revenue		(327,240)
Scottsville Operating Expenses		
Salaries & Benefits	119,604	
Maintenance	22,300	
Utilities	55,100	
Food Service Operations	77,578	
Other Operating Expense	78,404	
Debt Service	<u>57,604</u>	
Total Scottsville Operating Expenses		<u>410,590</u>

TOTAL DISTRICT UNIFIED FUND \$464,533

II. NAZARENE MISSIONS INTERNATIONAL (NMI) FUND

General Expenses	\$3,750	
District NMI Convention Expense	3,400	
Workshops/Training	800	
Deputation Travel Expense	2,500	
Global Convention Delegate Expense	3,000	
Mission Immersion/SIMS	400	
Missionary Speakers - other than district. convention	1,550	
Work & Witness	2,500	
Crisis Care Kits Shipping	<u>500</u>	
Scholarship Fund - SNU students' tuition	<u>200</u>	
Total NMI Fund		<u>\$18,600</u>

III. NAZARENE YOUTH INTERNATIONAL (NYI) FUND

Dues and Support, including scholarships	1,900	
Events	11,200	
Leadership	3,600	
Annual Savings, Global Convention & NYC	<u>1,500</u>	
Total NYI Fund		<u>\$20,000</u>

IV. SUNDAY SCHOOL AND DISCIPLESHIP MINISTRIES INTERNATIONAL (SDMI) FUND

General Expenses	\$10,500	
Adult Ministries Expenses	1,000	
Children's Ministries Expenses	<u>11,750</u>	
Total SDMI Fund		<u>\$23,250</u>

E. Fund Allocation to Churches

1. We recommend that each local organized church give tithe and offerings as follows:
 - a. 10% of its current income to the District which will cover the following items:
 - District Ministries (includes District, NMI, SDMI, and NYI), Pensions and Benefits and SNU. These funds should be sent to the District Treasurer. (See #4a below.)
 - b. 5.5% as a minimum of its income to the World Evangelism Fund. These funds should be sent to the General Treasurer. (See #4b below.)
 2. That each new church plant, until organization, give 10% of its tithes and offerings as their allocation. These funds should be sent to the District Treasurer. (See #4a below.)
 3. That income for local organized churches be defined as all income that would qualify as a tax deductible contribution to the donor, minus the amount(s) paid to the World Evangelism Fund and approved mission specials as noted on the Funding the Mission website.
4. Monies are to be sent to the following addresses:
 - a. District Unified Fund
Make checks payable to NORTH/EAST DISTRICT CHURCH OF THE NAZARENE
Monies are to be sent to:
JERRY WILSON
NORTH/EAST TEXAS DISTRICT TREASURER
PO BOX 2243
WYLIE, TX 75098-2243
 - b. World Evangelism Fund and approved mission specials
Make checks payable to GENERAL TREASURER CHURCH OF THE NAZARENE
Monies are to be sent to:
GLOBAL TREASURY SERVICES
CHURCH OF THE NAZARENE
PO BOX 843116
KANSAS CITY MO 64184-3116
5. Out of the "10% funds" given by each local organized church pursuant to E.1.a. above, the District Treasurer shall retain a 4.525% share for District administration and shall remit the balance received in the prior month no later than the 24th day of each month to the appropriate treasurer for the following and in the specified shares (which total 5.475%): Pensions and Benefits (2.25%); SNU (2.25%); District NMI (0.325%); District NYI (0.325%); and District SDMI (0.325%). The District Treasurer shall hold enough cash as working capital in the District's operating account from time to time so that the remittances can be made no later than the 24th day of each month, liquidating investments as necessary to do so.
6. The District Unified Fund is broken down as follows:

District Administration	83.64%
Church Development & Support	16.36%
7. We recommend that the District Advisory Board, District Center-Scottsville Camp Board, District NMI Council, District NYI Council, and District SDMI Board submit a proposed operating budget for each assembly year. **Each budget should be completed and submitted to the chairman of the District Assembly Finance Committee by April 1.**
8. **The District Superintendent, District Secretary, and District Finance Chair will be consulted before any funds are loaned or transferred from the District funds to Scottsville Camp, District Auxiliaries, or any other organization (or vice-versa). (Added July 2020.)**

9. **The District Finance Chair (or other person as appointed by the District Advisory Board) shall administer the District Investment Fund on behalf of the District, and shall promptly inform, the District Superintendent and District Advisory Board of all actions regarding, and the status of, the Fund. (Added July 2020)**

Rusty Williams, Chairperson

Respectfully submitted,

Montie Brown, Recording Secretary