

North/East Texas District Church of the Nazarene 2021 District Finance Committee Report

The District Finance Committee met on April 17, 2021 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 (Chair)	Jack Powers	Chris Galloway
Keven Wentworth	Joel Welch	Karl Payton
Jerry Wilson	Stephanie Henderson	Teri O'Connor
Larry Wilson	Jim Howe	
Mike Cash	Phil Lindquist	

- Rusty and DS Keven Wentworth outlined the overall District budget process. They noted that the final approval of the 2021-2022 operating budget will be made by the District Advisory Board in May, and by the District Assembly in July.
- The proposed District budget for 2021-2022 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”. For the current year: The District was on track to meet the 20-21 budget income figure. District receipts for the May thru February period are the highest in 5 years. God has blessed the District during the Covid period, and His hand is seen in the increase in church giving, % of church participation, and the sacrifice of the District family in an otherwise financially challenged year. Motion to accept proposed budget as amended and recommend to the DAB and Assembly; motion was seconded and approved unanimously.
- Jerry Wilson presented the proposed Scottsville (SCCC) budget for 2021-2022 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 was significant. Reservations for Spring and Summer 2021 are beginning to slowly increase. Motion to accept proposed SCCC budget and recommend to the District Assembly. Motion was seconded and approved unanimously.
- The Finance Committee reviewed the proposed departmental 2021-2022 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. An amendment to Section E was adopted (**see E.4.c below**) to reflect information on how churches could make online credit card or bank transfer payments to WEF and to Pensions and Benefits. By consensus, the Committee recommended to the District Office that an Executive Summary (noting changes and key items) be added to the Finance Report when sending to local church

pastors and treasurers. It was noted that the Finance Chairperson and District Treasurer would complete the financial statistics in Section D prior to submission to the DAB. 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 based on months of service rendered.
2. We recommend that the local church board or appropriate committee take time once a year to consider all aspects of the pastor's financial situation--salary, fringe benefits, expenses, etc.; those adjustments be made based on 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 consider 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

I. 2020-2021 DISTRICT UNIFIED FUND

DISTRICT ADMINISTRATION		
Salaries (all District employees')	\$119,707	
Employee Benefits	45,036	
Housing Allowance	39,000	
District Office Expenses	46,463	
District Activities	40,500	
Business and Professional	<u>27,800</u>	
Total District Administration		\$332,506
CHURCH MISSION & DEVELOPMENT		
Pastoral Development	12,700	
Coordinator of Ethnic Ministries	25,532	
Other Church Development	4,500	

Ministerial Assistance	4,000	
Church Assistance	2,695	
Contingency	<u>4,167</u>	
Total Church Mission & Development		53,594
SCOTTSVILLE NAZARENE CAMP		
Scottsville Operating Revenue		
Camp Operating Revenue	276,300	
Contributions Not Designated	22,500	
Snack Stand Sales	4,000	
Lifeguards	3,500	
PPP (SBA Loan\Grant)	56,000	
Royalties	1,000	
Good Samaritan	<u>9,000</u>	
Total Scottsville Operating Revenue		(372,300)
Scottsville Operating Expenses		
Salaries & Benefits	140,368	
Maintenance	18,800	
Utilities	52,333	
Food Service Operations	75,209	
Other Operating Expense	67,262	
Debt Service	<u>57,604</u>	
Total Scottsville Operating Expenses		<u>372,300</u>
TOTAL DISTRICT UNIFIED FUND		<u>\$386,100</u>

II. District Auxiliaries (NMI, NYI, SDMI)

Auxiliary Reports for 2020-21 will be provided separately.

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
 - c. **Special Note: Churches may make online payments - via credit card or bank transfer - at www.fundingthemission.org at the "Contributions" tab, for the following funds: World Evangelism Fund, Pensions & Benefits, and Mission Specials.**
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	86.82%
District Mission Action Team	13.18%
 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).
 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.

Respectfully submitted,

Rusty Williams, Chairperson

Montie Brown, Recording Secretary