

# RECOMMENDATION 4 – Council on Finance and Administration

## REPORT #1

The Council on Finance and Administration appreciates the generosity of South Georgia United Methodists! Despite the continued stresses throughout 2022, our churches worked to maintain a focus on ministry and mission. This report shows but a portion of the ways our churches have extended themselves financially to be instruments of grace.

**In 2022, payment of apportionments increased to 90.5%, above the 2021 rate of 85.3%.** The South Georgia Annual Conference gave a total of \$19,084,145 in all funds sent through the Conference Treasurer in the calendar year 2022, an increase of \$495,209 overall compared with 2021. Most of the increase is in benefits payments but receipts for apportionments also showed an increase. We are grateful to the churches of the South Georgia Conference for their partnership.

### 2022 SUMMARY OF FUNDS RECEIVED

	2021	2022
Received on Apportionments	7,564,164	7,636,716
Received on District Apportionment or Advance Specials	2,138,140	2,213,234
Received From Benefits Billings and Other Funds	<u>8,886,632</u>	<u>9,234,195</u>
Total Receipts	<u>\$18,588,936</u>	<u>\$19,084,145</u>

### COMPARISON REPORT AS OF DECEMBER 2021

APPORTIONMENTS	2021 BUDGET	2021 RECEIPTS	%	2022 BUDGET	2022 RECEIPTS	%
Conference Benevolence	1,076,506	957,651	89%	909,906	846,288	93%
Congregational Development	310,673	266,329	86%	304,763	277,756	91%
Clergy Support	1,724,379	1,529,237	89%	1,665,257	1,549,402	93%
Pre-1982 Pensions	0	1,720	0%	0	358	0%
CPP (Post-1982)	725,000	654,445	90%	725,000	662,341	91%
Post-Retirement Medical	120,000	122,676	102%	120,000	113,138	94%
Health Flex (Disability)	150,000	139,856	93%	130,000	120,468	93%
Administrative Expense	1,309,514	1,151,986	88%	1,270,978	1,152,176	91%
SEJ Mission and Ministry Fund	20,713	18,243	88%	20,713	19,596	95%
GA Wesley Min. & UM Colleges	723,201	612,460	85%	723,201	661,889	92%
SGA Episcopal Office	297,569	267,140	90%	245,971	227,807	93%
SGA Episcopal Residence	30,000	27,486	92%	30,000	27,836	93%
World Service	1,179,877	892,503	76%	1,166,215	1,005,264	86%
Africa Univ. Fund	38,394	37,900	99%	37,950	33,047	87%
Black College Fund	170,775	133,738	78%	168,798	146,080	87%
Gen Admin. Fund	145,301	110,050	76%	143,618	124,617	87%
Gen. Episcopal Fund	473,764	335,376	71%	404,538	345,117	85%
Inter-Denominational Co-op Fd.	5,108	4,365	85%	5,049	4,430	88%
Ministerial Ed. Fund	369,540	301,003	81%	365,261	319,106	87%
<b>Received on Apportionments</b>	<u>\$8,870,314</u>	<u>\$7,564,165</u>	<u>85%</u>	<u>\$8,437,218</u>	<u>\$7,636,716</u>	<u>91%</u>

2022 Increase (Decrease) from 2021 \$ 72,551.00

% of TOTAL RECEIPTS ON APPORTIONED ITEMS:

2021	85.3%
2022	90.5%
INCREASE (DECREASE)	5.20%

**NON-APPORTIONED FUNDS**

	<b>2021</b>	<b>2022</b>
District Apportionments (except for missions - Lane 6)	1,395,299	1,363,002
General (*) and Annual Conference (**) Special Offerings:		
Human Relations Day*	274	410
UMCOR Sunday*	5982	18,258
Native American Awareness*	580	234
Magnolia Manor Sunday**	3,412	7,372
Peace with Justice Sunday*	729	851
Wesley Glen Day**	3,607	10,356
Golden Cross Day**	2,181	913
Christian Education Sunday**	370	315
Methodist Children's Home Day**	32,656	14,196
World Communion Sunday*	1,412	371
Vashti Day**	3,297	6,152
Wesleyan College Day**	1,055	430
United Methodist Student Day*	1,134	587
UM Global Aids Fund Day	450	300
Six Lane Advance Specials:		
Africa Church Growth - Lane 1	10,914	5,124
World Hunger Specials - Lane 2	18,098	7,656
Mission Personnel - Lane 3	27,866	24,066
Mission Projects - Lane 4	53,374	47,371
UMCOR - Lane 5	175,125	331,524
Conference/ District Specials - Lane 6	285,513	272,412
South Georgia's Plus Lane	99,204	74,509
Designated Funds (no advance special credit)	<u>15,607</u>	<u>26,825</u>
Total District Apportionments, Special Sundays & Advance Specials	<u>\$2,138,140</u>	<u>\$2,213,234</u>
Other Funds Received:		
Health Flex Non-Apportioned Receipts	3,095,396	2,822,994
Clergy Retirement Security Plan	2,576,421	2,581,968
Miscellaneous Receipts on Budget Items	84,821	104,519
Net Investment Earnings	42,649	(820,768)
Connectional Ministries (Camps, Events, and other items)	597,034	382,296
Pension Funds (including Pitts Funds)	1,462,995	205,858
Bequests	0	35,136
Other Designated Receipts (Including Pass Through Items)	<u>1,027,316</u>	<u>3,922,191</u>
Total Other Funds Received	<u>\$8,886,632</u>	<u>\$9,234,195</u>

**APPORTIONMENTS & PERCENTAGE PAID BY DISTRICT**

Coastal	Rev. David Thompson	1,679,184	89.3%
North Central	Rev. Craig Hutto	1,628,289	94.7%
Northeast	Rev. Stephen Grantham	993,213	99.3%
Northwest	Rev. Steve Patton	1,098,402	73.6%
South Central	Rev. Paula Lewis	1,030,407	93.5%
Southwest	Rev. Doreen Smalls	<u>1,206,864</u>	96.7%
Total		<u>\$7,636,717</u>	

We applaud the churches of the Southwest District for their leadership in giving. We honor the churches of the Northeast District for their increase in apportionment payments!

**REPORT #2**  
**REPORT OF RECEIPTS AND DISBURSEMENTS**

In keeping with Standing Rule 6.1.1, we provide a report of receipts and disbursements. Our report summarizes each line of the Conference budget for 2022. The 2022 Budget amounts shown on the "Receipts on Apportionments" lines reflect the amount apportioned to churches for 2022. Since all of the non-budgeted funds that we receive are designated and most of them are disbursed the following month, we have summarized them in groups. Some designated receipts are not disbursed until this office is authorized to do so by the committee or organization involved. If you are interested in more details, copies of the audited financial statements of the South Georgia Conference are available on the conference website, [www.sgaumc.org](http://www.sgaumc.org), under "Administrative Services" then "Financial Statements." The budgets of various conference offices are also posted on the conference website.

**2022 Summary of Budget Receipts & Disbursements**

		<b>2022 Budget</b>	<b>December 31, 2022 Year to Date</b>	<b>Percentage</b>
<b>Type A: Items Paid Based On Expenses</b>				
<b>Conference Benevolences</b>				
Connectional Ministries	Receipts on Apportionments	456,465	450,967	98.80%
	Miscellaneous Receipts			
	Disbursements	456,465	307,710	67.41%
Arthur J. Moore Museum	Receipts on Apportionments	119,302	110,961	93.01%
	Miscellaneous Receipts		2,639	
	Disbursements	119,302	127,902	107.21%
Board Of Laity	Receipts on Apportionments	4,000	3,720	93.00%
	Miscellaneous Receipts			
	Disbursements	4,000	773	19.33%
Hispanic/Latino Affairs	Receipts on Apportionments	301,736	280,639	93.01%
	Miscellaneous Receipts		1,278	
	Disbursements	301,736	288,614	95.65%
<b>Total Conference Benevolences</b>	Receipts on Apportionments	878,503	846,287	96.33%
	Miscellaneous Receipts		3,917	
	Disbursements	878,503	724,999	82.53%
<b>Congregational Development</b>				
New Congregational Development	Receipts on Apportionments	284,597	277,756	97.60%
	Miscellaneous Receipts			
	Disbursements	284,597	189,678	66.65%
<b>Clergy Support</b>				
District Superintendents' Expense	Receipts on Apportionments	1,087,058	1,011,430	93.04%
	Miscellaneous Receipts			
	Disbursements	1,087,058	1,048,863	96.49%
Pre-1982 Pensions & Benefits	Receipts on Apportionments	0	358	0.00%
	Miscellaneous Receipts			
	Disbursements	0	0.00	0.00%
Conference Board Of Pensions	Receipts on Apportionments	51,511	47,927	93.04%
	Miscellaneous Receipts			
	Disbursements	51,511	39,173	76.05%
Comprehensive Protection Plan	Receipts on Apportionments	725,000	662,341	91.36%
	Miscellaneous Receipts		75,718	
	Disbursements	725,000	591,286	81.56%

**2022 Summary of Budget Receipts & Disbursements**

		<b>2022 Budget</b>	<b>December 31, 2022 Year to Date</b>	<b>Percentage</b>
Health Flex - Disability	Receipts on Apportionments	130,000	120,468	92.67%
	Miscellaneous Receipts Disbursements	130,000	81,304	62.54%
Post-Retirement Medical	Receipts on Apportionments	120,000	113,138	94.28%
	Miscellaneous Receipts Disbursements	120,000	113,138	94.28%
Benefits Underpayment	Receipts on Apportionments	90,000	83,739	93.04%
	Miscellaneous Receipts Disbursements	90,000	83739	93.04%
Equitable Compensation	Receipts on Apportionments	176,800	164,500	93.04%
	Miscellaneous Receipts Disbursements	176,800	109,368	61.86%
Pastoral Counseling Service	Receipts on Apportionments	199,588	185,702	93.04%
	Miscellaneous Receipts Disbursements	199,588	4,042	2.03%
Conf. Bd. of Ordained Ministry	Receipts on Apportionments	60,300	56,105	93.04%
	Miscellaneous Receipts Disbursements	60,300	16,424	27.24%
<b>Total Clergy Support</b>	Receipts on Apportionments	2,640,257	2,445,707	92.63%
	Miscellaneous Receipts		75,718	
	Disbursements	2,640,257	2,087,355	79.06%
<b>Administration</b>				
Conf. Council on Finance & Admin.	Receipts on Apportionments	1,961	1,778	90.67%
	Miscellaneous Receipts Disbursements	1,961	248	12.65%
Human Resources/ Personnel	Receipts on Apportionments	29,126	26,403	90.65%
	Miscellaneous Receipts Disbursements	29 126	25,036	85.96%
Administrative Services	Receipts on Apportionments	742,965	673,518	90.65%
	Miscellaneous Receipts Disbursements	742,965	225 684,384	51.74%
Communications Office	Receipts on Apportionments	229,195	168,979	73.73%
	Miscellaneous Receipts Disbursements	229,195	204,853	89.38%
Annual Conference Expenses	Receipts on Apportionments	102,520	92,937	90.65%
	Miscellaneous Receipts Disbursements	102,520	24,660 108,073	105.42%
Retired Ministers - per diem	Receipts on Apportionments	17,000	15,411	90.65%
	Miscellaneous Receipts Disbursements	17,000	10,985	64.62%

**2022 Summary of Budget Receipts & Disbursements**

		<b>2022 Budget</b>	<b>December 31, 2022 Year to Date</b>	<b>Percentage</b>
At-Large Lay	Receipts on Apportionments	26,000	23,570	90.65%
Delegates - per diem	Miscellaneous Receipts			
	Disbursements	26,000	31,265	120.25%
Conference Secretary & Journal	Receipts on Apportionments	23,630	16,184	68.49%
	Miscellaneous Receipts			
	Disbursements	23,630	19,332	81.81%
Committee on Memoirs	Receipts on Apportionments	1,200	1,088	74.18%
	Miscellaneous Receipts			
	Disbursements	1,200	1,215	101.25%
Conference Trustees	Receipts on Apportionments	5,350	4,850	90.65%
	Miscellaneous Receipts			
	Disbursements	5,350	4,534	84.73%
Workers Compensation Insurance	Receipts on Apportionments	12,000	10,878	90.65%
	Miscellaneous Receipts			
	Disbursements	12,000	10,047	83.73%
Strategic Initiative Team	Receipts on Apportionments	3,000	2,720	90.67%
	Miscellaneous Receipts			
	Disbursements	3,000	152	5.07%
Leadership Forum	Receipts on Apportionments	2,500	2,266	90.64%
	Miscellaneous Receipts			
	Disbursements	2,500	382	15.28%
Gen & SEJ Delegate Expense	Receipts on Apportionments	8,000	7,252	90.65%
	Miscellaneous Receipts			
	Disbursements	8,000	2,821	35.26%
Nominations	Receipts on Apportionments	900	816	90.67%
	Miscellaneous Receipts			
	Disbursements	900	0	0.00%
Episcopal Committee	Receipts on Apportionments	1,200	1,088	90.67%
	Miscellaneous Receipts			
	Disbursements	1,200	0	0.00%
Contingency Funds	Receipts on Apportionments	50,000	45,326	90.65%
	Miscellaneous Receipts			
	Disbursements	50,000	1,276,241	255.25%
Legal Fees	Receipts on Apportionments	93,000	57,111	90.65%
	Miscellaneous Receipts			
	Disbursements	93,000	57,011	90.65%
<b>Total Administration</b>	Receipts on Apportionments	1,319,547	1,152,176	87.32%
	Miscellaneous Receipts		24,885	
	Disbursements	1,319,547	2,456,145	186.14%

**2022 Summary of Budget Receipts & Disbursements**

		<b>2022 Budget</b>	<b>December 31, 2022 Year to Date</b>	<b>Percentage</b>
<b>SEJ Mission and Ministry</b>	Receipts on Apportionments	20,713	19,596	94.61%
	Miscellaneous Receipts			
	Disbursements	20,713	17,220	83.14%
<b>Totals For Type A Items</b>	Receipts on Apportionments	5,143,617	4,741,522	92.18%
	Miscellaneous Receipts		104,520	
	Disbursements	5,143,617	5,475,397	106.45%
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<b>Type B Items Based on Money Received</b>				
Georgia Wesley Min. & UM Colleges	Receipts on Apportionments	723,201	661,889	84.69%
	Miscellaneous Receipts			
	Disbursements	723,201	661,889	84.69%
Episcopal – S. Ga Office Expense	Receipts on Apportionments	245,971	227,807	89.77%
	Miscellaneous Receipts			
	Disbursements	245,971	227,807	89.77%
Episcopal – S. Ga Residence Expense	Receipts on Apportionments	30,000	27,836	91.62%
	Miscellaneous Receipts			
	Disbursements	30,000	27,836	91.62%
World Service	Receipts on Apportionments	1,166,215	1,005,264	75.64%
	Miscellaneous Receipts			
	Disbursements	1,166,215	1,005,264	75.64%
Africa University Fund	Receipts on Apportionments	37,950	33,047	98.71%
	Miscellaneous Receipts			
	Disbursements	37,950	33,047	98.71%
Black College Fund	Receipts on Apportionments	168,798	146,080	78.31%
	Miscellaneous Receipts			
	Disbursements	168,798	146,080	78.31%
Episcopal General Church Apportionment	Receipts on Apportionments	404,538	345,117	70.79%
	Miscellaneous Receipts			
	Disbursements	404,538	345,117	70.79%
General Administration Fund	Receipts on Apportionments	143,618	124,617	75.74%
	Miscellaneous Receipts			
	Disbursements	143,618	124,617	75.74%
Interdenominational Cooperation Fund	Receipts on Apportionments	5,049	4,430	85.45%
	Miscellaneous Receipts			
	Disbursements	5,049	4,430	85.45%
Ministerial Education Fund	Receipts on Apportionments	365,261	319,106	81.45%
	Miscellaneous Receipts			
	Disbursements	365,261	319,106	81.45%
<b>Totals For Type B Items</b>	Receipts on Apportionments	3,290,601	2,895,195	79.28%
	Miscellaneous Receipts			
	Disbursements	3,290,601	2,895,195	79.28%
<b>2022 Totals</b>	Receipts on Apportionments	8,437,218	7,636,717	90.51%

## 2022 Summary of Budget Receipts & Disbursements

		2022 Budget	December 31, 2022 Year to Date	Percentage
<b>On The Decimal</b>	Miscellaneous Receipts		104,520	
	Disbursements	8,437,218	8,370,592	99.21%

### REPORT #3 BUDGET FACTORS and SPECIAL OFFERINGS

We make the following recommendations:

1. We recommend that the 2024 apportionments assigned to each local church in the Conference be determined by the following formula:
  - A. FINANCIAL FACTOR - 65%

The figures for 2021 and 2022 of the total expenditures of each local church as reported in the annual statistical table (filed with GCFA), minus the following items:

    - amounts paid on apportionments,
    - the amounts paid on principal and interest on indebtedness, loans, mortgages, etc.,
    - the amount paid for building and improvements (not including loans and mortgages),
    - other benevolences paid by the local church,
    - excess "catch-up" payments on overdue benefits bills,
    - and the amounts paid on General and Conference Advance Specials.

The adjusted total of the expenditures for each local church shall be divided by the adjusted total expenditures of all local churches in the Conference for the years 2021 and 2022 (omitting the same respective items) to find the percentage of total expenditures by the local church. This percentage figure will then be multiplied by .65 to furnish the financial factor.
  - B. MEMBERSHIP FACTOR - 35%

The membership of each local church at the end of 2021 and 2022 as reported in the annual statistical table (filed with GCFA) shall be divided by the total membership of the Conference at the end of those same years to find the percentage of total membership in the local church for each of these years. This percentage figure will then be multiplied by .35 to furnish the membership factor.
  - C. FINAL DETERMINATION  
The membership factor and financial factor for each year are added together. The factors for the two years are averaged to arrive at the percentage to be used in figuring the church's share of each apportionment for 2024.
2. Apportionment Determinations for New Church Starts:
  - A. We recommend adding grants from Congregational Development (CD) or district funds (not including Equitable Compensation Supplements) to the list of deducted items prior to calculating Conference apportionments.
  - B. We recommend that new church starts begin paying apportionments in the January following the date of official constitution.
  - C. We recommend that 100% of the Conference budget be apportioned to the existing churches prior to calculating any new church that is in a phase-in period.
  - D. Churches will be phased in over a 3-year period: one-third in the first year, two-thirds in the second year, and their full share in the third year.
3. We recommend the apportionment figures be provided to local churches in the following manner:
  - As soon as possible after Annual Conference, the Administrative Services Office will calculate the "preliminary apportionments" for each local church based on the statistical reports turned in by the local churches the preceding January. These "preliminary apportionments" will be mailed to pastors and treasurers of the local churches.
  - Upon receipt of the "preliminary apportionments," pastors and treasurers should examine their apportioned amounts carefully. If the church believes an error on its statistical report has resulted in incorrect apportionments, it must report any corrections to the statistical report to the Administrative Services Office by the date set by that office, printed on the "preliminary apportionments" sheet.
  - If any statistical reports have been corrected, the Administrative Services Office will re-calculate the apportionments for the entire Annual Conference. These "final apportionments" will be mailed to pastors and churches before the end of August.

- After the final apportionments are prepared, no further corrections will be made to the statistics or conference apportionments until the following year.

4. We recommend that the following special days be observed in 2024 with an offering as called for by *The Book of Discipline* and/or by the Annual Conference:

Human Relations Day	January 14 *
Vashti Day	February 4 **
Andrew College Sunday	February 11 **
Volunteers in Mission Awareness Sunday	February 18 **
UMCOR Sunday	March 10 *
Native American Awareness	April 14 *
Magnolia Manor Sunday	May 12 **
Peace With Justice	May 26 *
Wesley Glen Day	June 16 **
Golden Cross Sunday	August 18 **
Methodist Children's Home	September 15 **
World Communion Day	October 6 *
Wesleyan College Day	November 10 **
United Methodist Student Day	November 24 *

\* General Church Offerings

\*\* Annual Conference Special Offerings (churches may observe on another day if it fits their schedule).

- For 2024 we recommend the travel rate of .45 cents per mile for each Board, Commission, Committee, and Council of the Conference, for automobile travel required in Conference work. We recommend conference staff be reimbursed at the IRS rate, since their miles are a job requirement. We note IRS rules that mileage for charitable purposes may be reimbursed at .14 per mile tax free in 2023, and any reimbursement above that amount is taxable income for the recipient.
- ¶258.4(b) *The Book of Discipline, 2016* and the South Georgia Standing Rules and Structure, Section 6.1.7, mandate fidelity bond coverage for local church treasurers. The Council reminds all local churches of the importance of having adequate fidelity bond coverage for treasurers and others handling church funds. Due to the prevalence of coverages available to church through comprehensive insurance plans, the Conference no longer provides any bonding for local church treasurers.

We request that the following officials be bonded in the indicated amount, that the respective board or agency pay the bond, and that these bonds be held in the Administrative Services Office.

Director of Administrative Services	\$1,000,000.00
Staff of Administrative Services Office	\$1,000,000.00
Treasurer, Conference Trustees	\$25,000.00

- Unless approved through the budget and expense approval process, no financial liability shall be made upon the annual conference without the express authorization of the Council on Finance and Administration and the Annual Conference. The Conference Treasurer/Director of Administrative Services is authorized to sign any contract on behalf of the Annual Conference not otherwise authorized by the currently effective Book of Discipline of The United Methodist Church or the Standing Rules of the conference. The Council on Finance and Administration may designate other persons to sign contracts with financial implications on behalf of the conference for specific purposes or amounts. All ordinary business contracts shall be reviewed and signed by the Conference Treasurer/Director of Administrative Services.
- In compliance with ¶617.2 of *The Book of Discipline, 2016*, we ask each agency receiving financial support from Conference Benevolences, or from any authorized conference-wide appeal, to make a complete report of all receipts and disbursements for the fiscal year ending in 2022. A certified public accountant is to audit the books of all agencies, except those whose receipts and expenditures are handled by the Administrative Services Office on a voucher basis, and a copy of the audit is to be filed with the Administrative Services Office.
- We commend the promotional emphasis given to the observance of World Service Sunday in the Church School and request that funds raised in this observance be so designated and sent to the Administrative Services Office.
- We call attention to these actions of the Annual Conference relating to expenses of the Annual Conference session:
  - Standing Rules 3.4.1 & 3.4.2 stipulate that the Administrative Board/Council of each church and the boards of

other conference groups shall pay the expense of their lay and clergy delegates to the Annual Conference sessions.

- The 2011 Annual Conference (volume 1, page 572) approved a registration fee beginning with the 2012 Annual Conference of \$20 for all lay and clergy members (excluding retired clergy unless the retired clergy are serving an appointment in retirement). The original motion has no exception for virtual annual conference sessions.
  - We recommend that the amount of \$65 per day of attendance at Annual Conference be paid to retired clerical members not serving an appointment who sign for their attendance at Annual Conference and apply for this benefit. This will comply with Standing Rule 3.4.1 which states: “retired clergy members and/or clergy on incapacity leave who do not serve appointments and who attend are to receive assistance with their expenses from the Annual Conference, provided by the Council on Finance and Administration.” Retirees who are under appointment shall have their expenses paid by the local church, in the same manner as active clergy.
  - We recommend that the amount of \$65 per day of attendance at Annual Conference be paid to at-large lay members of the Conference (who are determined by each district to equalize lay membership with clergy membership) who sign for their attendance at Annual Conference and apply for this benefit. (See Standing Rule 3.4.2.)
11. We call attention to Standing Rule 6.1.7, which reads as follows: “Every Charge **shall** provide Worker’s Compensation Insurance Coverage for their minister and **all other staff members.**”
  12. We call attention to ¶614.5 of *The Book of Discipline, 2016*, which stipulates that special conference-wide appeals for funds shall have the approval of the Annual Conference upon the recommendation of the Council on Finance and Administration, except in case of an extreme emergency when such approval may be given by a two-thirds vote of the District Superintendents and of the Council, acting jointly.
  13. We recommend that once approved by the Annual Conference, all budgets are fixed for the ensuing year. Exceptions to this policy may be granted by the Council on Finance and Administration with the proper documents to justify the request in keeping with ¶¶613.8 & 9 of *The Book of Discipline, 2016*.
  14. Balances from Undesignated and Unrestricted Funds: Balances from undesignated and unrestricted funds (excluding funds under the management or control of the Board of Trustees or the Board of Pension and Health Benefits) may be disbursed on the authorization of the Council on Finance and Administration, or by vote of the Annual Conference, and shall be administered by the Conference Treasurer. The Executive Committee of the Council on Finance and Administration is empowered to act in the case of an emergency. Undesignated and unrestricted funds disbursed between session of the Annual Conference shall be reported at the next Annual Conference session.

#### **REPORT #4 PENSIONS AND HEALTH BENEFITS COST**

We are grateful that the amount of unpaid benefits debt has dropped from \$1.1 million in 2016 to \$585,789 at the end of 2022. We remain concerned about the amount of debt owed by churches to the Annual Conference for unpaid health insurance and pension benefits for their pastor. Effectively, those churches not paying their full benefit costs have borrowed \$585,789 from the other churches in the annual conference. We appreciate the efforts of the Board of Pensions to collect on this debt. We thank the Cabinet for adjusting appointments to a level which churches can financially support. More of our churches are catching up with unpaid benefits payments, but many of those with benefit debt have failed to address it. We respectfully ask churches with benefits debt to pay their bills. (See the report of the Commission on Equitable Compensation for a list of churches)

#### **REPORT #5 RECOMMENDATIONS REGARDING THE CABINET**

Salaries for District Superintendents and for the Director of Connectional Ministries are determined by a formula so that the salaries paid by local churches set the salary of District Superintendents. When we had nine districts, the formula averaged the 27 highest salaries of churches across the conference at the beginning of the preceding year (three per district). The 2014 Conference voted to consolidate to six districts. The 2016 Conference voted to move to the top 18 church salaries (three each for six districts) using this schedule: 2016 – 27 churches, 2017 – 24 churches, 2018 – 21 churches, 2019 – 18 churches. For 2024, the salaries of these positions will be \$121,789, based on the average salary of the 18 highest local church salaries at the beginning of 2023. Note that while this formula ties DS salaries to local church salaries, it always lags those salaries by one year.

The Council recommends that for 2024 the amount of \$15,000 be set aside for each District Superintendent (\$7,500 by district) to cover all accountable reimbursements. This will include travel, continuing education expenses, and any other business-related out-of-pocket expenses. Each District Superintendent will be able to draw from this fund only by

voucher of actual miles traveled and/or specific expenses. We recommend that \$15,000 be budgeted for Cabinet meeting expenses in 2024. These funds are only drawn on by voucher of actual miles traveled and/or specific expenses.

Housing for Superintendents is the responsibility of each District. We commend the Districts for maintaining District Parsonage Funds (for District Parsonage Indebtedness and Maintenance) and a District Operational and Program Fund. We remind the District leadership that the moving expenses and annual conference attendance expenses of the District Superintendents are paid by the District to which they are appointed.

The money to pay the salaries, accountable reimbursement expenses, and Cabinet meeting expenses for the District Superintendents is included in the Clergy Support section of the budget as District Superintendents' Expense. Clergy Support is paid from receipts on the apportionment assigned to the churches of the Conference and is a priority claim.

Such part of the salary that the Cabinet, Director and Associate Directors of Connectional Ministries, Director of Administrative Services, Director of Congregational Development, Director of Ministerial Services, Chaplains and other clergy employees of the Conference pay to cover the actual cost of those utilities and other housing-related expenses necessary to operate and maintain the respective parsonages, or their residence if a parsonage is not provided, is hereby designated as a housing expense. Housing and Utility Resolutions will be prepared by the various clergy employees of the Conference and copies maintained by the Director of Administrative Services.

### REPORT #6 BUDGET FOR 2024

The Council on Finance and Administration (CF&A), in keeping with ¶614, *The Book of Discipline, 2016*, presents the following budgets of anticipated income and proposed expenses for all funds to be apportioned to churches or charges. The Budget has been reorganized into two types of budget items:

- Type A - This group includes the various budget items which are paid based on vouchers (or when the expense is incurred) and Southeastern Jurisdiction apportionments.
- Type B - This group includes items in the budget which are paid out based on the apportionments collected. This group includes the budget for Georgia Wesley Ministries & UM Colleges, the Episcopal Office, and the General Church apportionments. The total collected each month is paid out to the agency or office.

The Council expresses appreciation to the various conference committees and conference offices which have worked with the Council to keep our expenses reasonable and in keeping with our revenues. Churches have called on us to be prudent in our spending, and we are thankful for the cooperation we have received in this effort. **Since 2010, the Conference budget has decreased more than 56%, nearly \$7.0 million.** The Council is grateful that apportionments retain broad support among the majority of churches in South Georgia. **424 of 552 churches paid 100% or more of their askings in 2022.**

We recognize that concern over the direction of the national and international church may impact apportionment payments. We are concerned with churches that believe withholding local askings somehow “sends a message” to the general church. Because most of our apportionments are for local and regional ministries, the ones hurt by such withholding are our retired pastors and widows, our disabled pastors, our active clergy, and those ministries in South Georgia which we fund (such as our summer camps and college campus ministries).

At the end of 2022, our undesignated reserves totaled \$5,879,232 (unaudited figure), down by \$1.4 million at the end of 2021. Much of these reserves are in the form of unrealized market gains, not in actual cash. The value of these reserves will move up and down depending on market conditions. Our normal target for undesignated reserves is three month's expenses for the Annual Conference (approx. \$2.6 million). As we face ongoing economic uncertainty plus continuing issues with the pandemic, rising inflation, and the general uncertainty of the future of The United Methodist Church, maintaining these reserves seems prudent.

The CF&A recommends a 2024 budget to be apportioned which is a decrease from the 2023 budget of 29.1 percent. **The amount to be apportioned to local churches for 2024 will be \$5,472,651.**

### PROJECTED RECEIPTS FOR 2023

SOURCE OF RECEIPTS:	PROJECTED RECEIPTS:	NOTE #:
1. Apportionments based on 90 % collections of Type A & B items	\$7,239,666	1
2. Income from Registration Fees	21,000	2
3. Investment Income	25,000	3
4. Miscellaneous Receipts	<u>85,000</u>	

	<i>Type A: Paid Based on Expenses</i>	<b>2023 Approved Amended Budget</b>	<b>2024 Projected Budget</b>	<b>Note #:</b>
1	<b>I. Conference Benevolences</b>			
2	Connectional Ministries	450,995	391,258	
3	Hispanic/Latino Affairs	314,987	293,941	
4	Arthur J. Moore Museum & Archives/History	139,738	136,773	
5	Board of Laity	4,000	1,000	
6	<b>Total Conference Benevolences</b>	<b>909,720</b>	<b>822,972</b>	
7				
8	<b>II. Congregational Development</b>			
9	Congregational Development	146,126	146,126	
10	<b>Total Congregational Development</b>	<b>146,126</b>	<b>146,126</b>	
11				
12	<b>III. Clergy Support</b>			
13	District Superintendents' Expenses	1,098,996	1,098,996	
14	Conference Board Of Pensions	46,650	46,000	
15	Comprehensive Protection Plan	641,045	369,000	
16	HealthFlex - Clergy on Disability	110,000	110,000	
17	Post-retirement Healthcare	11,000	11,000	4
18	Benefits Underpayment	90,000	90,000	
19	Equitable Compensation	189,300	189,300	
20	Pastoral Counseling Service	10,000	10,000	5
21	Conference Board of Ordained Ministry	35,675	20,675	
22	Special S. Ga. Episcopal Funds			
23	<b>Total Clergy Support</b>	<b>2,232,666</b>	<b>1,377,930</b>	
24				
25	<b>IV. Administration</b>			
26	Conference Council on Finance & Admin.	3,050	1,000	
27	Human Resources/Personnel	28,956	24,395	
28	Administrative Services Office	729,373	681,539	
29	Communications Office	236,468	224,914	
30	<u>Other Conference Administrative Areas</u>			
31	1. Annual Conference Session Expenses:			
32	Annual Conference Program & Arrangements	123,770	104,300	
33	Retired Ministers - per diem	18,000	12,000	
34	At-Large Lay Delegates - per diem	26,000	0	
35	2. Conference Secretary & Journal	24,413	24,963	
36	3. Committee on Memoirs	1,200	1,200	
37	4. Conference Trustees	5,350	4,850	
38	5. Worker's Compensation Insurance	12,000	12,000	
39	6. Leadership Forum	3,000	1,000	
40	7. Strategic Initiative Team	3,000	500	
41	9. General and SEJ Delegate Expense	6,000	6,000	
42	10. Committee on Nominations	900	0	
43	Episcopal Committee	1,200	500	
44	Legal Fees	45,000	45,000	6
45	Contingency Funds	27,000	0	
46	<b>Total Administration</b>	<b>1,294,680</b>	<b>1,144,161</b>	
47				
58	<b>V. SEJ Mission and Ministry</b>	<b>17,220</b>	<b>17,220</b>	
59				

	<b><i>Type A: Paid Based on Expenses</i></b>	<b>2023 Approved Amended Budget</b>	<b>2024 Projected Budget</b>	<b>Note #:</b>
50	<b><i>Type A Totals: Paid Based on Expenses</i></b>	<b>4,600,412</b>	<b>3,508,409</b>	

	<b><i>Type B: Paid Based Funds Received</i></b>	<b>2022 Approved Budget</b>	<b>2023 Projected Budget</b>	<b>Note #:</b>
51				
52	GA Wesley Ministries & UM Colleges	723,201	550,000	
53	Episcopal – S. Ga Office Expense	216,369	228,867	
54	Episcopal – S. Ga Area Residence Expense	20,000	20,000	
56	<i>General Church Apportionments</i>			7
57	1. World Service Fund	1,066,125	599,494	
58	2. Africa University Fund	34,693	18,076	
59	3. Black College Fund	154,311	80,768	
60	4. Episcopal - General Church Apportionment	428,089	177,535	
61	5. General Administration Fund	131,292	71,185	
62	6. Interdenominational Cooperation Fund	4,616	15,836	
63	7. Ministerial Education Fund	333,913	202,482	
64	<b><i>Type B Totals: Paid Based on Funds Received</i></b>	<b>3,112,609</b>	<b>1,964,242</b>	
65				
66	<b>Total Conference Budget</b>	<b>7,713,021</b>	<b>5,472,651</b>	<b>-2,240,370</b>
67	Projected deficit if collect 90%/spend 100% of Type A and Type B items	-674,977	-547,265	
68	Projected deficit if collect 90%/spend 100% of Type A items/spend 90% of Type B items	-411,729	-350,841	8

**Budget Notes:**

- 1- The CF&A has projected that our collections on apportionments will be 90% which is the same collection target and actual as 2022.
- 2- The registration fee income is calculated based on a registration fee of \$20.
- 3- The CF&A will use our investment income and reserves to help cover any shortfall in receipts.
- 4- The Annual Conference voted in 2022 to establish the Retiree Healthcare Funding Trust. This reduced this apportionment to a small amount needed for retirees under the age of 65 who are not eligible for the retiree healthcare plan.
- 5- The Conference Pastoral Counselor is on medical leave, and this office will not be filled. The budget has been reduced accordingly.
- 6- The past 4 years we have put collected but unspent legal fees apportionment into a designated reserve. Building up this reserve allows us to lower the annual apportionment while still being prepared for an expensive legal issue.
- 7- CFA recommends payment of general church apportionments in these amounts during this period of uncertainty caused by the inability of the General Conference to meet and adopt a budget.
- 8- If we collect 90% and spend 100%, there will be a deficit. Because we prepare our budgets so far in advance, almost every year some items included in the projected budget may not be spent. In addition, Type B items are not paid at 100%; they are paid at the rate collected, so they do not add to any deficit. If our budget expenditures exceed our rates of collection on the budget, then investment earnings, the contingency fund, and perhaps some conference reserves will have to be used in order to pay all of our obligations. It is possible that the 2024 budget may be adjusted ad interim based on the results of 2023 disaffiliations.

Submitted by,  
Dr Shane Green, Chair  
Suzanne Jones, Conf. Treasurer, Dir. of Administrative Services

