

**UNITED CHURCH OF CHRIST BOARD
FINANCE & BUDGET COMMITTEE
September 26, 2013 Conference Call**

Minutes

Members Present: Joyce Bathke (Chair), Geoffrey Black, Dale Bonds, Edward Davis, Robert Freiberg, Ernesto Reyes (Vice Chair), Rich Pleva, Bernard Wilson

Members Absent: Sue Artt, Kevin Finley, Gilberto Garcia-Rodriguez, Kira Geary

Staff: Kathy Houston, Ann Kiernozek

Guests: Ben Guess, Linda Jaramillo, Jim Moos

The meeting of the Finance & Budget Committee was called to order at 1:04 p.m. by Joyce Bathke (Chair).

The opening prayer was offered by Rich Pleva.

Joyce noted that the conference call was an information gathering meeting so the Committee would have more background on the budgets that will be presented to the Committee in October.

Kathy Houston reviewed the document that provides the history of Common Services. She noted that the work of the Affirmative Action office is now done in Human Resources and through the office of the Executive Associate to the General Minister and President, Leadership and Diversity Initiatives. She also noted that the United Church of Christ Resources (the “warehouse”) is now included within Common Services but is budgeted separately from the other Common Service teams at this time.

The current proposed budgets were presented and the Collegium provided the Committee with information about their ministries after Kathy Houston provided the Committee with the teams and their functionality within the Office of the General Minister & President.

Linda Jaramillo provided the Committee with information regarding the Justice & Witness Ministries (JWM) budget, explaining the functions of each newly developed team.

Ben Guess provided the Committee with information regarding the Local Church Ministries (LCM) budget. He reported that MESA will have a \$10,000 budget reduction for 2014 that is not reflected in the report being reviewed today. Subsidy grants to new & renewing congregations represent the largest piece of program and grants expense. \$300,000 is currently paid annually to the Center for Progressive Renewal. The initial agreement with the Center was a three year commitment that expired in 2012. An assessment of the Center's effectiveness was completed and it was determined to be favorable so LCM is now on a year to year commitment. 50% of the grant is paid by the Church Building & Loan Fund (CBLF) which has a shrinking customer base for loan applicants so the Fund is becoming more involved with creating new ministries that may lead to new prospective loan applicants.

Ann Kiernozeck had provided the Committee with background information on the financial relationship Wider Church Ministries (WCM) has with the DOM/DOC and the impact of the CGMB Budget on WCM. Jim Moos highlighted that the budget spent is developed in conjunction with the Division of Overseas Ministries (DOM). Joyce is chair of joint committee. Fiduciary responsibility of all funds is held by either WCM or DOM since Global Ministries is not a corporation - any actions Global Ministries take on the CGMB budget are affirming. Any funds coming in have to be deposited to either a WCM or DOM account. There is no formal written agreement between the two Ministries – but we operate under a firm handshake. Ann Kiernozeck focused on the 2 page budget summary which has 57 pages of detail. The report presents discrete revenues & expenses for WCM and DOM, then shared expenses. One Great Hour of Sharing (OGHS) is included since administration for the offering is through WCM. DOM has no programmatic expenses that are discrete – their discrete expenses are all administrative. Ann and her counterpart at DOM look at what is available for the partnership (income available for CGMB program – some from both). Joint expenses (area offices, missionaries.) are allocated based upon where the physical expense occurs (area offices). If one or the other contributes 60% of revenue, they share 60% of expenses. WCM and DOM reconcile between the two organizations annually. There is a formal written agreement that supports the allocations and the year end reconciliation of the shared expenses.

Kathy Houston provided the committee with the next steps that staff will follow to finalize the budgets:

1. Finalize the Common Services budget and reallocate it to OGMP and Covenanted Ministries.
2. Finalize OGMP & Covenanted Ministry budgets prior to reallocating OCWM NBS.

3. Finalize OCWM allocation and adjust OGMP and Covenanted Ministry budgets accordingly.
4. Calculate effective draw rates (impact of OCWM allocation).

Kathy and Ann will also generate the August year to date report for the OGMP & Covenanted Ministries for the Committee's review at the October meeting.

The meeting adjourned 2:05p.m.