

- any recommendations as to changes in goals and guidelines in light of material and sustained changes in the capital market; and
- any significant change in the manager’s investment outlook, ownership or key employees.
- A report of current investment mix and variance from target (if any)
- A report on changes in target allocation

**Records**

The CFA, CBOPHB and the Investment Committee shall keep a proper and prudent paper trail of all important documents, meeting minutes and other information relating to the management of the Fund. They shall be available at:

**Address: 1700 Century Circle NE, Suite 100, Atlanta GA 30345**

**Custodian of the Records: Conference Treasurer**

The recommendations and approved changes to the investment policy may be incorporated directly into the policy as a revision and restatement or noted in the addendum until such time as the investment policy is revised and restated.

**Revised 3/24/15**

**208.j. Council on Finance and Administration**

The work of the Council on Finance and Administration (CF&A) to develop a fiscally sound and responsive budget for the North Georgia Conference is both a blessing and a challenge. The prayerful consideration of our local churches who continue to demonstrate the strengths of our connectional system through their faithful response in giving is a definite priority. Likewise, the ministry needs of our annual conference and global work, which are a similar priority, demand we carefully examine the many deserving requests for funding which inevitably stretch the conference’s revenue expectations. The work of the CF&A this year began on February 15, 2016 as we prayerfully began to receive 2017 budget requests.

The context of our work was: These factual circumstances require that financial prudence and spiritual balance combine to produce a responsible recommended budget that proportionally increases ministry and proportionally decreases institutional costs. The members of the Council feel that we were able to achieve that goal. The recommended 2017 budget is \$22,134,096 or \$58,540

1 (0.3%) higher than the 2016 budget. The increase is due in large part to an  
2 increase in the 2017 General Church apportionments. This is the first time in  
3 eight years that the budget (or recommended budget) has increased. The  
4 summary is as follows: Conference mission/ministry program budgets are up,  
5 institutional/legacy costs are down, and General Church line items increased by  
6 2.0%.

7 CF&A is adhering to its own recommendations regarding competitive  
8 proposals for services. Audit fees and bank fees both were substantially reduced  
9 as a result of a formal “Request for Proposal” effort. Combined savings  
10 approach \$60,000 per year as a result of this initiative. We encourage other  
11 ministries and agencies to be alert to the opportunity to reduce non-ministry  
12 expenses via a process of requesting comparative proposals.

13 CF&A believes that we need to continue to plan for a future that includes  
14 the ability to fully fund our obligations without unduly burdening the future  
15 operating budgets of our local churches. As a part of this, we recommend the  
16 continuance of establishing reserves for matters such as retirement obligations,  
17 medical obligations, future campus / rental needs and general budgetary  
18 reserves, and our recommended budget includes these planning matters.

19 There is very positive news as we look to the future. The North Georgia  
20 Foundation for Retired Ministers contributed \$4 million toward the pre-1982  
21 unfunded liability in April 2016. This payment allows the conference to achieve  
22 “full funded status” (utilizing GBOPHB Funding Plan assumptions) for the pre-  
23 1982 plan in 2016.

24 North Georgia United Methodists have faced financial challenges to be  
25 sure. But the economy has improved, membership increased, the conference’s  
26 balance sheet is the strongest that it has been in over a decade, our faith remains  
27 strong, our outlook positive, our attitude joyous and our giving worthy of  
28 celebration! Together, we will continue to work in all ways and in all places to  
29 be obedient to the mission of the United Methodist Church: To Make Disciples  
30 of Jesus Christ for the Transformation of the World. Thank you for all you do  
31 for Christ through our partnership in the UMC.

32 Sean Taylor, CPA, Chair  
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<b>208.k. 2016 Council on Finance and Administration Recommendations</b>	1
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1. We recommend that the conference elect Keith M. Cox as the Conference Treasurer and Director of Administrative Services.	3
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2. We recommend that each district continue to be responsible for funding of conference expenses for its at-large delegates. Funding levels will be at the discretion of the respective district superintendent.	6
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3. We recommend that lay volunteers serving on annual conference committees and task forces be reimbursed their mileage costs at the prevailing IRS employee rate.	10
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4. We recommend in addition to those observances set by the General Conference (defined in 2012 <i>Book of Discipline</i> Paragraph 262), the following special days, with offerings, but without quotas, be observed in 2017: Homeless Offering (last Sunday in February), Mother’s Day Offering for Wesley Woods Senior Living (Mother’s Day, second Sunday in May), Murphy-Harpst (third Sunday in July), Golden Cross (third Sunday in August), United Methodist Children’s Home Amazing Grace Offering (third Sunday in September), Aldersgate Homes (fourth Sunday in October), Action Ministries (first Sunday in December).	14
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5. We recommend that each of the following be permitted to have one direct mail appeal for funds in 2017: the United Methodist Children’s Home; Action Ministries; Aldersgate Homes, Inc; and the World Methodist Evangelism Institute.	24
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6. We recommend that all special day offerings be scheduled through the Director of Connectional Ministries so as to avoid calendar conflicts.	29
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7. We recommend the adoption of the apportionment formula approved at Annual Conference 2006, and used each year since, as described in the 2017 <i>Recommended Budget Interpretation</i> , which is attached.	32
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8. We recommend that all churches and conference-related agencies ensure that their internal control systems are adequate to safeguard their assets as well as to insure compliance with completing an annual audit pursuant to section 58(4)(d) of the 2012 <i>Book of Discipline</i> . For churches whose operating budgets are less	36
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1 than \$500,000, we recommend that those churches consider utilizing the “Local  
2 Church Audit Guide” to fulfill their audit obligation.

3  
4 9. We recommend that local churches institute or update risk management  
5 practices and procedures to protect church assets, employees and volunteers.  
6 This includes expeditiously moving to comply with practices defined in the  
7 “Safe Sanctuaries” program and to monitor compliance with that program.

8  
9 10. We recommend that all clergy either living in church-owned parsonages  
10 and/or that maintain personal belongings in a church-owned office, seek  
11 counsel from their insurance agent about securing insurance coverage for their  
12 personal property.

13  
14 11. We recommend that all key third party providers of professional services be  
15 reviewed by the appropriate department/ministry for efficacy every three years.  
16 The review(s) will be forwarded to CFA for its input. (For those who have  
17 recently been reviewed, one will not be necessary until no later than 6/30/20).

18  
19 12. We recommend that a “request for proposal process” be utilized for the  
20 provision of all external professional services for conference-funded ministries.

21  
22 13. We recommend that a joint committee of CFA, CBOT and the Cabinet  
23 continue to jointly study district office administration with the goal of ensuring  
24 that best practices are utilized. We further recommend that a report be made to  
25 Annual Conference about the results of the study during annual conference  
26 session 2017.

## 208.I. Recommended 2017 Budget

North Georgia Annual Conference  
Budget Summary  
2017 Budget - Recommended by CFA with General Church and SEJ Adjustments

	2015 Approved Budget	2015 Expended	2015 Exp vs Appr %	2016 Approved Budget	2017 Recommended Budget	2017 vs 2015 Exp Inc/(Dec) Amount	2017 vs 2015 Exp Inc/(Dec) %	2017 vs 2016 Budget Inc/(Dec) Amount	2017 vs 2016 Budget Inc/(Dec) %	
<b>Area I</b>	<b>Min Support/Equitable Comp</b>									
	Resident Bishop	80,000	75,123	93.9%	81,400	124,000	48,877	65.1%	42,600	52.3%
	Dist Supts Compensation	1,798,662	1,773,309	98.6%	1,829,239	1,847,531	74,222	4.2%	18,292	1.0%
	District AA's Pension/Insurance	0	0	-	100,000	80,000	80,000	-	(20,000)	-20.0%
	Equitable Comp Fund	200,000	271,371	135.7%	325,000	325,000	53,629	19.8%	0	0.0%
	Board of Ordained Min	407,600	245,232	60.2%	345,595	278,250	33,018	13.5%	(67,345)	-19.5%
	<b>Total Min Support/Eq Comp</b>	<b>2,486,262</b>	<b>2,365,035</b>	<b>95.1%</b>	<b>2,681,234</b>	<b>2,654,781</b>	<b>289,746</b>	<b>12.3%</b>	<b>(26,453)</b>	<b>-1.0%</b>
<b>Area II</b>	<b>Ret Min Pension and Ins</b>									
	Retiree Health Ins Premiums	2,350,000	2,170,959	92.4%	2,325,000	2,225,000	54,041	2.5%	(100,000)	-4.3%
	Office Admin	265,500	263,462	99.2%	275,000	285,000	21,538	8.2%	10,000	3.6%
	Disability Premiums	226,000	168,635	74.6%	195,000	187,000	18,365	10.9%	(8,000)	-4.1%
	Future Ret Medical Ins Reserve	0	0	-	0	500,000	500,000	-	500,000	-
	Pre 1982 Pension Funding	3,400,000	4,000,000	117.6%	1,500,000	1,000,000	(3,000,000)	-75.0%	(500,000)	-33.3%
	<b>Total Ret Min Pen and Ins</b>	<b>6,241,500</b>	<b>6,603,056</b>	<b>105.8%</b>	<b>4,295,000</b>	<b>4,197,000</b>	<b>(2,408,056)</b>	<b>-36.4%</b>	<b>(98,000)</b>	<b>-2.3%</b>
<b>Area III</b>	<b>Administration</b>									
	Annual Conf Session and Rel	216,000	276,977	128.2%	215,000	185,000	(91,977)	-33.2%	(30,000)	-14.0%
	Treasurer and Admin Services	578,000	576,815	99.8%	600,000	615,000	38,185	6.6%	15,000	2.5%
	Office of Ministerial Services	371,705	380,971	102.5%	440,005	401,159	20,188	5.3%	(38,846)	-8.8%
	CFA	127,000	123,802	97.5%	115,000	115,000	(8,802)	-7.1%	0	0.0%
	Cabinet Expenses	50,000	52,212	104.4%	50,000	50,000	(2,212)	-4.2%	0	0.0%
	Board of Trustees	125,000	118,831	95.1%	85,000	92,500	(26,331)	-22.2%	7,500	8.8%
	<b>Total Administration</b>	<b>1,467,705</b>	<b>1,529,608</b>	<b>104.2%</b>	<b>1,505,005</b>	<b>1,458,659</b>	<b>(70,949)</b>	<b>-4.6%</b>	<b>(46,346)</b>	<b>-3.1%</b>

## 208.I. Recommended 2017 Budget, continued

North Georgia Annual Conference  
 Budget Summary  
 2017 Budget - Recommended by CFA with General Church and SEJ Adjustments

		2015 Approved Budget	2015 Expended	2015 Exp vs Appr %	2016 Approved Budget	2017 Recommended Budget	2017 vs 2015 Exp Inc/(Dec) Amount	2017 vs 2015 Exp Inc/(Dec) %	2017 vs 2016 Budget Inc/(Dec) Amount	2017 vs 2016 Budget Inc/(Dec) %
<b>Area IV</b>	<b>Conference Benevolences</b>									
	Connectional Ministries:									
	Ministry Teams	216,500	202,655	93.6%	310,000	300,000	97,345	48.0%	(10,000)	-3.2%
	N Ga Camp and Retr Min	290,000	272,600	94.0%	361,800	361,800	89,200	32.7%	0	0.0%
	Leadership ID and Dev	30,000	25,000	83.3%	30,000	30,000	5,000	20.0%	0	0.0%
	CM Office Support	879,841	812,858	92.4%	907,995	877,995	65,137	8.0%	(30,000)	-3.3%
	Communications Office	208,308	232,202	111.5%	247,000	247,000	14,798	6.4%	0	0.0%
	<b>Total Connectional Min</b>	<b>1,624,649</b>	<b>1,545,315</b>	<b>95.1%</b>	<b>1,856,795</b>	<b>1,816,795</b>	<b>271,480</b>	<b>17.6%</b>	<b>(40,000)</b>	<b>-2.2%</b>
	Action Ministries	500,000	468,500	93.7%	550,000	575,000	106,500	22.7%	25,000	4.5%
	Housing & Homeless Council	15,000	14,087	93.9%	15,000	15,000	913	6.5%	0	0.0%
	Ministry of the Laity	45,000	42,262	93.9%	45,000	45,000	2,738	6.5%	0	0.0%
	<b>Total Conf Benevolences</b>	<b>2,184,649</b>	<b>2,070,164</b>	<b>94.8%</b>	<b>2,466,795</b>	<b>2,451,795</b>	<b>381,631</b>	<b>18.4%</b>	<b>(15,000)</b>	<b>-0.6%</b>
<b>Area V</b>	<b>Capital Funding</b>									
	Capital Acquisition	35,000	27,438	78.4%	35,000	50,000	22,562	82.2%	15,000	42.9%
	Meth Center - L/T Repl Reserve	0	0	-	0	250,000	250,000	-	250,000	-
	Debt Service	58,500	8,251	14.1%	0	0	(8,251)	-100.0%	0	-
	<b>Total Capital Funding</b>	<b>93,500</b>	<b>35,689</b>	<b>38.2%</b>	<b>35,000</b>	<b>300,000</b>	<b>264,311</b>	<b>740.6%</b>	<b>265,000</b>	<b>757.1%</b>
<b>Area VI</b>	<b>Higher Ed &amp; Campus Ministry</b>	1,200,000	1,129,165	94.1%	1,284,000	1,384,000	254,835	22.6%	100,000	7.8%
<b>Area XII</b>	<b>Congregational Development</b>									
	Program Expenditures	1,770,698	1,642,021	92.7%	2,025,000	1,910,000	267,979	16.3%	(115,000)	-5.7%
	Office Support	493,802	615,646	124.7%	518,694	625,000	9,354	1.5%	106,306	20.5%
	<b>Total Congregational Dev</b>	<b>2,264,500</b>	<b>2,257,667</b>	<b>99.7%</b>	<b>2,543,694</b>	<b>2,535,000</b>	<b>277,333</b>	<b>12.3%</b>	<b>(8,694)</b>	<b>-0.3%</b>

## 208.I. Recommended 2017 Budget, continued

North Georgia Annual Conference  
 Budget Summary  
 2017 Budget - Recommended by CFA with General Church and SEJ Adjustments

		2015 Approved Budget	2015 Expended	2015 Exp vs Appr %	2016 Approved Budget	2017 Recommended Budget	2017 vs 2015 Exp Inc/(Dec) Amount	2017 vs 2015 Exp Inc/(Dec) %	2017 vs 2016 Budget Inc/(Dec) Amount	2017 vs 2016 Budget Inc/(Dec) %
<b>Area XIII</b>	<b>S'wood Conf and Retreat Ctr</b>	91,667	85,892	93.7%	0	0	(85,892)	-100.0%	0	-
	<b>Undes Res and Comp Full Pmt</b>	250,000	234,250	93.7%	500,000	250,000	15,750	6.7%	(250,000)	-50.0%
<b>Total North Georgia Conference</b>		16,279,783	16,310,526	100.2%	15,310,728	15,231,235	(1,079,291)	-6.6%	(79,493)	-0.5%
<b>VII</b>	<b>Black College Fund</b>	470,284	436,546	92.8%	464,063	474,576	38,030	8.7%	10,513	2.3%
<b>VIII</b>	<b>Ministerial Education</b>	1,178,924	1,087,893	92.3%	1,163,327	1,189,738	101,845	9.4%	26,411	2.3%
<b>IX</b>	<b>Interdenominational Coop</b>	92,245	84,228	91.3%	91,025	93,046	8,818	10.5%	2,021	2.2%
<b>X</b>	<b>World Service Fund</b>	3,433,981	3,165,114	92.2%	3,388,466	3,522,504	357,390	11.3%	134,038	4.0%
<b>XI</b>	<b>Africa University</b>	105,232	99,019	94.1%	103,884	106,208	7,189	7.3%	2,324	2.2%
<b>XIV</b>	<b>Episcopal Fund</b>	1,029,926	944,565	91.7%	1,092,309	1,043,157	98,592	10.4%	(49,152)	-4.5%
<b>XV</b>	<b>General Church Admin</b>	414,500	379,604	91.6%	409,105	418,268	38,664	10.2%	9,163	2.2%
<b>Total General Church</b>		6,725,092	6,196,969	92.1%	6,712,179	6,847,497	650,528	10.5%	135,318	2.0%
<b>Area XVI</b>	<b>Southeastern Jurisdiction</b>	96,333	94,318	97.9%	52,649	55,364	(38,954)	-41.3%	2,715	5.2%
<b>Total Budget</b>		23,101,208	22,601,813	97.8%	22,075,556	22,134,096	(467,717)	-2.1%	58,540	0.3%

1 **208.m. Interpretation of**  
 2 **Recommended 2017 Conference Apportionment Budget**  
 3

4 The recommended conference budget for 2017 is \$22,134,096, an increase of  
 5 \$58,540 versus the approved 2016 budget. Conference direct mission and  
 6 ministry budgets comprise 59.26% of the conference portion of the budget  
 7 versus 58.62% in 2016.

8 This budget includes the recommendations from CPPPC for a 1.0%  
 9 salary increase for the cabinet and 2.5% salary increase for UM Center staff  
 10 (including members of the "extended cabinet").

11 General Church apportionments reflect an increase of 2.0%.  
 12

13 **CONFERENCE FUNDS:**  
 14

15 **AREA I. MINISTERIAL SUPPORT**

16	Episcopal Residence/Office/Discretionary	\$ 124,000
17	District Superintendents' Compensation	1,847,531
18	District AA Pension/Ins	80,000
19	Equitable Compensation Fund	325,000
20	Board of Ordained Ministry	<u>278,250</u>
21	Total Area I	<u>\$ 2,654,781</u>

22  
 23 The Episcopal Residence and Office Fund provides the conference share of  
 24 financial support for the office and residence expense for North Georgia's  
 25 Resident Bishop. In 2017, the General Church's share of residence support is  
 26 \$10,000, while the General Church's share of office support is \$82,900. This  
 27 increase is due to an increase in the office rental at the new UM Center and  
 28 possible maintenance and repairs on the residence as we transition to a new  
 29 bishop.  
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31 The District Superintendents' Compensation line item represents salaries, health  
 32 insurance and pension benefits for the twelve (12) district superintendents of  
 33 our conference.  
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The Equitable Compensation Fund enables our conference to ensure all appointed clergy will receive conference minimum compensation. 1  
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The Board of Ordained Ministry coordinates, with the cabinet, deployment and credentialing of clergy. Additionally, it coordinates the provision of support for conference clergy through myriad services, continuing education activities, seminars and counseling support, which is essentially a clergy-specific expanded EAP Program subsidized by the annual conference. This ministry enables our conference to meet the high standards and expectations of local church congregations. Note that there is a decrease for 2017, due to the use of \$100,000 of the Transitioning Fund balance for operational budget purposes. 3  
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**AREA II. RETIRED MINISTERS PENSION/INSURANCE** 13

Retired Minister Insurance Premiums	\$2,225,000	14
Benefits Office Staff and Admin Exp.	285,000	15
Retirees' Disability Premiums	187,000	16
Retirees' Past Service Pension (Pre-1982)	1,000,000	17
Retiree Medical Supplement Liability	<u>500,000</u>	18
Total Area II	<u>\$4,197,000</u>	19

Retired Minister Pension/Insurance reflects funding for the “market valuation” pre-1982 pension liability, as recommended by the Conference Board of Pensions. Please refer to the Conference Board of Pensions report for a more detailed discussion and analysis. 20  
21  
22  
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24

Also included is the OneExchange defined contribution funding for the Medicare Supplemental Insurance program for retired clergy. The amount is based on claims expenses passed on to the conference by the General Board of Pension and Health Benefits. The benefit per claimant is currently capped at \$3600/annum on the total number of claimants at 600. This program allows us to manage and address the retiree medical insurance **net** unfunded liability, estimated to be \$10,300,000 as of 12/31/2015. 25  
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**AREA III. ADMINISTRATIVE FUND** 33

Annual Conference Session/Journal/Handbook \$ 185,000 34  
This line item is decreasing for 2017 due to the fact that 2016 is a general and jurisdictional conference year, which requires some additional expenses for certain extended cabinet members to attend. 35  
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1 The following Area III office "sub totals" include director and staff salaries and  
2 benefits and office related expenses.

3  
4 Office of Treasurer/Admin/IT Services \$ 615,000

5 This office develops, maintains and administers a comprehensive plan of fiscal  
6 and administrative policies, processes and services for all the conference's  
7 administrative ministries. Additionally, the office provides workshops for  
8 clergy and laity who serve as church treasurers, financial secretaries, business  
9 administrators and finance committee chairpersons. This office also administers  
10 all conference databases and computer equipment. The computer systems  
11 manager also provides support for the district offices.

12  
13 Office of Ministerial Services and Spiritual Formation \$ 401,159

14 This office provides for the many needs of those who have dedicated their lives  
15 to God's service through the church, including maintenance of clergy service  
16 records/files. This department also provides for credentialing and support of all  
17 conference clergy.

18  
19 BOT/"New" Methodist Center Operating Expenses \$ 92,500

20 This represents net operating expenses for the conference offices, including  
21 insurance and telephone service for the new leased space.

22  
23 Council on Finance and Administration \$ 115,000

24 This includes conference and district audit fees, legal fees and meeting  
25 expenses for CFA.

26  
27 Cabinet Expenses \$ 50,000

28 This represents expenses for cabinet members related to cabinet meetings,  
29 including annual conference session and Pastor's School.

30  
31 Total Area III \$1,458,659

32  
33 **AREA IV. CONFERENCE BENEVOLENCES**

34 **Connectional Ministries:**

35 Administrative Support & Staff \$ 877,995

36 Communications \$ 247,000

37 Program/Ministry Teams \$ 300,000

38 Camp and Retreat Ministries \$ 361,800

Conference Leadership Development	<u>\$ 30,000</u>	1
		2
Sub Total Connect. Ministries	<u>\$1,816,795</u>	3
		4
<u>The Connectional Ministries</u> functions are responsible for equipping and training local church leaders for effective ministry.		5
		6
		7
<u>Action Ministries</u>	<u>\$ 575,000</u>	8
This ministry continues the transformation of communities by counteracting social issues such as poverty, hunger and homelessness. This represents an increase of \$25,000 over the 2016 budget.		9
		10
		11
		12
<u>Housing and Homeless Council</u>	<u>\$ 15,000</u>	13
This line item will help fund staffing and office expenses.		14
		15
<u>Ministry of the Laity</u>	<u>\$ 45,000</u>	16
The Conference Board of Laity fosters awareness of the role of laity both within the local congregation and through their ministries, develops and promotes stewardship, provides for training of lay members, provides support and direction for ministry of the laity and provides organization, direction and support for the development of local church leaders.		17
		18
		19
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		22
Total Area IV	<u>\$2,451,795</u>	23
		24
<b>AREA V. CAPITAL FUNDING</b>		25
		26
<u>CAPEX</u>	<u>\$ 50,000</u>	27
This represents funding for office equipment, computers and replacement for three old PowerPoint projectors.		28
		29
		30
<u>UM Center Replacement Reserve</u>	<u>\$ 250,000</u>	31
This is included in order to build a reserve fund to either continue leasing the UM Center after lease expiration, or to have funding to consider building.		32
		33
		34
Total Area V	<u>\$ 300,000</u>	35
		36
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1 **AREA VI. HIGHER EDUCATION AND CAMPUS MINISTRY**

2  
3 Total Area VI \$ 1,384,000

4 This line item represents support to the nine (9) United Methodist Colleges (7 in  
5 NGA) and eighteen (18) Wesley Foundations (12 in NGA) on college campuses  
6 in Georgia. The balance goes to support office expenses and capital funding.

7  
8 **AREA XII. CONGREGATIONAL DEVELOPMENT**

9  
10 Total Area XII \$ 2,535,000

11 This proposed budget includes funding for the following activities:

12  
13 The Office of Congregational Development and Staff - The salaries, benefits  
14 and expenses for all personnel in the Office of Congregational Development.

15  
16 New Church Salary and Support - These funds are used to underwrite the  
17 compensation packages of our new church pastors and also to provide some  
18 start-up funding.

19  
20 Research and Development - These funds are used to maintain a contract with a  
21 demographic consultant and to provide partnership opportunities with districts  
22 to develop district strategies.

23  
24 New Pastor Coaching- These funds are used to conduct the New Church  
25 Leadership Academy as well as to train assessment teams.

26  
27 **CONTINGENCY RESERVE** \$ 250,000

28  
29 **SUB TOTAL**

30 2017 RECOMMENDED CONFERENCE BUDGET \$15,231,235

31  
32  
33 **GENERAL CHURCH FUNDS:**

34  
35 **AREA VII. BLACK COLLEGE FUND**

36 Total Area VII \$ 474,576

37 This line item represents our denomination's support, via supplements, of the  
38 operations and capital funding of historically black colleges and medical  
39  
40

schools related to the United Methodist Church, including Clark Atlanta University and Paine College. 1  
2

**AREA VIII. MINISTERIAL EDUCATION FUND** 3  
4

Total Area VIII \$ 1,189,738 5

This ministry provides our churches financial support for the recruitment and education of our future pastors and bishops. Please note that our conference retains 25% of the fund balance for use in our conference. The retained fund balance as of 12/31/2015 is \$486,706. Scholarship grants can total \$1,000 per semester for undergraduate studies and \$2,500 per semester for seminary students with a lifetime maximum per student of \$20,000. 6  
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**AREA IX. INTERDENOMINATIONAL COOPERATION FUND** 13

Total Area IX \$ 93,046 14

This fund enables United Methodists to have a presence in the activities of ecumenical organizations, and provides our United Methodist share of the basic budgets of those organizations which relate to the ecumenical responsibilities of the Council of Bishops and the General Commission on Christian Unity and Inter-religious Concerns. Included in this fund in 2017 is support for: 15  
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National Council of Churches	\$31,000	21
World Council of Churches	\$27,000	22
World Methodist Council	\$21,000	23
Pan-Methodist Commissions	\$ 3,000	24
Ecumenical/Multilateral Conv	\$10,000	25
Other	\$ 1,046	26

**AREA X. WORLD SERVICE FUND** 27  
28

Total Area X \$ 3,522,504 29

The World Service Fund enables our denomination to strengthen its evangelism efforts, stimulate church growth, expand Bible studies and enrich spiritual commitment. This fund allows us to share in a worldwide ministry, including support for missionaries. 30  
31  
32  
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34

**AREA XI. AFRICA UNIVERSITY** 35

Total Area XI \$ 106,208 36

This fund supports the development of the first private university for young men and women from all over Africa. Courses of study include agriculture, theology, medicine and dentistry, education, technology and management. 37  
38  
39  
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1 **AREA XIV. EPISCOPAL FUND**

2 Total Area XIV \$ 1,043,157

3 This fund pays the annual salaries (2016-\$147,081) and benefits of active  
4 bishops worldwide and some support for the retired bishops worldwide, funds  
5 the majority of the expenses related to episcopal offices and a portion of  
6 episcopal residence expenses. It also funds episcopal travel and moving  
7 expenses. 51 Jurisdictional and 18 Central Conference bishops receive support  
8 from this fund.

9  
10 **AREA XV. GENERAL ADMINISTRATION FUND**

11 Total Area XV \$ 418,268

12 This area funds those General Church activities that are specifically  
13 administrative in nature, such as the General Council on Finance and  
14 Administration, General Conference session, Archives and History and Judicial  
15 Council.

16  
17 **SUBTOTAL 2017 EST GEN CHURCH BUDGET** \$ 6,847,497

18  
19 For more information on the General Church Budget go to:  
20 [http://www.gcfa.org/sites/default/files/u3/Financial\\_Commitment\\_Book\\_2013-](http://www.gcfa.org/sites/default/files/u3/Financial_Commitment_Book_2013-2016_FINAL_1-23-13_w_Rpt_8_edit.pdf)  
21 [2016\\_FINAL\\_1-23-13\\_w\\_Rpt\\_8\\_edit.pdf](http://www.gcfa.org/sites/default/files/u3/Financial_Commitment_Book_2013-2016_FINAL_1-23-13_w_Rpt_8_edit.pdf)

22  
23 **AREA XVI. JURISDICTIONAL MISSION & MINISTRY FUND**

24 Total Area XVI \$ 55,364

25 This area supports the administrative functions of the Southeastern Jurisdiction.  
26

27 **GRAND TOTAL RECOMMENDED 2017 BUDGET** \$ 22,134,096

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29  
30  
31 **208.n. How Are Apportionments Computed?**

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33 **Step 1:** Conference determines annual budget, consisting of several ministries  
34 and programs, including retired ministerial support, regional ministries, new  
35 church development, General Church and Jurisdictional apportionments to the  
36 North Georgia Conference.  
37  
38  
39  
40

**Step 2:** At calendar year-end, the local church completes the Local Church Report to the Annual Conference. (For the 2017 recommended budget, the latest available reports are the 2015 year-end reports.)

**Step 3:** The Treasurer's Office accumulates all local church reports and determines each local church's **operating expenses**. **Operating expenses** consist of salaries, pension benefits, clergy housing-related expenses, expense reimbursements, current program expenses, expenses related to commercial insurance and other current operating expenses. Operating expenses (also referred to as "decimal" expenses) do NOT include: HealthFlex insurance expenses, payments on indebtedness, or capital-related expenditures. Also, expenses related to "self-sustaining" activities and local benevolences are NOT considered operating expenses.

**Step 4:** The Treasurer's Office totals the local church operating expenses for ALL 900+ North Georgia United Methodist churches. For year end 12/31/2015, this total was \$191,225,360 (an **increase of 1.9%** over 2014).

**Step 5:** We determine "the decimal." This is the conference budget divided by total church operating expenses (from step 4). The decimal for 2017 (recommended budget) is .116, or 11.6%. This is a **reduction of 0.2 percentage points** from the 2016 budget. **This means that the Conference budget, expressed as a percentage of local church expenditures, in aggregate, is down 1.7% versus the 2016 budget (0.2/11.8).**

**Step 6:** We multiply an individual church's operating expenses by the decimal, arriving at the total gross apportionment. We then prorate the gross apportionment to fifteen individual apportionment line items.

**Step 7:** Churches above 1000 members will have a "reasonableness test" applied to their apportionments (see formula below), and the cabinet **might** adjust the computed apportionments for certain churches within that size range. This methodology was approved at AC 2006.

**Step 8:** We sum the apportionment for each individual district and send this information to the district offices. District superintendents review the apportionments as calculated, **and may make adjustments to the calculated amounts**. Such adjustments should be made only after discussion with the

1 church's senior pastor. Note that the district's aggregate apportionments cannot  
2 be changed.

3  
4 **Step 9:** District superintendents notify local churches of their apportionment  
5 amounts. This information is provided to the pastors via "Local Church  
6 Apportionment Reports" at the summer/fall district set-up meetings.

7  
8 Please note that churches that are considered "newly constituted" have  
9 five years to transition into their full computed apportionment. In effect, the  
10 difference between their *computed* apportionment and what they are *actually*  
11 apportioned is subsidized by the other churches in the conference for a five year  
12 period. (This is accomplished generally by apportioning in increments of 20%  
13 of computed apportionments per year for 5 years – 20% in year 1, 40% in year  
14 2, etc.)

15  
16 **Detailed Explanation of Step 7 as originally approved at 2006 Annual**  
17 **Conference Session (and re-ratified each year since):**

18  
19 In order to assure that our apportionment computation and allocation system is  
20 as equitable as possible, we recommend that a "reasonableness test" be  
21 implemented, which will work as follows:

- 22 a. Existing apportionment formula and rules for year-end report completion  
23 remain unchanged.
- 24 b. After the apportionments have been computed for all churches, three (3)  
25 comparative groups will be established—churches with membership from  
26 1000-1999; 2000-2999; 3000+
- 27 c. The aggregate apportionments for each group will be divided by the  
28 aggregate membership of each group in order to calculate an average  
29 apportionment/member for each group.
- 30 d. Any church whose apportionment/member falls below the average for its  
31 group will be referred to the cabinet for discussion about possibly being  
32 moved up to the group average over a three (3) year period. Group  
33 average calculations will occur each year based on the latest reported  
34 membership statistics.
- 35 e. The cabinet will review the apportionments for the churches in all three  
36 groups and will, as a body, discuss and might make adjustments to each  
37 church whose apportionment is below the average for its size range.
- 38 f. Apportionments added to the affected churches will not be offset by  
39 reductions in other churches, and will be applied to conference-specific  
40



apportionment line items ONLY and will NOT be added to General or Jurisdictional line items.

**Information Only**

Note: Information reported by our churches on the year end “Table III” report, which is a report of revenues, indicates the following-

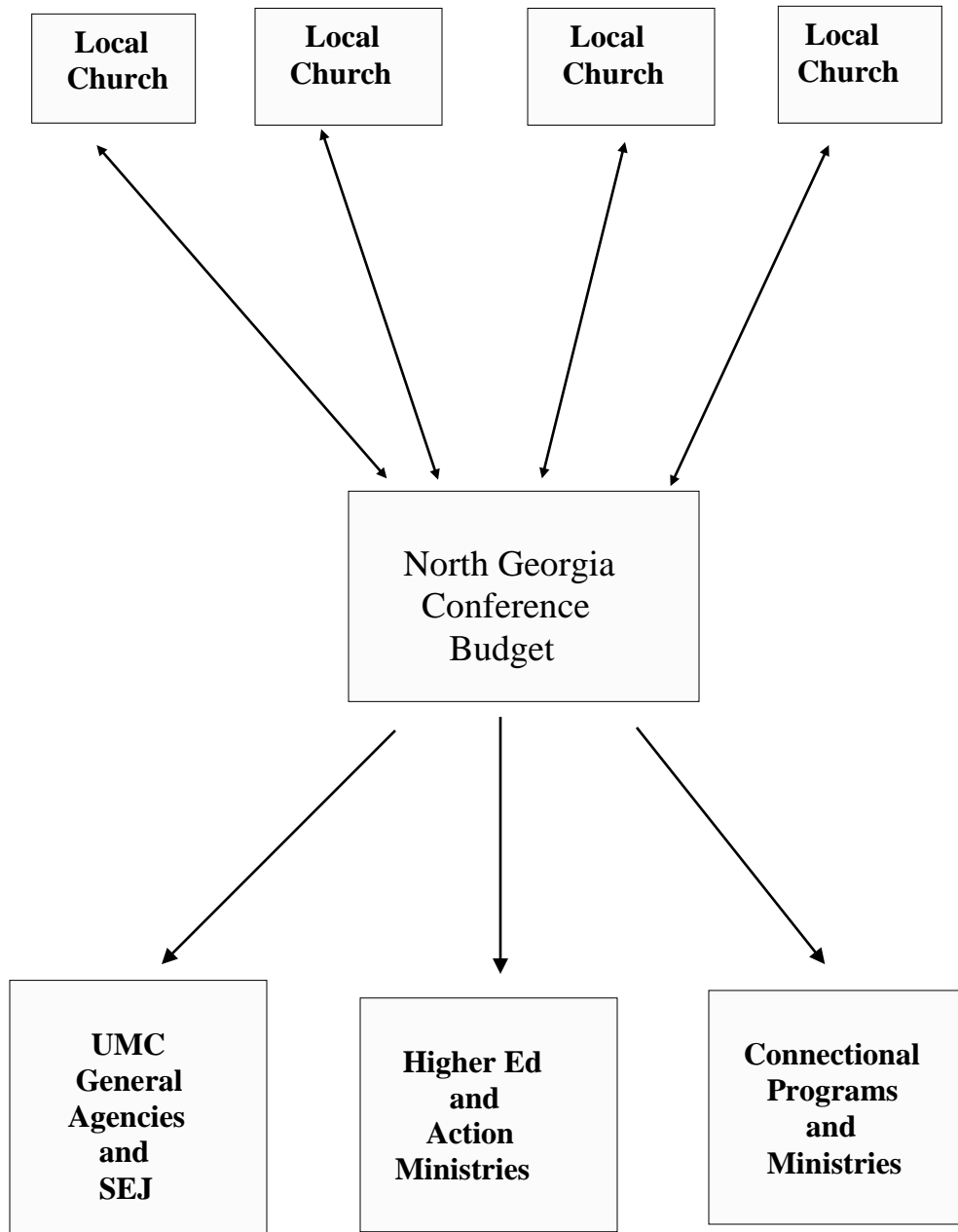
•	Aggregate amount received through pledges	\$135,784,572
•	Aggregate amount received through non-pledging, identified givers	\$118,806,002
•	Aggregate amount received from unidentified givers	<u>\$ 6,147,072</u>
	Total “normal” giving	<u>\$260,737,646</u>

**The recommended 2017 budget, expressed as a percentage of aggregate “normal” revenues, is 8.5%.**

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**208.o. North Georgia Conference  
Council on Finance and Administration**

**How the 2017 Recommended Conference  
Apportionment Budget Was Developed**



**North Georgia Conference  
Council on Finance and Administration**

**How the 2017 Recommended Conference  
Apportionment Budget Was Developed**

1. The "General Church" sets priorities and develops programs at the General Conference Session for a four (4) year period (the quadrennium). The new quadrennium begins in 2017 and runs through 2020.

The financial support for those worldwide ministries is apportioned to the Annual Conferences, which, in turn, apportion those amounts to the local churches. The 2017 General Church Apportionments are \$6,847,497 or 30.9 % of the 2017 Recommended Conference Budget. This is based on the budget approved by General Conference for the new quadrennium (\$604M).

For those members who have not traditionally attended a United Methodist or other "connectional" church, supporting a world-wide structure may be a new concept. The United Methodist Church is a worldwide, connectional system and every United Methodist church has the opportunity to support, via apportioned giving, our worldwide ministries.

2. Conference-based and Conference-subsidized programs and ministries requested funding based on their plans and priorities for the upcoming year. These plans are developed by program "conferencing" via staff as well as those serving on boards and committees, such as the Board of Church Development, the Board of Laity, the Board of Pensions and Health Benefits, the Board of Ministry, Action Ministries, et. al.

Representatives from several programs/ministries and their board chairpersons, if applicable, presented their requests to CFA via email and/or in person. CFA reviewed these requests on February 15, 2016.

Those requests were then put in the draft budget.

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- 1 3. On March 14, 2016 CF&A met to prayerfully review the draft budget.  
2 During this meeting, CF&A made adjustments to the draft budget based on  
3 several factors, including: budget changes compared to change in local  
4 church expenditures; reserve balances; apportionment collection rates from  
5 prior years; feedback from the local churches, the Cabinet and other  
6 members of the Annual Conference; CF&A made a decision to reduce the  
7 Conference portion of the budget while continuing to increase the  
8 percentage of the budget allocable to mission and ministry initiatives. The  
9 total recommended budget for 2017 is \$22,134,096, an increase of \$58,540  
10 (+0.3%) from the approved 2016 budget.  
11

12 **Note that the overall increase in the budget is due to the projected**  
13 **increase in the General Church apportionments (2.0%).**  
14

- 15 4. Through a series of district "pre-Conference briefings," conference staff and  
16 representatives of CF&A make themselves available to the delegates to not  
17 only present highlights of the budget, but to also answer questions about it.  
18  
19 5. During Annual Conference Session, the budget will be presented to  
20 members of annual conference, who represent all local churches.  
21

22 After the budget is approved, conference staff will calculate the local church  
23 apportionments, which represent each church's "share" of the conference and  
24 world-wide ministry and mission, using the apportionment calculation  
25 methodology described in the "Budget Interpretation."  
26

27 *The apportionments will be provided to each district superintendent, who*  
28 *may alter individual apportionments within his/her district, but not the*  
29 *total amount for the district. It is expected that the DS will have*  
30 *conversations with the affected churches about any changes in the*  
31 *calculated apportionments.*  
32

33 Final apportionments are distributed, by church, by the DS at his/her  
34 appointed district setup meeting in late summer/early fall.  
35

36 **The Conference Treasurer's Office will NOT communicate**  
37 **apportionments to any church until after the district set up meetings**  
38 **have concluded! Once the set up meetings have concluded, 2017**  
39 **apportionments will be posted on the conference website.**  
40