

# **THE BUDGET FOR THE EPISCOPAL CHURCH**

**2010–2012**

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## THE GENERAL CONVENTION OF THE EPISCOPAL CHURCH

August 2009

Dear Bishops and Deputies,

We are pleased to present the Budget for The Episcopal Church for the 2010-2012 Triennium, adopted by the 26<sup>th</sup> General Convention in Anaheim, California in July. In addition to the Budget, we include (1) a commentary of the Joint Standing Committee on Program, Budget and Finance (PB&F), (2) the Budget Priorities adopted by the General Convention and (3) the enabling Resolution.

The General Convention endorsed mission Budget Priorities calling for congregations and dioceses to work together to carry out God's mission. The adopted Budget reflects these priorities. It also reflects a response to the voices heard at General Convention, through PB&F's open hearings and the resolutions presented, that ministries in our church need to be carried out differently.

By Canon, the Budget is crafted and voted on by the General Convention, following hearings and the legislative process. The budgetary process itself begins, however, well before Convention, when staff from the Church Center and members of various Commissions, Committees, Agencies and Boards (CCABs) and the Executive Council work together to formulate a Draft Budget, which is then submitted to PB&F for review. PB&F presents a Proposed Budget to the General Convention for consideration and approval.

The Budget approved by the General Convention is prepared and approved well before the periods to which it applies. Changes in available income from investments and dioceses may occur throughout the triennium. Thus, each year during the triennium, a revised Annual Budget, based on the Budget approved by the Convention, is proposed, reviewed and approved by the Executive Council.

The Finance Office provides accurate and timely reports to the church. Annual Budgets, monthly financial statements and annual audited statements are available on the church's web site at <http://episcopalchurch.org/finance>. Your comments are always invited and welcomed.

The 76<sup>th</sup> General Convention endorsed a Budget whose focus is mission. By approving the Budget, each deputation accepted responsibility to work diligently to ensure that their diocese will meet, exceed or make significant efforts to strive toward meeting the full Asking so that the mission of the church can continue.

God's peace to all of us.

Pan Adams-McCaslin, Chair  
Joint Standing Committee on Program,  
Budget and Finance

N. Kurt Barnes, Treasurer  
General Convention



**JOINT STANDING COMMITTEE ON PROGRAM, BUDGET AND FINANCE  
PRESENTATION LETTER JULY 15, 2009**

Hope. Mission. Accountability. Transparency. Honesty. Giving to others first and then to ourselves, last. In this General Convention, we were privileged to hear the passion behind these aspirations from many members of our church in the Open Hearings on Priorities, Spending and Funding. They provided the framework for the Joint Standing Committee on Program, Budget and Finance's (**PB&F**) efforts to respond creatively to the impact of economic conditions and changing patterns of diocesan giving on the anticipated revenue for the Budget for The Episcopal Church (the **Budget**). PB&F is deeply grateful for the prayers and understanding from members of both Houses of the Convention that supported us as we deliberated.

For each new challenge there is a new opportunity. The economic environment and its effects on the financial resources available to the Budget for the next triennium call the church to take a very close look at all that we do, how and where we do it, whether or not certain activities should continue, and how programs might be done more effectively by a network of service organizations. This work was hard and, more often than not, painful.

As a joint committee of the Convention, we present this Budget for 2010-2012 which embodies what we learned from you and from one another in the process. At the outset, we are mindful that the Budget is only one tool that supports the mission and ministries of The Episcopal Church.

The proposed Budget embodies changes we prayerfully considered. These changes reflect how we, as a church, can give to others in more efficient and effective ways as we go forward. We want to be very clear that where budgets have been reduced for organization and programs, the proposed changes are *not* value statements about the quality or importance of the ministries or work being done by dedicated staff and volunteers. Rather, they reflect PB&F's crafting of a new look at what The Episcopal Church should be doing now for (and with) our dioceses, congregations, and members to enable their own missions and ministries more effectively.

PB&F was mindful of the Priorities embraced and adopted by this Convention. The 0.7% line item for the Millennium Development Goals (MDGs) was restored as they are clearly a focal point for mission and ministry at the diocesan and congregational level. You told us again and again that supporting the MDGs makes a statement to the world about who we are as a church revitalized.

You will see that there is also a 0.7% allocation that addresses issues of domestic poverty in the Americas through line items for Jubilee Ministries. There is seed money for expansion of outreach to Hispanic/Latino communities and funding for ministry materials for children. This Budget contains \$200,000 to assist in debt relief for seminarians.

The inclusion of \$3 million during the next triennium for legal Assistance to Dioceses is an amount less than was spent during the current triennium to support Episcopal dioceses in reorganization that need to protect themselves against the loss of their property. We emphasize that this is an estimate based on similar expenses to date and is intended to provide funds to further the successful measures taken to protect assets of dioceses valued at hundreds of millions of dollars. As with any estimate, it may be over or under the actual expenses that will be incurred in the coming triennium.

Legal Expenses for Title IV were reduced from the Draft Budget. Some provision was made to repay part of the \$37 million debt on The Episcopal Church Center renovation.

PB&F responded to requests to reduce the diocesan Asking in two ways: (1) to particularly assist smaller dioceses, an increase was made in the standard exemption from \$100,000 to \$120,000 across the triennium; and (2) to assist other dioceses, the percentage of the Asking was reduced to 20% in 2011 and to 19% in

## THE BUDGET FOR THE EPISCOPAL CHURCH, 2010-2012

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2012. The Asking will remain at 21% for 2010. By taking these steps, we hope more dioceses will strive to make their commitments to the Budget at (or as near to) the full Asking as they possibly can.

The message PB&F heard from you was that some out-of-the-box thinking is called for. To encourage Committees, Commissions, Agencies and Boards (**CCABs**) to become more efficient and to conduct meetings electronically rather than in person, the “First Meeting” of CCABs in Chicago from November 27-29, 2009 will provide hands-on computer training for online meetings. Travel budgets for CCABs in 2010 were greatly reduced so that they will meet in 2010 using online technology and conference calls. In addition to the First Meeting, most CCABs have funding for two face-to-face meetings during the triennium. A “First Meeting” has not been funded in the Budget for 2012.

The church can no longer sustain a 10-day General Convention. PB&F proposes a substantially reduced budget for the 77<sup>th</sup> Convention and requests that the Joint Standing Committee on Planning and Arrangements recommend to the Executive Council that the next General Convention be reduced by at least two days. The Blue Book and other Convention documents will now be provided online only. We propose a 77<sup>th</sup> Convention that is as paperless as possible.

Finally, the columns for 2011 and 2012 have a grey background. This has been done to highlight the budget amounts for those years that are subject to adjustment as the triennium progresses. In particular, PB&F expects that increased accountability and oversight will result in adjustments to the annual budgets over the triennium.

PB&F worked diligently, holding before ourselves the Priorities that deputies and bishops adopted. We debated, prayed, thought creatively, struggled and voted to bring a balanced Budget to you. The members of the Committee all feel privileged to serve the Convention and the Lord through our work and believe that this Budget is responsive to the Gospel, the voice of the Convention and the economic realities of our time. We pray that it will enable our church to be an even greater blessing for the world.

Pan Adams-McCaslin, Chair  
Deputy from Arkansas

Andrew D. Smith, Vice- Chair  
Bishop of Connecticut

### PRIORITIES

The 76<sup>th</sup> General Convention adopted the following priorities to guide the work of the Joint Standing Committee on Program, Budget & Finance and to inform the entire church of where we will engage mission in the forthcoming triennium. We understand these as priorities for the ministry of The Episcopal Church, and in the spirit of *Ubuntu*, not as priorities one over another. All are essential and of equal value, and should be received with a “both/and” rather than an “either/or” spirit as together they engage and empower the communicants, congregations and dioceses of this church in common ministries that serve God’s mission. Our hope and prayer is that these mission funding priorities will excite and energize all members of our church as have those adopted by the 75<sup>th</sup> General Convention – that the heartbeat of our Episcopal Church will forever be **“mission, mission, mission.”**

- ❖ Networking the members of the Body of Christ
  - a. Establishing and supporting collaborative efforts within and among dioceses and congregations to promote vibrant ministry in service to God’s mission
  - b. Structuring healthy relationships with overseas dioceses of The Episcopal Church and those Anglican provinces historically related to The Episcopal Church, clarifying commitments with firm timelines and establishing necessary accountability
  - c. Promoting partnerships with other dioceses and churches of the Anglican Communion, encouraging multi-diocese mission efforts that reduce redundancy and enhance relationships both domestic and foreign
  - d. Advancing ecumenical relationships and collaborations

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- ❖ Alleviating Poverty and Injustice
  - a. Inspiring and modeling a genuine commitment to the United Nations' Millennium Development Goals \*
  - b. Addressing, domestically and abroad, the challenges and consequences of a failing global economy
  - c. Advocating for and working to provide education, healthcare, employment, housing, and equal rights for all of God's beloved
  - d. Promoting environmental sustainability and stewardship of creation
  
- ❖ Claiming our Identity
  - a. Exploring and discovering who we are as The Episcopal Church, within the comprehensive reality of our complex culture and in relationship to others
  - b. Educating about Episcopal Church governance and polity, forming at all ages our Christian, Episcopal, and Anglican identity
  - c. Telling Christ's story and our story, utilizing current technology and a vibrant contemporary communications network
  
- ❖ Growing Congregations and the Next Generations of Faith
  - a. Establishing lifelong Christian formation throughout the church, with specific support of youth and young adults
  - b. Making evangelists of all communicants
  - c. Teaching and developing the spiritual discipline of giving
  - d. Providing discernment and formation of lay and ordained ministries
  - e. Supporting congregational vitality and development, with particular attention to immigrant, indigenous, and underserved populations
  
- ❖ Strengthening Governance and Foundations for Ministry
  - a. Inspiring and developing sound leadership at all levels of the church
  - b. Moving from programmatic structures to ministry networks
  - c. Collaborating with seminaries and dioceses to restructure and retool theological education for a changing church
  - d. Reviewing provincial and diocesan configurations and composition
  - e. Assuring standards of accountability and measurement of outcome
  - f. Providing legal and operational support for dioceses in transition or litigation

*\* Footnote:*

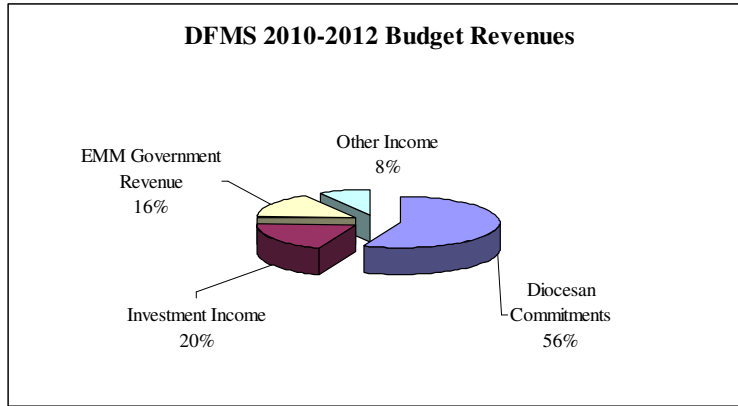
**The United Nations Millennium Development Goals are:**

- ❖ Eradicate extreme poverty and hunger
- ❖ Achieve universal primary education
- ❖ Promote gender equality and empower women
  - ❖ Reduce child mortality
  - ❖ Improve material health
- ❖ Combat HIV/AIDS, malaria, and other diseases
  - ❖ Ensure environmental sustainability
- ❖ Develop a global partnership for development

## OVERVIEW OF THE APPROVED BUDGET

Proposed revenue for 2010-2012 is \$141,271,984. Figure 1 illustrates total revenue and sources.

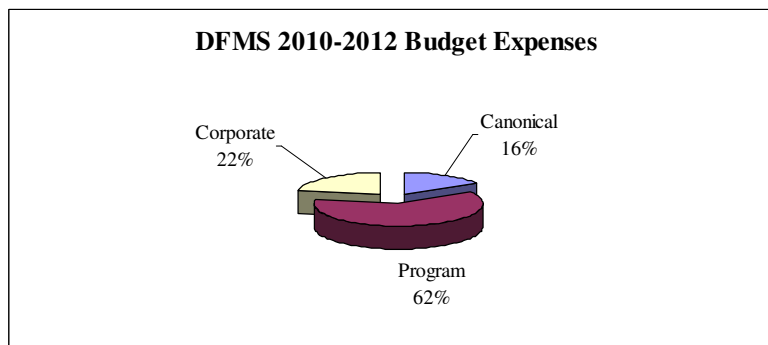
Figure 1



Revenues		2010	2011	2012	Triennium
Diocesan Commitments	56%	\$ 28,333,000	\$ 26,374,340	\$ 24,454,853	\$ 79,162,193
Investment Income	20%	9,700,000	9,300,000	8,600,000	27,600,000
EMM Government Revenue	16%	7,911,128	7,631,128	7,336,500	22,878,756
Other Income	8%	3,340,245	3,535,920	4,754,870	11,631,035
<b>Total Proposed Revenue</b>		<b>\$ 49,284,373</b>	<b>\$ 46,841,388</b>	<b>\$ 45,146,223</b>	<b>\$ 141,271,984</b>

Figure 2 captures the expenses for The Episcopal Church for the next three years by category.

Figure 2



Expenses		2010	2011	2012	Triennium
Canonical	16%	6,984,630	7,110,068	9,129,748	23,224,447
Program	62%	28,787,593	28,736,457	29,283,736	86,807,787
Corporate	22%	10,360,457	10,129,112	10,334,729	30,824,297
<b>Total Proposed Expenses</b>		<b>46,132,681</b>	<b>45,975,638</b>	<b>48,748,213</b>	<b>140,856,531</b>

**DETAILS OF REVENUE FOR 2010–2012**

**DIOCESAN COMMITMENTS**

Diocesan Commitments constitute 56% of the Domestic and Foreign Missionary Society’s (DFMS) projected income for the 2010–2012 triennium cycle and represent 66% of the non-governmental portion of that income stream. These commitments are the primary source of DFMS program support. They are also among the most volatile and difficult to predict due to economic conditions nationally, localized issues at the Diocesan level, and reactions to General Convention and DFMS policies.

DFMS commitments are based on 21%, 20% and 19% in the years 2010, 2011 and 2012 respectively of each Diocese’s operating income, after a flat \$120,000 deduction, and calculated on a two-year trailing basis (*e.g.*, 2010 DFMS Asking will be based on 2008 actually reported individual Diocesan income). Actual Diocesan Commitment receipts for the 100 U.S. dioceses for the first year of the last two triennia (2003 and 2006) and the most recent full year (2008) were as follows:

**HISTORY OF DIOCESAN GIVING (NUMBER OF DIOCESES)**

	2003	2004	2008
Over 21%	2	4	7
At 21%	53	44	27
1% to 20%	42	48	49
Zero	<u>3</u>	<u>4</u>	<u>3</u>
	100	94	86

As of July 9, for 2009, 34 Dioceses have pledged at the 21% or higher level (down from 2005); 27 are giving between 10 and 20% of income; 22 are giving between 1 and 9%; 22 others are giving but have provided no Diocesan income information to the DFMS. (See Appendix B)

**INVESTMENT INCOME**

The second most significant source of DFMS income, at 19% of total projected revenues, investment income consists principally of an annual dividend “draw” or “payout” from trust funds that are collectively invested. At year end 2008, the DFMS benefited from dividends on trust funds valued at \$10.1 million of the total \$238 million of assets invested.

The draw or payout is based on a five year rolling average of the market value of the portfolio, thus smoothing out investment returns for the purposes of a stable source of revenue. For the 2007-2009 triennium a 5.0% annual draw was in place; for the next triennium Executive Council recommended that the rate be 5.5% annually. Investment markets worldwide declined dramatically during 2008. The DFMS portfolio suffered a 32.6% loss before fees, slightly lagging its benchmark portfolio by 1.4%. While the losses during 2008 were distressing, we remain confident that active management of the portfolio is preferable to passive index funds. Over the past three, five and ten years, the portfolio has out performed its custom passive benchmark.

During 2008, 9 new trusts were opened, adding nearly \$2,141,958 in assets.



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### DFMS PORTFOLIO 2004–2008 (YEAR-END MARKET VALUE)

2004	\$290 million
2005	\$298 million
2006	\$342 million
2007	\$363 million
2008	\$238 million

Five Year Average \$306 million

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The investment performance of the portfolio is closely monitored and compared to similarly oriented endowment funds and to a custom benchmark unique to DFMS. For the 2010–2012 triennium the objective of the fund is to achieve an annual return of 8.5%. Inflation, fees and expenses are estimated at 3.0% collectively, leaving 5.5% available for the annual payout.

### DFMS GROSS INVESTMENT RETURNS

Year(s)	Investment Goal	Custom Return Benchmark	DFMS Return
2008	8.5%	-31.2%	32.6%
Last 3 Years	8.5%	-5.6%	-4.2%
Last 5 Years	8.5%	.2%	1.5%

In addition to the Trust Fund portfolio, the DFMS enjoys some \$750,000 dollars annually in interest income from aggressive cash management activities, Economic Justice Loan funds, a minority bank deposit program, and other non-endowment activities that are typically invested in conservative fixed income securities with a two-to five-year maturity.

### OTHER INCOME

The DFMS enjoys several smaller sources of revenue including Government Grants in support of Episcopal Migration Ministries, the Episcopal Life publication and the Episcopal Books and Resources.

Other Income	2010	2011	2012	Triennium
Digital Media	\$450,000	\$450,000	\$450,000	\$1,350,000
Government Grants (EMM)	\$7,911,128	\$7,631,128	\$7,336,500	\$22,878,756
Episcopal Life	\$457,245	\$574,920	\$680,120	\$1,712,285
Episcopal Books & Resources	\$703,000	\$713,000	\$723,000	\$2,139,000
Gross Rental Income (After Taxes)	\$950,000	\$950,000	\$950,000	\$2,850,000
Other	\$350,000	\$400,000	\$1,486,750	\$2,186,750
Total Other Revenue	\$10,821,373	\$10,719,048	\$11,626,370	\$33,166,791

### EPISCOPAL LIFE

Episcopal Life costs are subsidized by revenues earned from advertising and subscription sales.

## **THE BUDGET FOR THE EPISCOPAL CHURCH, 2010-2012**

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### **GOVERNMENT GRANTS**

Episcopal Migration Ministries (the refugee resettlement program) is primarily supported by federal government contracts, principally from the Reception and Placement Program funded by the State Department and the Department of Health and Human Services Matching Grant Program. DFMS and affiliated organizations resettle an estimated 2,500 refugees per year through the Reception and Placement Program, and 950 refugees per year will qualify for participation in the Matching Grant Program. After withholding amounts necessary to cover administrative costs, these funds are passed to dioceses to fund local programs.

### **EPISCOPAL BOOKS AND RESOURCES**

Episcopal Books and Resources costs are largely subsidized through online and telephone sales of affordable, high-quality publications and other merchandise that has a primarily Anglican/Episcopal focus and context.

### **RENTAL INCOME**

A byproduct of the extensive renovations/asbestos abatement/redesign of The Episcopal Church Center building at 815 Second Avenue in New York City is the rental of 2 ½ floors of prime space in the reconfigured building. Nearly \$950,000 annually has been projected in gross rental income from this stream of revenue.

## **EXPENSE DETAILS FOR THE 2010–2012 TRIENNIUM**

### **EXPENSES**

For purposes of this presentation of the Budget for the 2010–2012 triennium and for the enabling Resolution (2009–D067), expenses are divided into the three portions identified in Canons I.4.6 (b) and (c): Canonical, Corporate and Program.

The Canonical portion provides for the expenses of the General Convention, the Presiding Bishop, the President of the House of Deputies, the Executive Council, and Committees, Commissions, Agencies and Boards. The Program portion provides support for the mission and ministry of the church and Communication. The Corporate portion provides administrative support of the Domestic & Foreign Missionary Society offices. While it is through the Program and Canonical portions of the Budget that The Episcopal Church carries out the mission and ministry adopted by General Conventions, it is through the corporate portion that such efforts obtain the administrative support so necessary for its day-to-day mission.

### **CONTRIBUTED SERVICES<sup>1, 2</sup>**

Eight agencies are currently housed at The Episcopal Church Center. Most of the organizations have been housed there for 30 years or more; but only ERD is directly included in the budget of the DFMS.

Episcopal Relief and Development (ERD)  
Anglican UN Observer  
CUAC / Int. Partnerships for Learning  
Episcopal Church Building Fund

Episcopal Church Foundation  
National Association of Episcopal Schools  
Church Periodical Society and Prayer  
Book Society

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The total amount of these contributed services budgeted for the 2010–2012 triennium is \$4,889,867.

1 *For Agencies that are not part of the DFMS budget:* Postage and billable telephone costs plus IT services are charged and recovered from the non-DFMS agencies. Other costs such as utilities, mail services and telecommunications are allocated based on square footage of space occupied. Executive Council decided to forgive expenses incurred by Anglican UN Observer.

2. *For ERD, which receives direct support from the DFMS budget:* The cost of utilities, mail services and telecommunications are allocated based on square footage of space occupied. The cost of staff services is allocated based on the number of employees.

### SUMMARY OF ACTIONS

#### NEW/INCREASED FUNDING

• Latino/Hispanic Strategic Initiatives	New Initiative & Increased	\$300,000
• Domestic Poverty/Jubilee Ministries	New Initiative & Increased	275,000
• Seminary Debt Relief	New Initiative	200,000
• Task Force on Older Adults	New Initiative	15,000
• Ministry of the Child	New Initiative	10,000

#### BUDGET PLAN DESCRIPTION:

We offer an intentionally different model for the 2010–2012 Triennium Budget in order to initiate a change in the way we do the Budget at General Convention. Rather than building a balanced budget with greatly lessened revenue by removing resources from programs until the program is no longer viable, we look for strategic means of funding the work of the church by making better informed choices.

The intent and goal of this budget format is to make the most responsible and informed budget decisions to achieve greater accountability over the triennium for both the spending and funding portions of the budget and to assure a meaningful and productive link between stewardship and mission.

#### CORPORATE/CANONICAL

- Reviewed, evaluated and adjusted areas within its charge to improve effectiveness, accountability and efficiency of the organizations that are corporate or canonical
- Re-enforced awareness that “business-as-usual” must be replaced by innovative methods of carrying out mission and ministry through modern technology

#### PROGRAM/MISSION

- Reviewed mission programs, initiatives and funding in a time of reduced resources
- Identified mission areas that could be better performed at a diocesan or congregational level – the concept of subsidiarity.

## FUNDING SECTION REPORT

The Open Hearing on Funding was held on July 10, 2009. The format chosen—public narrative—employed small group conversation in order to discover additional methods and options for funding the Budget for The Episcopal Church. To that end, more than 95 witnesses, Committee members, and staff participated in the process (nearly a dozen media representatives attended). Three questions were used to structure the discussions. They were:

- What is your perception and experience of the current funding formula?
- What questions do you have about the funding formula?
- What thoughts and ideas do you have about it?

The results shared with the entire group were wide-ranging and included a variety of insights, recommendations and suggestions. These are some of the topics addressed:

**Funding formula questions:** genesis, nature of formula mandatory or non-mandatory, how long The Episcopal Church has used this formula

**Increased transparency:** where does the money go, what critical difference does it make, longing to identify with the ministries that are represented by mission dollars

**Sustainability issues:** wisdom of using the same formula when dioceses may not be able to provide at the asking level, issues of small dioceses and small congregations being unable to contribute at the requested level

**Relationship challenges:** Communicating and interpreting the work of The Episcopal Church to dioceses and congregations so that they are aware of (and see themselves as participating in) these ministry efforts. People must feel connected to the ministry stories to be able to give of their resources, prayers, and themselves, and to feel that we are working together. There is a need to increase awareness of the co-ownership of the mission of the church.

**Subsidiarity:** How does the church figure out who does what, how can we avoid duplication of efforts, how can we engender a sense of co-ownership in our work.

**Change:** Embracing change in tough times to be able to spread the Gospel message. Different budgeting techniques might be explored including using 6-9 year budget projections, zero based budgeting, increasing stewardship awareness and making persons aware of how resources developed by The Episcopal Church help extend ministry beyond the congregation.

Time was also allotted for individual testimony, sharing stories of hope for the future, but echoing the reality that these are different times that call for different responses. The Committee is grateful for the opportunity to listen to the church and for the time and energy of those who participated in the Hearing.

## **BRINGING THE BUDGET HOME**

Deputies are required to communicate the results of General Convention to their dioceses and each diocese is required to provide a forum for Deputies to report (Canon I.4.b, c). Now, more than ever, it is imperative that Deputies shoulder the responsibility to communicate and interpret the results of General Convention to convey The Budget for The Episcopal Church that will enable Mission and Ministry for the coming Triennium. The following are some suggested guidelines to assist you in talking about the Budget:

- Remind your diocese that the Budget is a response to God's call to us to meet the needs of a hurting world
- Talk about the Mission Priorities and their use as a lens to identify focus areas for funding
- Connect amounts of money with the ministry. Say more than "Education was allotted "x" dollars". Talk about what Resolution or work is reflected in the allocated amount. If you are able, talk about how this will enhance your local ministry work. Tell the stories!
- Identify programs and ministries that extend and stretch our understanding of how God calls us to respond.
- Share a surprise you experienced when looking at the diverse ministries and the church's response
- Draw people's attention to international work and ministries that are done on behalf of all of us by The Episcopal Church.
- Remind people that even though the current times impose fiscal constraints, we (as The Episcopal Church) have found concrete ways to respond.
- Help people understand that only by working together, at every mission intersection in the church, can we fully model God's love to the needs of the world.

**THE JOINT STANDING COMMITTEE ON PROGRAM, BUDGET & FINANCE  
2010-2012**

**PROVINCE I**

Mr. Peter Bickford (Maine)  
Ms. Judith Esmay (New Hampshire)  
The Right Reverend Andrew Smith, *Vice-Chair* (Connecticut)

**PROVINCE II**

The Right Reverend George E. Councill (New Jersey)  
Ms. Lyn Headley-Deavours (Newark)  
The Reverend Gerald W. Keucher (New York)

**PROVINCE III**

Ms. Anne Bardol (Northwestern Pennsylvania)  
The Reverend Canon Mary D. Glasspool (Maryland)  
The Right Reverend W. Michie Klusmeyer (West Virginia)

**PROVINCE IV**

Ms. Tess Judge (East Carolina)  
Mr. Thomas G. O'Brien III (Southeast Florida)  
The Right Reverend Keith B. Whitmore (Atlanta)

**PROVINCE V**

Mr. Jon B. Boss (Southern Ohio)  
Mr. Pete Dawson (Eau Claire)  
The Right Reverend Mark Hollingsworth, Jr. (Ohio)

**PROVINCE VI**

The Rev. Canon John Floberg (North Dakota)  
Mr. Daniel William Land (Wyoming)  
The Right Reverend Alan Scarfe (Iowa)

**PROVINCE VII**

Ms. Pan Adams-McCaslin, *Chair* (Arkansas)  
Mr. Larry Bingham (Kansas)  
The Right Reverend Dean Wolfe (Kansas)

**PROVINCE VIII**

The Reverend Altagracia Pérez (Los Angeles)  
Ms. Holly McAlpen, D.D. *Secretary* (California)  
The Right Reverend James E. Waggoner, Jr. (Spokane)

**PROVINCE IX**

The Right Reverend Lloyd Allen (Honduras)  
Ms. Blanca L. Echeverry (Colombia)  
Mr. Francisco Quiñones (Puerto Rico)

**EX OFFICIO**

The Most Reverend Katharine Jefferts Schori, Presiding Bishop  
Mrs. Bonnie Anderson, D.D., President of the House of Deputies  
The Reverend Dr. Gregory Straub, Secretary of the General Convention  
Mr. N. Kurt Barnes, Treasurer of the General Convention

## **ACKNOWLEDGEMENTS**

Included in the Budget booklet is additional information to facilitate your understanding of the budget process and your personal role in helping the church move forward in funding mission:

- a comparison of the projected income and expenses of the current triennium with the revenue and expenses projected for 2010-2012. Columns on that report show the “2010-2012 Total,” the “2010-2012 EC (Executive Council) Total,” and the percent difference (“Proposed vs. EC Draft.”)
- the enabling Resolution for funding (Funding Resolution) D-067
- a table showing the status of every Resolution that has funding implications
- a table of the diocesan commitments to the Budget for 2009

After the General Convention has acted on the Budget, the final budget document will be sent to deputies and bishops. It will also be available on The Episcopal Church web site, [www.episcopalchurch.org/finance](http://www.episcopalchurch.org/finance). We hope that having this information in both forms will be helpful as you educate and explain the Budget to the leaders and decision-makers in your diocese as well as to the members of your congregations.

The work of the Joint Standing Committee on Program, Budget & Finance is facilitated by Episcopal Church Center staff including Mr. N. Kurt Barnes, Treasurer of the General Convention and Chief Financial Officer of the Domestic and Foreign Missionary Society and his staff, Amb. Linda E Watt, Chief Operating Officer, and the chair and vice-chair of the Administration and Finance Committee of Executive Council, Josephine Hicks and the Rt. Rev. Jon Bruno.

The Committee also acknowledges with gratitude the following members of The Episcopal Church Center staff and others who were instrumental in preparing the budget and related documentation:

Mrs. Nancy Caparulo, Staff Liaison to PB&F  
Mr. Alpha Conteh, Controller  
Mrs. Michelle Corley, Funding Loan Specialist, Controller’s Office  
Mrs. Margareth Crosnier de Bellaistre, Director of Investment Management and Banking  
Ms. Sheila Golden, Administrative Assistant to the Treasurer  
Mr. Caspar van Helden, Deputy to the Executive Officer of General Convention  
Richard Miller, Liaison from Dispatch of Business  
Mr. Dennis Stark, Legislative Aide  
Mrs. Rosalie Wells, Translation Services  
Mr. Sean McConnell, Multimedia Support and Graphic Design

**LINE ITEM BUDGET FOR THE 2010-2012 TRIENNIUM**

**VIEW ONLINE:**

<http://www.episcopalchurch.org/documents/2010-2012BudgetDetail.pdf>





**RESOLUTION (2009–D067)**  
**BUDGET FOR THE EPISCOPAL CHURCH 2010–2012**

*Resolved*, the House of Bishops concurring, That the Budget for The Episcopal Church for the next triennium be adopted as set forth:

- 1.0 The Budget for The Episcopal Church for the period January 1, 2010 through December 31, 2012, which shall be a unified budget including Canonical, Corporate, and Program (mission) portions, is adopted at a total of \$141,271,984.00.
- 1.1 The Canonical portion, providing for the contingent expenses of the General Convention, the stipend of the Presiding Bishop and the expenses of that office, the expenses of the President of the House of Deputies, and Church Pension Fund assessments is adopted at a total of \$23,224,447.00 as follows:
  - For the year 2010 \$ 6,984,630.00
  - For the year 2011 \$ 7,110,068.00
  - For the year 2012 \$ 9,129,748.00
- 1.2 The Corporate portion, providing for the requirements for the administrative support of the Domestic & Foreign Missionary Society offices, is adopted at a total of \$30,824,297.00 as follows:
  - For the year 2010 \$ 10,360,457.00
  - For the year 2011 \$ 10,129,112.00
  - For the year 2012 \$ 10,334,729.00
- 1.3 The Program (Mission) portion, providing for support for the mission and ministry (restricted and unrestricted) of the church, is adopted at a total of \$86,807,787.00 as follows:
  - For the year 2010 \$ 28,787,593.00
  - For the year 2011 \$ 28,736,457.00
  - For the year 2012 \$ 29,283,736.00
- 2.0 The funding policy for the period January 1, 2010 through December 31, 2012 is adopted, based on a single Asking of the dioceses. After a \$120,000 exemption from total income, a single asking shall be applied at the rates of 21% for 2010, 20% for 2011 and 19% for 2012 of the balance of income to the diocese, reported in the diocesan financial statements for the year two years prior to the year to which the pledge is applied [*e.g.*: 2010 Asking is to be based on 2008 actual income figures]. “Income” includes (1) all congregational giving to the diocese, (2) all unrestricted investment and endowment income to the diocese, (3) restricted investment and endowment income to the diocese which covers costs in the operating budget, and (4) other earnings from investments or enterprises. It is intended that income shall include revenues that fund normal operating and program expenses of the dioceses. It is not intended to include pass-through income that is used for expenses for programming that are simply administered by the dioceses, or that would not be otherwise funded by contributions from parishes or out of investment income.

## THE BUDGET FOR THE EPISCOPAL CHURCH, 2010–2012

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- 2.1 We rejoice with dioceses that have moved toward, and those that give at and above 21%. Such giving creates a strong financial basis for vital mission and witness of The Episcopal Church. We encourage all our dioceses to adopt the full Asking; then we could allocate an additional 6 million dollars each year toward fulfilling the mission priorities which we have embraced in this 76<sup>th</sup> General Convention.
- 2.2 For the budgetary period income from diocesan commitments, totaling \$79,162,193 is anticipated as follows:
- For the year 2010 \$ 28,333,000  
For the year 2011 \$ 26,374,340  
For the year 2012 \$ 24,454,853
- 2.3 For the budgetary period 2010-2012, payment by the dioceses of the Asking shall be made in twelve equal monthly payments.
- 2.4 All additional income, other than from the Asking of the dioceses, totaling \$62,109,791 is projected as follows:
- For the year 2010 \$ 20,952,373  
For the year 2011 \$ 20,467,048  
For the year 2012 \$ 20,691,370
- 2.5 A General Ordination fee is hereby authorized, which fees shall be added to the funding from dioceses and applied to the expenses of examination as appropriated in the budget. A candidate for Holy Orders eligible for examination and so certified by the diocesan bishop shall not be disqualified for examination because the fee has not been paid.
- 2.6 General Convention registration and exhibitors fees are hereby authorized, which fees shall be added to the funding from dioceses and applied to the expenses of the 2012 General Convention, and for no other purpose.
- 3.0 In the exercise of their respective authorities, the Executive Council of the General Convention and the Joint Standing Committee on Program, Budget and Finance shall be subject to the following policies:
- 3.1 Each year, the Executive Council, with the advice of the Joint Standing Committee on Program, Budget and Finance, shall adjust the budget to the assured income of the Executive Council so as to carry out the Budget for The Episcopal Church for that year on a balanced budget basis.
- 3.2 The fiscal year shall begin January 1.
- 3.3 If, in any year, the total anticipated income for budget support is less than the amount required to support the budget approved by the General Convention, the Canonical portion of the Budget for The Episcopal Church shall have funding priority over all other budget areas.
- 3.4 Undesignated bequests and legacies received during the budgetary period shall be set aside in the general endowment fund of which only the income shall be used for the general purposes of the Society.
- 3.5 Designated bequests and legacies received during the budgetary period shall be set aside in specific funds of which only the income shall be used for the purposes so designated.

## THE BUDGET FOR THE EPISCOPAL CHURCH, 2010–2012

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- 3.6 Each Committee, Commission, Agency and Board (CCAB) proposing to the General Convention any Resolution with funding implications shall present to the Joint Standing Committee on Program, Budget and Finance a detailed budget in support of its plan(s), including cost estimates from contractors and suppliers for all goods and services, but not later than six months before the opening day of the General Convention.
- 3.7 Subsequent editions of the *Report and Proposal of the Presiding Bishop and Executive Council to the General Convention* contain the following information for each year of the preceding triennium:
- A description of the actual income and expenditures of the DFMS, relating the expenditures to the church's priorities with accompanying narrative
  - Endowment balance and total investment return, with accompanying narrative
  - Posting of this report on The Episcopal Church website when it is released to the Bishops and Deputies

7-15-09

**DIOCESAN COMMITMENTS**

**VIEW ONLINE:**

<http://www.episcopalchurch.org/documents/DiocIncome.pdf>

**RESOLUTION TRACKING CHART**

**VIEW ONLINE:**

<http://www.episcopalchurch.org/documents/ResolutionTrackingChartfinal.pdf>

## **BUDGET NARRATIVE – EXPENDITURES**

### **PRESIDING BISHOP'S OFFICE**

#### **Office of the Presiding Bishop**

This office supports the ministry of the Presiding Bishop in administration, communication and pastoral ministry. It oversees General Convention initiatives and policies; the ecumenical initiatives and relationships; and pastoral relationships with the bishops of The Episcopal Church. The office plans and coordinates the visits of the Presiding Bishop; plans all meetings of the House of Bishops; and oversees the processes of election and consecration of bishops. The office has responsibility for Title IV measures involving bishops and the preservation of the legacy of The Episcopal Church in instances where bishops have sought to remove dioceses from the church. In the most recent triennium, pastoral support to bishops has included coordination of renewal efforts in dioceses that have experienced the departure of former leaders, including bishops. The office retains oversight responsibilities for the Convocation of American (Episcopal) Churches in Europe, and the Church in Micronesia, as well as the Office of the Bishop for Chaplaincies.

#### **House of Bishops**

Expenses here support the work of the annual Interim and Special Committee meetings of the House, as well as providing additional support to special subcommittees, such as the Theology Committee and the Spouse Planning Group.

#### **Chief Operating Officer**

Assisting the Presiding Bishop in her role as Chief Executive Officer, the Chief Operating Officer oversees the staff of The Episcopal Church Center and coordinates the work of mission program, communication, finance and administration. The Chief Operating Officer is the principal implementer of the vision of the mission and ministry of the Church Center as established by the General Convention and works under the direction of the Presiding Bishop.

#### **Office of Pastoral Development**

This Office supports the Presiding Bishop and House of Bishops in Episcopal formation and development through the College for Bishops. This includes the canonically-mandated formation program for new bishops and continuing education at each meeting of the House, as well as the pastoral care of bishops, their families and diocesan systems, direction support for dioceses and nominees in Episcopal elections, vocational assessment, training and deployment of bishops. This Office also offers mediation work in Title IV disciplinary canons, giving attention to complaints and formal charges against bishops, with the goal of satisfactorily addressing the complaint so as to avoid an ecclesiastical trial.

#### **Title IV & Legal Support of Dioceses**

These expenses are related to property litigation and disciplinary situations, as well as legal assistance to dioceses. Fundamentally, this activity concerns the preservation and ongoing stewardship of our heritage and resources, both financial and structural.

### GENERAL CONVENTION

#### Committees, Commissions, Agencies and Boards

The CCABs study issues mandated to them by the Canons or referred to them by the General Convention and make recommendations to Convention, reporting in the *Blue Book* to all bishops and deputies.

#### General Convention - Site & Facilities

The General Convention is the legislative body of The Episcopal Church, consisting of the House of Deputies (with about 800 members—up to four clergy and four lay persons from every diocese) and the House of Bishops (with nearly 300 active and retired bishops). The Convention meets every three years in legislative session. Its powers are established by the first article of the church's Constitution. The Houses meet and act separately, and both must concur in order to adopt legislation. Although bishops and deputations pay their own travel and lodging expenses, the planning, administrative, security and facilities costs are borne by this budget.

#### General Convention Publications

Several print and online documents are associated with the General Convention, including The Summary of Actions; the Bishop & Deputy Handbook; the *Blue Book*; and the Budget.

#### General Convention Secretariat

Staff is available in three on-site Secretariat offices (General Convention; House of Deputies; House of Bishops) to provide assistance during each General Convention.

#### Executive Council

The Executive Council is the principal entity among the Committees, Commissions, Agencies and Boards (CCABs). It includes a total of thirty-eight elected representatives who serve for staggered six-year terms: two persons elected from each of the church's nine provinces, twenty people elected at large by the General Convention, and five *ex officio* members, including the Presiding Bishop and the President of the House of Deputies. The Council meets three times a year and has charge of the coordination, development and implementation of the ministry and mission of the church.

#### House of Deputies

The President of the House of Deputies appoints all the lay and clergy members and serves as a member *ex officio* of all Committees, Commissions, Agencies and Boards. The incumbent shares leadership of the Executive Council, appoints legislative committees, represents The Episcopal Church in various Anglican and ecumenical capacities, coordinates planning for the business of the House and presides over it during the General Convention.

#### Office of the General Convention (GCO)

This office undertakes the planning, logistical arrangements and staff support for the triennial Convention gatherings, the thrice-yearly Executive Council meetings and the meetings and work of the Committees, Commissions, Agencies and Boards. It handles production of the reports to the General Convention (known as the "Blue Book") and the Journal and the updated Constitution and Canons issued after each Convention. Through the Director of Research, the GCO undertakes the collection, publication and analysis of annual Parochial Report and Diocesan Report data. The GCO is implementing new systems for online publishing, online meetings and communications for CCABs and redesigning the legislative support software to provide greater efficiency in the next triennium. The GCO also works closely with the President of the House of Deputies and provides staff and logistical services where required.

## **THE BUDGET FOR THE EPISCOPAL CHURCH, 2010–2012**

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### **Archives**

The Archives of The Episcopal Church is the national repository for documentation on the church, related Anglican organizations and individual Episcopalians. Through its main research office in Austin, Texas, a records management office at The Episcopal Church Center in New York and a digital archives repository for online access to principal documents of the General Convention, the Executive Council and other key archival resources, the Archives seeks to preserve and make available evidence of the historic and contemporary ministry of the church.

The work of the Archives with individuals, congregations and other organizations supports each mission priority; but especially Reconciliation and Evangelism, Congregational Transformation and Justice and Peace as it assists individuals, congregations, dioceses and other organizations that inquire about their Episcopal identity and work.

### **General Board of Examining Chaplains**

The General Board of Examining Chaplains, elected by the General Convention and responsible to the House of Bishops, consists of four bishops, six clergy with pastoral cures, six members of seminary faculties and six lay persons. Its work, defined by Canon III.15, is primarily the annual administration of the General Ordination Examination, administered to seminary seniors and others pursuing Holy Orders, who are nominated by the bishops of the dioceses. The GBEC collaborates as needed with other General Convention groups devoted to the development and support of ordained ministry.

## **MISSION COORDINATION**

### **Mission Direction**

This office supports and articulates the mission of The Episcopal Church and the programs of the four Mission Centers through print resources, digital communication and multimedia, conferences and visits to congregations, dioceses and provincial gatherings. The office leads the development and maintenance of a user-friendly, dynamic web site for the program areas of the church.

## **MISSION FUNDING**

### **Development Office**

The Mission Funding Initiative was created to develop additional financial resources from major donors in further support of the church's mission priorities. Five funding areas have been identified and, together, they seek to assist the church to serve as an effective agent for evangelism, reconciliation, education and transformation. The Funds are: Congregational Development; Leadership in Ministry; Communications; Spiritual Enrichment; and Global Ministry.

Additionally, Mission Funding is undertaking fundraising for the Archives, the St. Ives Fund for legal defense and an on-line giving engine.

### **Advocacy Center**

The Advocacy Center, based in the Office of Government Relations in Washington, D.C., New York and Seattle, addresses the Gospel directive for people to love their neighbors as themselves. The offices educate, motivate, organize and empower Episcopalians to action for justice, peace and care for all of God's creation. The work of the offices encompasses all of the budget priorities by:

- Providing training, resources and action to promote a church without racism;
- Providing grants or loans to organizations and networks that serve and empower the poor and marginalized;
- Using its grassroots, Episcopal networks and policy expertise to advocate nationally and locally on issues of justice;



## **THE BUDGET FOR THE EPISCOPAL CHURCH, 2010–2012**

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- Working with other religious denominations and partners to address issues of domestic poverty, health care, civil rights, the environment, the Millennium Development Goals, immigration and refugees, HIV/AIDS and international debt relief;
- Supporting peacemaking in areas of conflict worldwide;
- Advocating full equality for women and girls; and
- Monitoring the church's efforts to be socially responsible in the investment of its financial assets.

### **Direction & Administration**

This office coordinates the work of the Advocacy Center, particularly between programs based in New York and Washington, D.C. (Office of Government Relations). An office in Seattle focuses on economic and environmental justice. The three locations coordinate work through regular communication and staff meetings to ensure a cohesive program of advocacy, network building and resource development.

### **Social & Economic Justice, Jubilee**

This area works on creating a just society. It encourages the growth and development of networks, resources and partnerships throughout the church that address matters of justice through public policy advocacy, social outreach ministry, environmental stewardship and economic affairs. Issues of justice include affordable food, employment, affordable quality childcare, education, healthcare, immigration, cultural affirmation, equal protection under the law, economic opportunity, a healthy environment and affordable housing.

### **Anti-Racism, Racial Justice & Gender Equality**

The office continues an 18 year commitment by General Convention to train the leadership of the church on how to identify and end racist structures. The office also works to promote gender equality, and includes Native American/Indigenous Ministries, which interprets and develops programs which address the needs and inclusion of Native American/Indigenous peoples and their communities within The Episcopal Church.

### **Peace, International Affairs, and Migration**

This office supports Episcopal, Anglican, ecumenical and interfaith efforts to restore justice, seek reconciliation and overcome violence in the world. The staff works with staff of the Presiding Bishop's Office to gather information, provide support, stand in solidarity and initiate advocacy when violence and oppression cause harm, especially to our partners across the world.

## **MISSION LEADERSHIP CENTER**

### **Direction & Administration**

This office coordinates the work of the Mission Leadership Center.

### **Ordained Ministry & Transition**

This office supports networks that strengthen ordained ministry, including Fresh Start, CREDO, diaconate and other clergy associations, seminary continuing education and dioceses in their work of leadership education and formation. The office initiates conversations that envision clergy leadership needs and leads new initiatives.

### **Lay Ministry**

This office helps laity to claim and act on their call to ministry and raises up skillful leaders for godly work inside and outside the church. Church work is conducted through Fresh Start, in partnership with new church plants, and by widening the reach of Proclaiming Education for All. Beyond the church, the office works to extend awareness of Episcopal workplace values and linking Sunday worship to weekday practice.

## **THE BUDGET FOR THE EPISCOPAL CHURCH, 2010–2012**

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### **Young Adults**

This office supports diocesan and provincial work with young adults (18-30) and in campus ministries through leadership training events, campus peer ministry training, service/learning internships, conferences, consultations and network programs. It produces resources for individuals, such as the Advent and Lenten meditation guides for students and young adult armed forces personnel. In conjunction with dioceses, seven new campus ministries have been initiated through two-year start-up grants. The office also works with ecumenical partners.

### **Missionary Personnel**

The Missionary Personnel Office recruits, trains and supports Appointed Missionaries, Volunteers for Mission and Young Adult Service Corps (age range 21-30) missionaries. Currently there are 80 missionaries serving in 32 countries. Their work supports the growth and development of overseas dioceses and provides the missionaries with knowledge and understanding that benefits them and their church communities when they return.

### **Chaplaincies**

The Office of the Bishop Suffragan for Federal Ministries addresses the care of Episcopalians in federal service, in Veterans' Affairs hospitals, in federal prisons and their families, supporting clergy in armed service, healthcare and prison settings, and its more recent work with emergency responder and maritime chaplains. It provides both direct support for chaplains in federal service and the indirect support through advocacy and training for chaplains affiliated with diocesan bishops.

### **Women's Ministry**

Women's Ministries focuses on the mission and ministry of women at all levels of the church. The office seeks the empowerment of women and gender equity, creating tools, resources and networks to enhance the leadership capacity of women in the church and the world. Its advocacy work employs the Beijing Platform for action in critical areas of concern for all women throughout the world.

## **EVANGELISM & CONGREGATIONAL LIFE CENTER**

### **Direction & Administration**

This office provides oversight of programs, budgets, staff and administrative support (including meeting and event coordination) within the Evangelism & Congregational Life Center (E&CL). The budget includes funds for nine collaborative training events, one per province over the next triennium, presented by staff from each ministry area within E&CL, to share and learn about best practices.

### **Christian Formation**

This office serves Episcopal congregations, dioceses and provinces with resources for children's formation, youth formation and events, adult formation and older adult formation. The office fulfills General Convention mandates (including Safe Church Resolutions), through training, Christian education resources, consultations and network programs and church-wide events (including the Episcopal Youth Event). Its resources and programs assist in articulating what it means to be Christian, Anglican and Episcopalian in a diverse world.

### **Congregational Research**

This office directs, coordinates and publishes ongoing research and analysis for the church, with a primary focus on Episcopal parishes and missions. Under the authority of the Office of the General Convention,

Congregational Research undertakes the distribution, collection and analysis of the annual Parochial Report and conducts the triennial survey of Episcopal congregations. The office also conducts specialized studies of congregational life and ministry programs for various Committees, Commissions, Mission Programs, Agencies and Boards.

### **Congregational Vitality & Stewardship**

This office serves congregations that are seeking to enrich and expand their capacity to serve the spiritual needs of their communities. Congregational Vitality provides resources for building and maintaining healthy faith communities, with a specialized focus on the needs of small congregations and their leadership. Stewardship seeks to engage all Episcopalians in a culture of abundance and generosity. The teaching and practice of stewardship involves seeking greater insight into spiritual growth, discernment of purpose, leadership, giving and the connection of money and faith.

### **Ethnic & Multicultural Congregational Development & Evangelism**

These offices develop, support and inspire congregational life with and among ethnic communities and multicultural churches by creating resources and providing networking, consultations and training events. The offices provide a voice of advocacy for the people of Asian, black, Latino/Hispanic, Native American and multicultural-by-design communities and for people living with disabilities. Harmony, understanding, and communication are promoted across cultures by developing common programs and projects. The five officers collaborate with other staff and provide online liturgical and theological resources, onsite consultations, conferences and clergy- and lay-training programs.

### **Evangelism & Church Planting**

The Office of Evangelism provides resources and training to assist congregations in the evangelization of underserved populations and in discipleship development. The office is developing regional experts in the field of evangelism and partnerships within the emerging church movement; and it is working with a recently created Network of Innovators dedicated to discovering and sharing what is working church-wide. By providing resources and consulting to diocesan and provincial leaders, the Office of Church Planting helps to identify and prepare those gifted for new church planting. It offers liturgical resources for emergent ministry forms, onsite consulting, weekly peer-to-peer support for church planters and ministry redevelopers, as well as regional and national training events. The office identifies best practices from around the church and the larger Anglican Communion.

### **Episcopal Migration Ministries (EMM)**

EMM carries out the gospel mandate to “welcome the stranger” through work with 30 affiliates in 27 dioceses to engage parishes as co-sponsors in refugee resettlement in the US. The Office also responds to various requests for immigration assistance and trains immigration counselors. With church funding, EMM is able to assist dioceses and parishes actively engaged in work with undocumented migrants; such work cannot be funded by federal grants.

### **Worship & Spirituality**

This office designs and provides conferences, consultations and worship materials to enhance spiritual transformation for individuals and communities of faith. Networking with other organizations and institutions that focus on worship and spirituality, this office promotes grounding in both traditional and new forms of worship and spirituality that transform the human spirit in the power of the Holy Spirit and strengthen congregational life and mission. During 2010-2012, this office will expand an online Worship that Works resource with free downloadable worship and spirituality resources and links to other sites.

## **PARTNERSHIPS CENTER**

### **Direction & Administration**

This office coordinates the work of the Partnerships Center.

### **Anglican Communion**

This office provides support to strengthen relationships between The Episcopal Church and the 37 other provinces in the Anglican Communion through hospitality, communication, education and financial support.

## **THE BUDGET FOR THE EPISCOPAL CHURCH, 2010–2012**

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### **Diocesan Services**

This office provides resource and financial assistance to dioceses within The Episcopal Church. Specific funding for overseas dioceses is done on a year-to-year basis upon evaluation of parochial/diocesan reports and other indicators. Funds will be distributed among the following dioceses and jurisdictions by the Executive Council: Cuba, Colombia, Dominican Republic, Ecuador Central, Ecuador Litoral, Haiti, Honduras, Micronesia (Guam), Taiwan, Venezuela and Virgin Islands.

### **Ecumenical & Interfaith Relations (EIR)**

The Office of Ecumenical and Interreligious Relations coordinates, on behalf of the Presiding Bishop and The Episcopal Church, various bilateral and multilateral dialogues and conversations with other Christian communions working toward the greater unity and common mission of the church. In an increasingly multi-religious context, the office also works in Interreligious dialogue, seeking greater understanding of and cooperation with the other major world religions. The office primarily addresses the priorities of Claiming Our Identity and strengthening Partnerships among religious groups.

### **Grants & Covenants**

The Executive Council is committed to providing ongoing support for the overseas dioceses of The Episcopal Church; the partner churches with which we have covenant agreements; dioceses called Domestic Missionary Partners (formerly Coalition 14); and the three historically black Episcopal colleges. Also reflected here is The Episcopal Church's fair share of the Inter-Anglican Budget (Anglican Consultative Council).

Support for Covenant Agreements provides a means for all Episcopalians to participate in the development and mission work of the Anglican/Episcopal church in Central America, Liberia, Mexico and the Philippines; the financial commitments are part of the autonomy processes approved by General Convention.

### **United Thank Offering**

This office provides administrative staff and services and accounting and banking support to the United Thank Offering program. UTO is entrusted to promote thank offerings, to receive the offerings and to distribute the monies through grants within the framework of the policies and procedures of the Domestic and Foreign Missionary Society (DFMS) of The Episcopal Church.

### **Translation Services**

This office coordinates interpretation and translation for official requirements of the General Convention and other offices of the DFMS.

### **Episcopal Relief & Development**

Funding for Episcopal Relief and Development in the DFMS budget represents a block grant to support administrative costs. In addition to direct support, DFMS provides indirect support in the form of space and utilities as well as accounting and administrative services (shown as DFMS Contributed Services). All ERD activities are directed to fulfilling its mission to be the primary means through which all Episcopalians can bring healing to a hurting world.

### COMMUNICATION

#### Communication Direction

Communication Direction includes the work of the Director of Communication and the Mission Communication Officer whose responsibilities include brand identity, overall communication strategy and the sharing of best practices and materials across the church.

#### Corporate Communications

The work of Corporate Communication includes public affairs, media relations, media training, crisis management and message strategy. Our popular bulletin inserts will be coordinated by this office.

#### Digital Communications

This office is responsible for all digital communications from the Office of Communication, hosting and creating content for The Episcopal Church web site, [www.episcopalchurch.org](http://www.episcopalchurch.org), including live web casts and other resources for the wider Church. It also facilitates conversations and monitors social networking sites, including blogs, *Facebook* and *Twitter*. It works with the Director of Communication to develop digital strategy and with the editor of the Episcopal News Service online to design and enable the online news publication.

#### Episcopal Life (EL)

Episcopal Life is a monthly newspaper but will cease publication as currently configured at the end of 2009. Editing, layout, database management, content (from Episcopal News Service) and printing services will continue to be available to dioceses and parishes who wish to have a printing partnership arrangement. Several formats will be offered, including a tabloid newspaper. Timely news from Episcopal News Service will continue to be provided online.

In 2010, a new quarterly magazine will make its debut. The magazine, yet to be named, will be a feature-oriented, thought-leadership publication containing in-depth, longer-format articles, along with news.

#### Episcopal Books and Resources (EBaR)

Episcopal Books and Resources provides warehousing, order fulfillment and distribution services for Episcopal Church Center departments and affiliated organizations. It also houses a small retail bookstore and café. The products have a primarily Episcopal and Anglican focus.

### FINANCE OFFICE

#### Controller's Office

As a unit of the Treasurer's Office, the Controller's Office is responsible for processing all of the financial transactions for DFMS and reporting, summarizing and interpreting financial data for the use of management, creditors, boards and committees of the organization. It helps to develop budgets and forecasts, measures actual performance against operating plans and interprets the results of operations to all levels of management. The office performs all of the accounting functions for DFMS, which includes cash receipts, accounts payable, payroll, cash disbursements, account and diocesan receivables and grants payable. It works closely with the Society's independent auditors to design and implement appropriate controls to safeguard the assets and resources of DFMS.

#### Treasurer's Office

The Treasurer's Office is responsible for oversight of the financial functions and the investment assets of DFMS. This includes investment management of both long-term assets, such as endowment portfolio and charitable trusts, and short-term assets, such as DFMS operating cash and custodial accounts held for others; oversight of banking functions, such as electronic funds transfers; financial management training; and oversight of entities and activities funded through the budget. The Treasurer has extensive responsibility for developing and monitoring the Budget of The Episcopal Church.

## **THE BUDGET FOR THE EPISCOPAL CHURCH, 2010–2012**

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### **Refugee Loan Collection (IOM)**

The U.S. Government provides resettlement loans to each refugee. The DFMS collects the loans and receives a portion. Any amount that exceeds the DFMS's collection costs may be used as determined by the General Convention Budget.

### **Debt Financing and Repayment**

The removal of asbestos, improvements to all mechanical and electrical systems and fireproofing of the offices at 815 Second Avenue were financed through a bank line of credit which will be repaid over time.

## **ADMINISTRATION**

### **Facilities Management**

Facilities Management costs include those required for the maintenance and upkeep of The Episcopal Church Center at 815 Second Avenue in New York City, the operations of the mailroom, leasing costs for office equipment, office supplies and corporate printing. The largest elements of this budget are for utilities, building management and engineering and cleaning and security services. Some services are provided under the lease with our tenant, the Ad Council, as well as to DFMS offices and associated Episcopal agencies with offices in our building.

### **Human Resources**

The Human Resources Management Office strives to have the best person in the right job at the appropriate time, adequately prepared, effectively motivated, in compliance with moral and civil law and reflective of the cultural diversity of the church and society. The Human Resource Management team ensures that all staff—both current and retired—are treated fairly in keeping with stated human resources policies and best practices. Valuing responsibility, partnership and service over entitlement, dominance and self-interest, this office seeks to partner with others in developing and realizing opportunities for enhancing the quality of effort and productivity in our mutual ministry.

### **General Corporate Legal Fees**

Under the direction of the Chief Operating Officer, two part-time in-house counsel provide guidance to The Episcopal Church Center staff and other church entities (such as Executive Council) on official legal matters, including contracts, employment, copyright, building codes, taxes, finance, regulatory and other issues. They also coordinate any referrals to outside counsel as required for corporate matters.

### **Technology**

This office includes the functions of Management Information Systems (MIS) and Telecommunications (Telecom).

MIS is responsible for all aspects of computer infrastructure and usage at The Episcopal Church Center and onsite at General Convention. The network it maintains enables document creation, e-mail and Internet access to all employees, including remote access for traveling staff. Its servers host numerous commercial software packages in finance, human resources, fundraising and other areas. Upon request, MIS develops and hosts data base applications (mostly web-accessible) for other departments, including systems for Parochial Reports; Church Deployment; and General Convention legislation, registration and housing. MIS also takes a leading role in data modeling and shared initiatives with other Episcopal organizations such as the Church Pension Group. Telecom operators are the first voices heard when calling The Episcopal Church Center. The office answers church-related inquiries and directs calls to the appropriate offices. It also manages the physical and financial operations of the phone system.

### **Contributed Services** <sup>1, 2, 3</sup>

Seven agencies are currently housed at The Episcopal Church Center. Most of the organizations have been housed there for 30 years or more; but only ERD is consolidated in the DFMS financial statements. Many of the agencies were established either by prior Presiding Bishops or by General Convention. The agencies work closely with numerous departments and staff members on a daily basis; many agency representatives participate in staff meetings and other DFMS meetings. All are very much a part of the community and workings of The Episcopal Church Center; they complement and extend the mission and ministry of DFMS.

1. *For Agencies that are not consolidated in the DFMS financials:* Postage and billable telephone costs plus IT services are charged and recovered from the non-DFMS agencies. Other costs such as utilities, mail services and telecommunications are allocated based on square footage of space occupied. Executive Council decided to forgive expenses incurred by Anglican UN Observer.
2. *For ERD:* The cost of utilities, mail services and telecommunications are allocated based on square footage of space occupied. The cost of staff services is allocated based on the number of employees.
3. Effective 1/1/2010, each agency will be responsible for its share in annual allocated costs for Building Services, Telecommunications, the Mail Center and Purchasing above the allocated costs as of the base year of 2007, after a \$2,500 exemption.