

Report from the Stewardship, Property & Finance Committee – Q&A from 09/10/11 Presbytery Meeting

The following information is being provided to help answer the written questions that submitted at the end of the Table Talk session held at the Sept. 10, 2011 Presbytery Meeting. If you have further questions, please do ask a member of the Stewardship, Property & Finance Committee. You may also send your questions to: jdlea@aol.com

The SPF committee thanks the presbytery for their interest and questions.

3 Questions:

1. *What questions do you have, if any, about the information in the current August 30, 2011 financial report or the financial issues facing the Presbytery now and into 2012?*

Responses:

a. Is there a cap on monies relating to current litigation? Will litigation end in 2012?

There is some backup insurance that becomes available when the Presbytery has spent \$100,000. It is not clear specifically what will be covered; however, the Presbytery's legal counsel is in direct contact with the insurance company regarding specific coverage.

b. Can we relocate Presbytery across the street or to another church?

The SPF Committee is investigating this option as well as exploring the possibility of a "virtual" Presbytery office, supplemented by a central location to hold committee meetings, as needed.

c. Do we have a plan in case we can't afford EP or office mgr.?

There are options for budget reduction that will be pursued prior to any additional staff reductions.

d. How will resources be provided to churches without the Resource Director?

The new Nurture and Discipleship Team is exploring ways to make the resources available to all churches, including the use of an electronic "Resource Center" rather than physical books and other materials. Information about resources will be included in upcoming editions of the presbytery newsletter, the "Update" that is distributed via e-mail to all churches currently.

e. Will our records and financial management process be legal without a treasurer?

Yes. There will be a Treasurer position; this is one of the four officers of the presbytery corporation and as such, will provide a legal signature to documents, handle financial record-keeping including checks, however the position will be handled by a qualified volunteer.

f. Who will do the treasurer's job?

Together with the Personnel Committee, the Stewardship, Property & Finance (SPF) Committee is in the process of creating a position description to recruit the volunteer and define the responsibilities of the position along with revised policies and procedures for financial management for the presbytery.

g. How will the bookkeeper's role change?

The bookkeeper will have more responsibility for reporting and bill paying; reporting to the new treasurer and the SPF committee and overseen administratively by the executive presbyter.

h. How do churches who do not pay their PCA justify making others pay their part?

For some churches, the economic downturn has caused financial stress, others see per capita as a discretionary item and do not see it as something that supports all of the PCUSA. Per capita is a means of supporting the work of mission and administration of the individual presbyteries and is supported equally by all members of the PC(USA) with the majority of per capita utilized in the local presbytery and smaller amounts set for the Synod and General Assembly. Per capita is shared by all church members and calculated on the church membership as of the end of the prior year, which is reported to GA the following January. The total 2012 per capita rate for Riverside Presbytery is \$33, the same amount that was set for both 2010 and 2011. Of that amount, \$6.63 will be sent to General Assembly, \$2.60 will be sent to the Synod and \$23.77 will be used in our presbytery. Those churches that do not pay their full per capita assessment chose not to participate in this basic principal of a connectional church.

i. Are there realistic numbers used based on withholding churches? Can we budget a deficit?

The proposed budget is based on slightly less than the amount calculated for per capita based on the presbytery membership so the proposed budget is about the amount that we can reasonably project will be received in 2011.

j. Question on amount medical/pension – amount to increase $\frac{3}{4}\%$ in 2012; $\frac{3}{4}\%$ in 2013.

This increase has been factored into the budget, for the presbytery and by each individual church in their own budgets.

2. *What advice or comments do you feel would be helpful to the Stewardship, Property and Finance committee as well as other presbytery committees as the 2012 budget is prepared for final review and presentation to the Presbytery for approval at the Nov. Presbytery meeting? In particular, knowing what you now know about Presbytery financial needs, program, and issues.*

a. Take Fontana money – put it with Bethany and start a great congregation right next to the freeway.

The funds for the Fontana Transformation are provided by a shared grant from the Synod with the Synod and the presbytery each providing 50% of the funds. The Transformation project underwritten by the shared grant was approved by both the Synod and Presbytery in June 2010. Financial support for the Bethany congregation has been provided from several sources over a period of time to meet their specific needs.

b. Can Presbytery sell Colton & SB Home of Neighborly Services properties?

The SPF Committee is in conversation with the current tenants of the Colton property and we will keep the presbytery informed as we know more about the possibility of arranging a sale. Some properties, such as the SB Home of Neighborly Services, house community programs outside of presbytery programs. There is much to be considered when looking at these properties. The Casa Blanca HNS's property is owned by the Synod, not the presbytery.

c. Avoid paying / budgeting Per Capita for churches which traditionally don't pay PCA?

There are mission churches in the presbytery which do not have sufficient funds to pay their full per capita as well as some churches which choose to send less than the calculated

amount, based on that church's membership, so the income is based on a lesser amount than the calculated amount anticipated when based on the presbytery membership.

d. Ask people to pay their own per capita or even a bit more.

Several churches in the presbytery do ask their members pay for their share of the annual per capita, or \$33 per person. Of the churches which do ask for their members to contribute for their part of the per capita, the church draws the remaining obligation from their general operating funds.

e. If Resource Center Director is cut – would like to see a plan for how the resources will be staffed.

See Question and answer 1. d. above

f. Notify committee(s) where there is not enough money in their budget to support their work.

This request has been made of the committees. The Committees are encouraged to utilize Synod Stimulus Funds that have been made available to their particular committee in order to supplement the General Mission Budget.

g. Send monthly budget report to each committee chair

This is being done.

h. Need to budget more money for law suit. Caution using PCA from all churches for future budgeting.

Funds are budgeted for 2012 to cover legal expense, and as was noted in question 1.a., there is back up insurance coverage that will be utilized for the current litigation expense. The litigation is costly though and has increased the budget deficit this year.

i. Visit individual Sessions to dialog and educate. The SPF committee has the task of interpretation.

The SPF committee is working on ideas in this area as we, too, think this is a good idea. Talking in person can often enhance understanding and communication.

j. Per capita – wants re-evaluation of policy of paying GA/Synod.

Our presbytery is committed to supporting the higher councils of the PC(USA). We are a connectional denomination and the higher bodies of the denomination draw their support for the full membership of PC (USA) and we in turn, have benefited from funds available from higher councils for use in our presbytery. The Fontana Transformation Shared Grant is one example where Synod grant monies helped the Fontana New Beginnings congregation begin to grow and expand.

k. PCA – focused on educating churches; how are Gen. Mission funds and PCA used in the presbytery?

The committee is working on ways to provide more information to the individual churches for dissemination to their congregation on the use and meaning of per capita and mission pledges; letter sent out earlier this year highlighted the many ways that per capita funds are used for missional projects and programs in our presbytery.

3. Do you have any questions about the work and budgeted funds for continuing committees and the newly structured committees which are included in the draft of the 2012 Budget:

a. \$10,000 for NCD consultant?

This was budgeted in anticipation of an opportunity to “plant” a new church in our presbytery. There are no active plans to do so at this time. and the funds have not been spent

- b. \$2,000; 50330 - \$6,000 new projects mission sites, Evangelism mission advocacy
- b. Educate sessions on general mission giving – where it goes?

See 2.k. above.

c. What is this: \$10,000 NCD consultant; \$2,000 Cons. Com; \$10,000 – Mission Sites?

See 3. a.

What constitute fixed v. variable costs?

Fixed costs include overhead – building rental and utilities, office expenses, payroll, insurance, etc. These costs are known and anticipated each month when monitoring cash flow. The variable costs (expenses) cover mission programs, educational and training programs, pastor retreats and training, committee work, scholarship and the Youth Triennium, etc., and other items that are determined each year by the committees.

d. What has been spent on Presbytery meetings this year?

\$1981.72 as of October 31.

1) Nurture & Discipleship Team (NDT)

a. Simplify the process of expressing & clarifying the budget. Materials will be refreshed on the SPF link on the presbytery Website. A high-level budget summary with explanatory notes will be prepared for the Nov. presbytery meeting when the 2012 budget is presented for vote by the presbytery.

2) Evangelism, Mission and Advocacy (EMA)

a. Line 50608 – UCM/UCR no longer exists

No funds were spent this year and nothing is budgeted for 2012 for this item.

b. What is the process of discerning “budgets”? This is the work of the individual presbytery committees which is handled by the Vision Coordinating team which functions as the budget committee. The goals, programs and objectives of and for the coming year in the presbytery are the foundation for this process.

3). Stewardship, Property and Finance (SPF)

a. Treasurer – what happens after Jan. 2012; Volunteer doesn’t work?

Research is being done about the use of an accounting firm or other type of professional service.

What Synod funds used for Fontana?

See 2. J. above.

How much does church (Fontana) contribute to total mix?

Fontana contributes \$900 per month towards the pastor’s compensation. They also pay other expenses for their property. See 2. a. above.

b. Colton Property (\$1,000,000?) could be liquidated. – Ck to see if there are any strings attached to Property. Home of Neighborly Services (SB) (\$325,000) could be a source of funds, too. Use to support Presbytery mission . . .

See 2. b. above.

c. Consider utilizing younger people who also have financial management experience to “brainstorm” – like a Focus Group.

Great idea; people are more than welcome to offer ideas or suggest resource people who can help from time to time.