

**Council on Finance  
Report Number 1**

The Council on Finance recommends adoption of the following apportioned budget (excluding clergy pension benefits, disability/death benefits, and health insurance) for the period January 1, 2016 through December 31, 2016.

FUND NO.	DESCRIPTION	2016	2015	\$ INCREASE (DECREASE)	% CHANGE
<b>SECTIONS A, B AND C - UNIFIED BUDGET</b>					
100	SECTION A: MINISTERIAL SUPPORT	\$4,475,583	\$4,265,740	\$209,843	4.92%
200	SECTION B: WORLD SERVICE (64.99%) AND CONFERENCE BENEVOLENCES (35.01%)	2,997,832	3,106,169	-108,337	-3.49%
300	SECTION C: MINISTRY ADMINISTRATION	1,322,320	1,408,194	-85,874	-6.10%
	<b>TOTAL - SECTIONS A, B AND C - UNIFIED BUDGET</b>	<u>8,795,735</u>	<u>8,780,103</u>	<u>15,632</u>	0.18%
<b>SECTION D - OTHER MINISTRIES</b>					
401	MINISTERIAL EDUCATION FUND	582,120	592,640	-10,520	-1.78%
402	BLACK COLLEGE FUND	232,214	236,410	-4,196	-1.77%
403	AFRICA UNIVERSITY FUND	51,983	52,899	-916	-1.73%
430	SEJ MISSION AND MINISTRY FUND	43,665	43,665	0	0.00%
450	BIRMINGHAM-SOUTHERN COLLEGE AND HUNTINGDON COLLEGE SCHOLARSHIP FUND	350,000	350,000	0	0.00%
454	METHODIST HOMES FOR THE AGING	25,000	25,000	0	0.00%
456	UNITED METHODIST CHILDREN'S HOME	25,000	25,000	0	0.00%
458	NORTH ALABAMA UNITED METHODIST FOUNDATION	25,000	25,000	0	0.00%
460	SUMATANGA	25,000	25,000	0	0.00%
	<b>TOTAL - SECTION D - OTHER MINISTRIES</b>	<u>1,359,982</u>	<u>1,375,614</u>	<u>-15,632</u>	-1.14%
	<b>TOTAL - APPORTIONED BUDGET</b>	<u><u>\$10,155,717</u></u>	<u><u>\$10,155,717</u></u>	<u><u>\$0</u></u>	<b>0.00%</b>

**NORTH ALABAMA CONFERENCE - UNITED METHODIST CHURCH  
2016 CONFERENCE BUDGET (EXCLUDING PENSION BENEFITS, DISABILITY/DEATH BENEFITS, AND HEALTH INSURANCE)**

**SCHEDULE OF INDIVIDUAL FUNDS**

FUND NO.	DESCRIPTION	2016	2015	\$ INCREASE (DECREASE)	% CHANGE
<b>SECTION A - MINISTERIAL SUPPORT</b>					
110	Retiree Supplements	170,000	0	170,000	
116	New Church Situations	1,450,000	1,450,000	0	0.00%
122	Equitable Compensation	125,000	215,000	-90,000	-41.86%
126	Mission Churches	290,000	195,000	95,000	48.72%
132	Higher Education (salary support for campus ministries)	330,000	330,000	0	0.00%
140	District Superintendents	1,115,000	1,115,000	0	0.00%
144	Board of Ordained Ministry	200,000	200,000	0	0.00%
150	<i>GCFA - Episcopal Fund</i>	546,583	517,740	28,843	5.57%
154	NAC - Episcopal Housing Fund	8,000	8,000	0	0.00%
160	Moving Expenses of Retiring Pastors	16,000	10,000	6,000	60.00%
196	Funding Reserve - Section A	225,000	225,000	0	0.00%
<b>TOTAL - SECTION A</b>		<b>4,475,583</b>	<b>4,265,740</b>	<b>209,843</b>	<b>4.92%</b>
<b>SECTION A - OVER (UNDER) - FROM (TO) RESERVE</b>					
<b>SECTION B - WORLD SERVICE (65.13%) AND CONFERENCE BENEVOLENCES (34.87%)</b>					
202	<i>GCFA - World Service Fund</i>	1,695,562	1,726,249	-30,687	-1.78%
204	Congregational Development	150,000	124,350	25,650	20.63%
208	Servants Like Jesus	50,000	90,000	-40,000	-44.44%

**NORTH ALABAMA CONFERENCE - UNITED METHODIST CHURCH  
2016 CONFERENCE BUDGET (EXCLUDING PENSION BENEFITS, DISABILITY/DEATH BENEFITS, AND HEALTH INSURANCE)**

**SCHEDULE OF INDIVIDUAL FUNDS**

FUND NO.	DESCRIPTION	2016	2015	\$ INCREASE (DECREASE)	% CHANGE
212	Higher Education (program support for campus ministries)	63,490	63,490	0	0.00%
216	Volunteers in Mission	750	750	0	0.00%
222	Adult Discipleship	5,000	10,000	-5,000	-50.00%
232	Prophetic Ministries/Status and Role of Women	12,000	12,000	0	0.00%
242	Children's Discipleship	26,000	29,000	-3,000	-10.34%
246	Evangelism	1,200	2,000	-800	-40.00%
250	Ethnic Ministries (African-American, Hispanic, Korean, and others)	95,950	95,950	0	0.00%
256	Lay Ministry	11,000	11,000	0	0.00%
260	Church Health/Leadership Formation	112,500	142,000	-29,500	-20.77%
268	Youth Discipleship	40,500	40,500	0	0.00%
272	Pastoral Care and Counseling	88,880	88,880	0	0.00%
280	Connectional Ministries - Operations	45,000	45,000	0	0.00%
290	Connectional Ministries - Personnel	550,000	550,000	0	0.00%
296	Funding Reserve - Section B	50,000	75,000	-25,000	-33.33%
<b>TOTAL - SECTION B</b>		<b>2,997,832</b>	<b>3,106,169</b>	<b>-108,337</b>	<b>-3.49%</b>
<b>SECTION B - OVER (UNDER) - FROM (TO) RESERVE</b>					

**SECTION C - MINISTRY ADMINISTRATION**

**NORTH ALABAMA CONFERENCE - UNITED METHODIST CHURCH  
2016 CONFERENCE BUDGET (EXCLUDING PENSION BENEFITS, DISABILITY/DEATH BENEFITS, AND HEALTH INSURANCE)**

**SCHEDULE OF INDIVIDUAL FUNDS**

FUND NO.	DESCRIPTION	2016	2015	\$ INCREASE (DECREASE)	% CHANGE
308	Superannuate Homes	20,000	20,000	0	0.00%
312	Annual Conference Meeting	95,000	95,000	0	0.00%
316	Treasurer's Office/Administrative Services	340,456	340,456	0	0.00%
320	Computer Services	99,960	99,960	0	0.00%
324	Public Relations and Communications	194,040	194,040	0	0.00%
336	NAC - Episcopal Fund	8,000	8,000	0	0.00%
350	United Methodist Center	100,000	125,000	-25,000	-20.00%
352	Conference Housing	42,000	42,000	0	0.00%
356	Archives and History	24,000	24,000	0	0.00%
360	<i>GCFA - General Administration Fund</i>	204,713	208,367	-3,654	-1.75%
364	<i>GCFA - Interdenominational Cooperation Fund</i>	45,548	46,371	-823	-1.77%
390	Contingency and Miscellaneous	98,603	130,000	-31,397	-24.15%
396	Funding Reserve - Section C	50,000	75,000	-25,000	-33.33%
<b>TOTAL - SECTION C</b>		<b>1,322,320</b>	<b>1,408,194</b>	<b>-85,874</b>	<b>-6.10%</b>
<b>SECTION C - OVER (UNDER) - FROM (TO) RESERVE</b>					
<b>TOTAL - UNIFIED BUDGET</b>		<b>8,795,735</b>	<b>8,780,103</b>	<b>15,632</b>	<b>0.18%</b>

**SECTION D - OTHER MINISTRIES (Disburse Actual Receipts)**

**NORTH ALABAMA CONFERENCE - UNITED METHODIST CHURCH  
2016 CONFERENCE BUDGET (EXCLUDING PENSION BENEFITS, DISABILITY/DEATH BENEFITS, AND HEALTH INSURANCE)**

**SCHEDULE OF INDIVIDUAL FUNDS**

FUND NO.	DESCRIPTION	2016	2015	\$ INCREASE (DECREASE)	% CHANGE
401	<i>GCFA - Ministerial Education Fund</i>	582,120	592,640	-10,520	-1.78%
402	<i>GCFA - Black College Fund</i>	232,214	236,410	-4,196	-1.77%
403	<i>GCFA - Africa University Fund</i>	51,983	52,899	-916	-1.73%
430	SEJ - Mission and Ministry Fund	43,665	43,665	0	0.00%
450	Birmingham-Southern College and Huntingdon College Scholarship Fund (\$50,000 to Huntingdon)	350,000	350,000	0	0.00%
454	Methodist Homes for the Aging	25,000	25,000	0	0.00%
456	United Methodist Children's Home	25,000	25,000	0	0.00%
458	North Alabama United Methodist Foundation	25,000	25,000	0	0.00%
460	Sumatanga	25,000	25,000	0	0.00%
<b>TOTAL - SECTION D</b>		<b>1,359,982</b>	<b>1,375,614</b>	<b>-15,632</b>	<b>-1.14%</b>
<b>TOTAL - APPORTIONED BUDGET</b>		<b>\$10,155,717</b>	<b>\$10,155,717</b>	<b>\$0</b>	<b>0.00%</b>



## **Council on Finance**

### **Report Number 3: 2017 Conference Budget Funding Model**

The Council on Finance established the Budget Funding Task Force to evaluate the current methodology of funding the Conference budget and in response to a discussion at the 2014 Annual Conference concerning the process in which the annual budget total is determined. The Task Force met several times and has recommended the Conference move to a proportional giving funding model with a tithe as the goal. The Council on Finance anticipates recommending a proportional giving based funding model at the 2016 Annual Conference for the 2017 Conference budget.

## Council on Finance

### Report Number 4: Compensation

The Council on Finance recommends the following compensation amounts for the period January 1, 2016 through December 31, 2016:

<b>Position</b>	<b>Base Salary</b>	<b>Utilities</b>	<b>Prof. Exp. (Primarily Travel)</b>	<b>Dependent Health Insurance <sup>(4)</sup></b>
District Superintendents and Director of Connectional Ministries <sup>(1)(2)</sup>	<sup>(2)</sup>	\$5,640 <sup>(3)</sup>	\$12,020 <sup>(3)(5)</sup>	\$8,376
Chief Financial Officer, Conference Treasurer, and Benefits Officer	\$133,490 <sup>(6)</sup>	-	-	\$8,376

- NOTES:
- <sup>(1)</sup> Housing arrangements are provided for each district superintendent and the Connectional Ministries director.
  - <sup>(2)</sup> Funding for the base salaries of district superintendents and the Director of Connectional Ministries is included in the 2016 Conference budget. Base salaries for District Superintendents and Director of Connectional Ministries are determined by the Bishop and the minimum annual base salary for these positions is \$50,000.
  - <sup>(3)</sup> Budgeted amounts for utility allowances and professional expenses shall be paid to each district office in the form of a grant from the Annual Conference.
  - <sup>(4)</sup> The Council on Finance recommends that the Conference and the districts, as applicable, provide for the cost of dependent health insurance.
  - <sup>(5)</sup> Payable by voucher (reimbursement only) for the Connectional Ministries director.
  - <sup>(6)</sup> Includes a benefits officer salary of \$45,850 provided by the North Alabama Conference Board of Pension and Health Benefits.



## **Council on Finance**

### **Report Number 5: General Rules and Procedures**

- 1) The Conference Treasurer shall disburse budget items on a monthly basis, as applicable.
- 2) The amount budgeted for Fund No. 390 - Contingency and Miscellaneous shall not exceed 10 percent of the total of Section C – Ministry Administration. The Council on Finance is authorized to make emergency allocations from Fund No. 390 - Contingency and Miscellaneous by a majority vote of the members.
- 3) The Council on Finance is authorized to make changes in amounts budgeted for individual funds during the budget year, provided the applicable funds are used to implement similar goals and the total for all budgeted funds does not change. In addition, the Council on Finance is authorized to establish proration of budget funds when appropriate based on current economic factors.
- 4) All unexpended Conference budget funds at the end of the year shall be transferred to the applicable reserve account.
- 5) The principal amount in the Conference operating account shall not be less than \$250,000.
- 6) Moving expenses of retiring pastors shall be paid by voucher, according to the following schedule:

1 – 5 years of full-time ministry	up to \$ 750
5 – 10 years of full-time ministry	up to \$1,500
10 – 15 years of full-time ministry	up to \$2,250
15 + years of full-time ministry	up to \$3,000

Pastors are asked to make every effort to keep moving expenses to a minimum cost.

- 7) The Conference's annual Schedule of Revenues, Expenditures, Transfers, and Changes in Fund Balance shall be audited by a Certified Public Accountant firm approved by the Council on Finance.

### **Report Number 6: Local Churches and Conference Agencies**

- 1) All funds apportioned to local churches for the Conference annual budget shall be remitted to the Conference Treasurer on a monthly basis.
- 2) Conference agencies shall include all Conference boards, committees, commissions, councils, and other related institutions. Local churches shall be permitted to make direct gifts to Conference agencies without any Conference budget restrictions
- 3) All Conference agencies shall use the Conference Treasurer as fiscal agent unless authorized to operate their own treasury.
- 4) Any Conference agency authorized to operate its own treasury shall provide the Conference Treasurer with evidence of proper bonding and a copy of the entity's annual audited financial statements for the most recent fiscal period ending on or prior to December 31, 2015. Such reports shall be provided no later than May 1, 2016 as required by ¶617.2 in the *2012 Book of Discipline*.

Upon instructions of the Council on Finance, the Conference Treasurer may be required to withhold funds, beginning May 1, 2016, of any board, commission, committee or council not complying with this requirement of the *Book of Discipline*.

- 5) No Conference agency receiving funds from the Conference budget shall pay mileage at a rate in excess of 40% of the Internal Revenue Service (IRS) standard mileage rate rounded to the nearest cent for those attending Conference activities. Full time Conference-employed staff persons and the Conference Lay Leader may be paid at the IRS standard mileage rate.
- 6) No Conference agency, local church, individual, or any other interest shall attempt to raise funds for any purpose on a Conference-wide basis without approval being given by the Annual Conference or between sessions of the Annual Conference by a two-thirds vote of the District Superintendents and Council on Finance acting jointly.

### **Report Number 7: Distribution of Interest**

Interest earned in 2016 on funds belonging to the Conference Board of Pension and Health Benefits shall be applied to these funds. Interest earned on all other funds shall be used to offset bank analysis charges. Any interest not belonging to the Conference Board of Pension and Health Benefits and in excess of bank analysis charges shall be applied to the Conference's permanent stabilization reserve fund.

### **Report Number 8: Special Sundays**

The Council on Finance urges continued support for the special ministries listed below. These ministries are supported by voluntary contributions, not apportionments, and are worthy of our continued generous support:

Human Relations Day	January 17, 2016
One Great Hour of Sharing	March 6, 2016
Native American Awareness Sunday	April 10, 2016
Peace With Justice Sunday	May 22, 2016
Volunteers in Mission Sunday	To Be Determined
World Communion Sunday	October 2, 2016
United Methodist Student Sunday	November 27, 2016
Sumatanga Sunday	To Be Determined

In addition, at the request of the General Commission on United Methodist Men, all local churches in the North Alabama Conference are asked to recognize **Sunday, February 7, 2016** as **Scout Sunday**. Scouting in the United Methodist Church includes Boy Scouts of America, Camp Fire Boys and Girls, 4-H, and Girl Scouts of the U.S.A. Churches are encouraged to have a special offering for scouting ministries. Receipts from the offering shall be sent to the Conference Treasurer, who will retain 25% for scouting ministries in the annual conference and remit 75% to the General Commission on United Methodist Men for scouting ministries across the United States and around the world.