

Understanding the Budget of the Minnesota Conference United Church of Christ

Increased interest in the budget of the Minnesota Conference of the United Church of Christ provides an opportunity to explain its elements more fully. Sian Nelson, Business Administrator, has produced helpful pictorial and verbal explanation of the sources and uses of funds. ([Click here for the sources and uses as proposed by the Board of Directors](#). [Click here for the sources and uses as amended at the Annual Meeting 2009](#).) This document amplifies those pie charts and notations.

Sources of Funds

1. Our Church's Wider Mission (OCWM) contributions are the single largest source of funds for the ministries of the Minnesota Conference. Annually, the Conference sends a written pledge form to each of the 138 congregations of the Conference as a means of determining potential revenue from this source. Only about one-third of local churches return these pledge forms. We know that historically a relatively small number of the local churches of the Conference provide a substantial portion of OCWM giving. [This linked document \(click here\)](#) shows that in 2008 sixteen local churches gave 50% of all OCWM contributions; 80% of the OCWM giving came from 45 (or 1/3) of the congregations. Fifteen congregations did not contribute to OCWM. Projecting OCWM revenues is complicated by the fact that most local churches pledge and record these on a calendar year, as does the national UCC; the Minnesota Conference budget year is October 1 to September 30. In recent years OCWM contributions have been declining. Recent pledges and actual receipts have been:

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|-----------------------|-----------|
| 2008 Budget | \$890,000 |
| 2008 Actual | \$831,607 |
| 2009 Budget | \$850,000 |
| 2009 Actual (8/31/09) | \$707,180 |

The 2010 budget reduces anticipated OCWM revenues to \$825,000.

2. Per Capita Covenant Dues are another sizable source of income for the Conference. In the past these were called Association Dues. Some have asked why these continue when we no longer have Associations. The simple answer is that the expenses continue. These per capita dues are an expression of our covenant to be in ministry together. Recent pledges and actual receipts have been:

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|------------------------|-----------|
| 2008 Budget | \$210,000 |
| 2008 Actual | \$195,191 |
| 2009 Budget | \$220,000 |
| 2009 Actual (8/31/09) | \$175,855 |
| 2010 Budget (proposed) | \$200,000 |

3. The Floyd C. Ashley Endowment is a significant source of revenue for the Conference. ([This linked document \(click here\)](#) answers Frequently Asked Questions about the Ashley Endowment.) The provision of the Endowment is that **income only** be spent. The Endowment Policy of the Conference permits spending *up to* 5% of the three year trailing average as income, but the law and our policy require prudence and fiduciary responsibility.
4. Friends of the Conference is an increasing source of income for the Conference. As the landscape of religious giving changes and the patterns of the past give way, all settings of the church recognize the need to approach individual donors for gifts. In 2006 the Minnesota Conference engaged its first Financial Development Consultant and, following a comprehensive review and extensive training through the national UCC, a plan was developed which included the following:

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| 2007 | \$50,000 in celebration of the 50 th Anniversary of the UCC |
| 2008 | \$60,000 |
| 2009 | \$70,000 |
| 2010 | \$80,000 |

The \$10,000/per year increase is projected for several more years. At the appropriate time, a capital/endowment campaign is anticipated.

5. Annual Meeting Registrations are a source of revenue for the Conference. As the Annual Meeting Planning Work Group builds a budget, the expectation is that the event will “break even” – that is, that registration fees will cover the actual costs of the gathering. Office and staff support are provided through the general operating budget of the Conference.
6. Other donor-restricted support comes from a number of Conference funds provided through generous bequest and/or designated for specific purposes. In fiscal 2010, for example, support for the Global Partnership Team will come in part from the Jepson Fund for mission interpretation. Funds of the Minnesota Conference are donor-restricted, board-restricted or permanently restricted, and each has protocols for authorization.

Uses of Funds

In recent years the Minnesota Conference has provided a narrative budget in which the expenditure of funds is reported according to the mission priorities of the Conference rather than in a more standard format of e.g, personnel, rent, travel, office supplies, etc. To build the budget, however, anticipated costs in each of these more traditional categories must be determined.

The single largest expenditure is for staff. The Personnel Committee has established a compensation philosophy and each year reviews the compensation of all staff before making a recommendation to the Finance Committee. Fair and adequate compensation within the organization and when compared to other conferences of the UCC and other judicatories in Minnesota, along with changes in the cost of living are considered. For fiscal 2010, the

Personnel Committee recommended a 3% increase. Compensation (salary and benefits) for all staff (not including Pilgrim Point) – i.e., Conference Minister, two Associate Conference Ministers, Ashley Minister, Business Administrator, part-time Business Associate, two Administrative Assistants, and one part-time Administrative Assistant – is \$579,050. When Pilgrim Point Camp is included, the figure increases to \$735,697.

The next largest expenditure is in support of the Church's wider ministry. 34.75% of contributions to Our Church's Wider Mission are forwarded to the national offices of the United Church of Christ. In addition, as founding members and participants in the Minnesota Council of Churches, the North Central Ministry Development Center, the CUE Mid-American Program in Theological Education (Chicago-United-Eden Seminaries), and Minnesota United Ministries in Higher Education (MUMHE), we make an annual partnership pledge. These relationships express our ecumenical commitment, and they strengthen our witness and service.

Another sizable use of funds is for office expenses – rent; insurance; professional fees (e.g., auditor and attorney); communications, including computer(s) and technical support, phones; office supplies – paper, toner, copy machine lease, etc. For fiscal 2010 the amount budgeted in this area is \$175,182 – the equivalent of 2008 actual expenditures.

Conference executive and program ministers have budgets – for travel, meals, lodging, continuing education, etc. These staff members submit requests annually and are accountable for staying within the approved budget.

Pilgrim Point Camp is included in the annual budget for the Conference. After consultation with the Outdoor Ministries Team (and going forward with the Pilgrim Point Camp Committee) the Managing Director submits a budget to the Finance Committee for its review.

A smaller portion of the budget, but one of the more laborious to develop is that for Board of Directors and each of the Working Groups, Committees, Teams, and Task Forces of the Conference. Each one of these entities is asked annually to propose a budget, [using this linked form \(click here\)](#). A significant portion of these budgets is for the reimbursement of volunteer travel to and from group meetings. Some groups anticipate a need for training and/or reference materials and they budget for these. Occasionally they foresee phone costs (conference calls) or other professional fees or communications needs. In 2010, for example, the Global Partnerships Team plans to send its chair to the Quadrennial General Assembly of our partner church, the United Church of Christ in the Philippines. The entities of the Minnesota Conference UCC that submit such budgets are:

Board of Directors (BOD)

Work Groups of the Annual Meeting

Annual Meeting Planning Work Group (AMPWG)

Nominating Work Group (NWG)

Committees of the Board

Committee on Ministry (COM)

Development Committee

Finance Committee
Personnel Committee
Pilgrim Point Camp Committee (PPCC)

Program Ministries

Faith Formation for Children and Youth Team
Evangelism Team
Justice and Witness (JWM) Team
Immigration Task Force
Global Partnerships Team
Outdoor Ministries Team (OMT)
Professional Development of Authorized Ministers Team (PDAM)
Emmaus Anti-Racism Transformation Team
Our Church's Wider Mission (OCWM)
Spiritual Development Team
ONA/LGBT

In alternate years, the budget also includes money to send our delegation to General Synod. Fiscal 2010 is NOT a General Synod year. Recent budgets have also included costs for searches for members of the staff. Occasionally the budget includes money for the cost of staff coverage during sabbatical leave time. The Faith Formation of Children and Youth Team, Finance Committee and Board of Directors also work together to plan for appropriate expenditures of remaining available income from the Ashley Endowment.

To translate these expense categories into a narrative budget, in which we express our expenses in terms of fulfilling our mission priorities, a crosstab table is created in which staff is asked to express time and travel dollars in terms of our core strategic mission endeavors. Expenses for each Work Group, Committee, Program Ministry Team, etc. are similarly translated.

The Minnesota Conference United Church of Christ has committed itself to be a transformational regional body, driven by mission rather than maintenance and committed to spiritually enlivened strategic initiatives rather than to survival. Our core mission priorities are:

- Christian formation and discipleship of children, youth and adults;
- Strengthening, building and inviting congregations;
- Identifying and nurturing the gifts and leadership abilities of clergy and laity; and
- Increasing prophetic witness.