

# Budget and Finances For the Mission of the Church In the Diocese of New Jersey

## Report of the Treasurer to the 222<sup>nd</sup> Diocesan Convention

*To: Clergy, Lay Deputies and Alternates to the 222<sup>nd</sup> Convention of the Diocese of New Jersey*

*From: Peter Hausman, Treasurer*

*The Budget and Finances for the Mission of the Church in the Diocese of New Jersey – Report to the 222<sup>nd</sup> Diocesan Convention*

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Dear Friends,

This memorandum accompanies the Revised Preliminary Diocesan Budget for Fiscal Year (FY) 2006 and the Proposed Preliminary Diocesan Budget for FY 2007, supporting the mission and ministry of the Diocese of New Jersey for the next two years, which I am submitting for your consideration on behalf of the Bishop, the Diocesan Council, the Finance and Budget Committee and the financial offices of the Diocese.

Bishop Cancell has been our Diocesan Bishop for more than two years now, and his expectations for and influence on the ministry of the Diocese have become clearer, so the format of the budget has been adjusted this year to better reflect our ministry under his leadership.

Over the past few years, the Convention, or the Bishop and the Convention together, have identified seven of our budget expenditures as priority items within our Diocese. These items have been moved to the front of their respective sections in the budget (whether they are funded through Parish Tithes or through Parish Offerings). The remaining portion of the Tithes fund the regular operations of the Diocese; the remaining portion of the Offerings are allocated into three categories – Congregational Development, Ministry Development and Diocesan Ministries – in accordance with the way that Bishop Cancell has organized the diocesan office.

After several years of increases, congregational Fair Share pledges remained approximately level from FY 2005 to FY 2006. Total revenue in the 2006 budget rose by just enough from FY 2005 to account for the rise in the cost of living. As a result, proposed expenditures in the 2006 budget closely mirror the activity in FY 2005.

The preliminary FY 2007 budget includes the total amount of revenue that would be available if every congregation is able to commit to the full amount of their Fair Share. This approach allows us to hold this budget up as a vision of the kind of ministry that we can accomplish together if the resources are available to support it.

### ***Budget Priorities***

Seven priority items are included in the two budget sections:

1. Direct support for mission congregations
2. Our Fair Share payment to the National Church
3. Social and Ethnic Ministry
4. Support for Trinity Cathedral
5. The Millennium Development Goals
6. Diocesan Communications
7. The Visioning process

## **Treasurer's Report to the 222nd Diocesan Convention**

In FY 2006, and in our preliminary budget for FY 2007, we have been able to support all seven priorities at 100% of the asking amount, or at the amount that provides full support for the ministry that they represent.

### ***Other Items: Allocation of the Tithe***

After funding our diocesan priorities, the remainder of our Tithes support the basic obligations of the Diocese. Having added a Communications Officer last year, we are not able to expand the staff again in 2006. However, The FY 2006 budget does support the current diocesan staff, at its current size. It also provides full support for the other regular annual obligations that we incur in the Diocese in each year.

The preliminary FY 2007 budget supports all of the expenditures that are provided in FY 2006, and it includes funding for three additional items: funding is provided to bring an Assisting Bishop into the Diocese and to add an additional senior staff position, and to provide for the additional administrative staff that these new positions would require. Funding is also provided to support the long-delayed capital expenditures that are required for our diocesan properties.

### ***Other Items: Allocation of our Offering for the Church's Mission***

In FY 2006, allocations have been made to support the ministries that comprise the Diocese's regular mission – Congregational Development, Ministry Development and Diocesan Ministries – based on their expenditures in FY 2005 and the requests that were submitted for FY 2006, so that they will be able to continue their work in 2006 at least at last year's level.

Three allocations have been made to support new ministry in 2006: The Ministry Institute that Bishop Councill recently announced has been funded, and two small allocations have been made to support the New Jersey Chapter of the Episcopal Church and the Visual Arts and to provide diocesan support for Recovery Ministries (such as 12-Step Programs) in our congregations.

The preliminary FY 2007 budget again supports all of the expenditures that are provided in FY 2006, often at an increased level from the 2006 allocation.