

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

## **Report of the Treasurer to the 223<sup>rd</sup> Diocesan Convention**

*To: Clergy, Lay Deputies and Alternates to the 223<sup>rd</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 223<sup>rd</sup> Diocesan Convention*

Dear Friends,

This memorandum accompanies the Revised Preliminary Diocesan Budget for Fiscal Year (FY) 2007 and the Proposed Preliminary Diocesan Budget for FY 2008, 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.

Those of you who have attended Diocesan Convention in the past may remember that the expense section of our recent budgets has been divided into two parts, reflecting expenses that were provided through the Tithe portion, and through the Offering portion of our parish pledges. That format originated out of the report of the Task Force on Diocesan Finances a few years ago, but it was never widely accepted; since it described expenses according to their source, rather than grouping them according to their purposes and the ministries that they support, many people found that it failed to offer a clear description of the way that our revenue supported our mission.

Originally, one of the key purposes of that format was to highlight particular expenses in our budget that had been identified as diocesan priorities by the Convention. Since that purpose is now accomplished in a separate section set at the beginning of the budget, the divided budget is no longer necessary. So, at Bishop Council's urging, we have consolidated the format this year into a single budget, which we believe more accurately reflects the way that our budget supports our mission.

### ***General Notes and Comments***

Congregational Fair Share pledges rose by approximately 7% from FY 2006 to FY 2007. This increase allowed us to reduce our reliance on accumulated surplus assets from approximately \$300,000 in FY 2006 to \$180,000 in FY 2007, and still add a few additional expenditures that were not funded in FY 2006. Those increases are noted below. In all of the other line items of the budget, the FY 2007 Budget continues to fund the ministries that were supported in FY 2006.

The preliminary FY 2008 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. The preliminary FY 2008 budget supports all of the expenditures that are provided in FY 2007, often at an increased level from the 2007 allocation.

Both budgets include full funding for direct support to mission congregations and for our fair share to The Episcopal Church (sometimes referred to as the "national church").

## **Treasurer's Report to the 223<sup>rd</sup> Diocesan Convention**

### ***Increases and Additions to the 2007 Budget***

The FY 2007 budget provides the following new allocations and increases:

- ∞ Support for Trinity Cathedral, which was recently raised to 2.0% of the Parish Fair Share offering, has been raised again, to 2.66% (line 40).
- ∞ \$25,000 has been allocated for Congregational and Regional Ministry Grants in order to reestablish the Matthews Fund Small Grant Program (lines 120,121).
- ∞ \$40,000 has been allocated to provide for an Assisting Bishop (line 606).
- ∞ \$20,000 has been allocated to support deferred maintenance for the diocesan offices (line 712).

One additional note, concerning Seminary Scholarships (line 201 in the budget): Seminary Scholarships are funded through dedicated trust funds, at a rate of approximately \$50,000 per year, and paid in the fall of each year. Because of an anomaly that occurred in processing the scholarships, \$40,000 of the 2006 support was released to the budget and distributed in January of 2007. As a result, the 2007 budget lists \$90,000 for that line item, which includes \$40,000 in 2006 scholarships plus the regular \$50,000 for 2007. The 2008 budget then returns to the normal pattern.

### ***Increases and Additions in the Preliminary 2008 Budget***

The FY 2008 budget anticipates that the following new allocations and increases could be supported, if congregations pledge the full Fair Share amount:

- ∞ Support for Trinity Cathedral is raised again, to 5.0% of the Parish Fair Share offering (line 40).
- ∞ \$100,000 is reserved to implement recommendations from the Report of the Visioning Committee (line 60).
- ∞ The allocation for Congregational and Regional Ministry Grants under the Matthews Fund Small Grant Program is raised to \$40,000 (lines 120,121).
- ∞ A new position on the senior staff, which could be a Congregational Development Officer, is established (line 660).
- ∞ Support is provided to increase the administrative staff (line 670).
- ∞ A significant allocation is provided to support deferred maintenance for the diocesan offices (line 712).