

Report of the District Finance Committee - 2019

1. We recommend all churches give emphasis to our *Manual* (2017-21 Edition), *The Covenant of Christian Conduct, D. Christian Stewardship*, paragraph 32 through 32.5:

32. Meaning of Stewardship. *The Scriptures teach that God is the Owner of all persons and all things. We, therefore, are His stewards of both life and possessions. God's ownership and our stewardship ought to be acknowledged, for we shall be held personally accountable to God for the exercise of our stewardship. God, as a God of system and order in all of His ways, has established a system of giving that acknowledges His ownership over all human resources and relationships. To this end all His children should faithfully tithe and present offerings for the support of the gospel.*

32.1. Storehouse Tithing. *Storehouse tithing is a scriptural and practical performance of faithfully and regularly placing the tithe into that church to which the member belongs. Therefore, the financing of the church shall be based on the plan of storehouse tithing, and the local Church of the Nazarene shall be regarded by all of its people as the storehouse. All who are a part of the Church of the Nazarene are urged to contribute faithfully one-tenth of all their increase as a minimum financial obligation to the Lord and freewill offerings in addition as God has prospered them for the support of the whole church, local, district, educational, and general. The tithe, provided to the local Church of the Nazarene, shall be considered a priority over all other giving opportunities which God may lay upon the hearts of His faithful stewards, in support of the whole church.*

32.2. Fundraising and Distribution. *In the light of the scriptural teaching concerning the giving of tithes and offerings for the support of the gospel, and for the erection of church buildings, no Nazarene church should engage in any method of fundraising that would detract from these principles, hinder the gospel message, sully the name of the church, discriminate against the poor, or misdirect the people's energies from promoting the gospel.*

In disbursing to meet the requirements of the local, district, educational, and general programs of the Church of the Nazarene, local churches are urged to adopt and practice a financial apportionment plan, and to pay general, educational, and district apportionments monthly.

32.3. Support of the Ministry. *"In the same way, the Lord has commanded that those who preach the gospel should receive their living from the gospel" (1 Corinthians 9:14). The church is obligated to support its ministers, who have been called of God, and who, under the direction of the church, have given themselves wholly to the work of the ministry. We urge therefore that the members of the church voluntarily commit themselves to the task of supporting the ministry by gathering money weekly for this holy business and that the pastor's salary be paid regularly every week.*

32.4. Life Income Gifts, Planned and Deferred Giving. *It is essential in the exercise of Christian stewardship that careful thought be given as to what shall be done with one's income and possessions over which the Lord makes the Christian a steward during this life. The Church of the Nazarene, recognizing the need for faithful stewardship in this life and the God-given vision to leave a legacy for the future, has established the Church of the Nazarene Foundation to enhance Christian stewardship through planned and deferred giving. Civil laws often do not provide for the distribution of an estate in such a way as to glorify God. Each Christian should give attention to the preparation of a last will and testament in a careful and legal manner, and the Church of the Nazarene through its various ministries of missions, evangelism, education, and benevolences—local, district, educational, and general—is recommended for consideration.*

32.5. Shared Responsibility for the Denominational Mission. *The government of the Church of the Nazarene is representative. Each local congregation supports the overall mission of the church as defined by the General Assembly and implemented through the leadership of the Board of General Superintendents in world evangelism, education, ministerial support, and district ministries.*

The Board of General Superintendents and the General Board are authorized and empowered to develop, revise, and maintain a system for raising the World Evangelism Fund and to establish funding goals and responsibilities for local churches through the assembly districts.

Subject to paragraph 337.1, national boards and/or regional advisory councils are authorized and empowered to establish ministerial retirement savings plans on their region. Reporting of such plans shall be as provided in paragraph 337.2. The provisions of paragraph 32.5 shall not apply to the Board of Pensions and Benefits USA.

National boards and/or regional advisory councils are also authorized and empowered to establish support for the higher education institutions on their region.

Each district is authorized and empowered to establish funding goals and responsibilities for local churches for district ministry support through the District Assembly Finance Committee.

2. In addition, we encourage each church to follow the counsel of Paragraph 33 of the *Manual* (2017-21 Edition): *We direct our local churches to elect as church officers active members of the local church who profess the experience of entire sanctification and whose lives bear public witness to the grace of God that calls us to a holy life; who are in harmony with the doctrines, polity, and practices of the Church of the Nazarene; and who support the local church faithfully in attendance, active service, and with tithes and offerings. Church officers should be fully engaged in "making Christlike disciples in the nations."*

3. Further, we recommend that all local church pastors and paid staff on the Metro New York District be accountable for their personal tithes and offerings to their local church board. This would include an annual review by the treasurer or finance chairperson of the local church of the giving of the pastor and paid staff members. The treasurer or finance chairperson would then give a report to the local church board.

12% GIVING

The General Church Board adopted a change in the budget formula, asking each church to contribute a tithe, 10% of yearly revenue, for the funding of the General Church (World Evangelism Fund) (5.5%), Pensions and Benefits (2.25%), and the regional college (2.25%). District level ministry and operations were not included in this formula so over and above this 10% the local churches would fund their Districts; this could be an additional 4-9% or more, depending on the District budget.

The Finance Committee on the Metro NY District, while encouraged by the movement toward more equality, felt the need to take further steps toward a true tithe from our local churches. It is not our intention to lessen our commitment to the vision and mission of the International Church of the Nazarene, but instead to establish a more equitable system that would allow the funding of the mission of the Church of the Nazarene by a local church to be more fully percentage based. As originally conceived, the 12% Plan allocated 10% to ministry (the World Evangelism Fund, District ministry and operations, and the Educational Fund) and 2% to the Pensions and Benefits program of the denomination. It was our hope that this system will actually increase giving to others now and in the future, and in some measure, this has happened.

In 2009, The District Finance Committee adopted a plan with approval of the District Advisory Board whereby every organized church on the District would contribute 12% of their tithes and offerings for denominational support on a weekly basis. Since that time, due to changes by the General Church in how these funds were allocated, there has been the additional emphasis placed on the receiving of an Easter and Thanksgiving Offering for the World Evangelism Fund so that a local church's contribution to this fund would total 5.5% of the qualified total income of a local church (4% given as part of the 12% Plan and at least an additional 1.5% given through the Easter and Thanksgiving Offerings).

Therefore, we do recommend that denominational giving be based on current church income. We further recommend:

- A. Each church contributes 12% of their income to fund the vision and mission of the Church of the Nazarene (9.75% for ministry and operations and 2.25% for Pensions & Benefits). Excluded from this plan are offerings

and funds that fall outside of the normal denominational support (i.e. Alabaster, Special Projects, 10% specials, “pass-through funds”, etc.).

- B. All 12% Plan Ministry Funds be sent to the District Treasurer weekly, or no less frequently than monthly, or at another interval approved by the District Superintendent. The District Treasurer will disburse funds as follows:
- 1) 4.0% — World Evangelism Fund
 - 2) 4.0% — Metro Missions
 - 3) 1.75% — Education Fund
 - 4) 2.25% — Pensions & Benefit Fund

We emphasize that each local church also receive Easter and Thanksgiving Offerings for World Evangelism, that the goal for these offerings equal or exceed 1.5% of the annual income of the church, so that total given to the World Evangelism Fund is 5.5% or more of the income of the church for the year, which meets the denominational expectation for World Evangelism giving. In order to fully meet the denominational expectation for educational giving it is necessary that each local church also send an offering to Eastern Nazarene College at least equal to 0.5% of its annual income.

- C. All New Start Churches will contribute 10% of their income to the Metro New York District to help establish other New Starts.
- D. Again, we strongly encourage every local church to support the World Evangelism Fund, giving **above the 12% by receiving a Thanksgiving and Easter Offering designated for World Evangelism**. Overall giving to World Evangelism by the local church should equal or exceed 5.5% of total income (4.0% given through the 12% Giving District plan, plus an additional minimum of 1.5% received through the Easter and Thanksgiving Offerings.) Monies raised in these offerings and given to the World Evangelism Fund along with Approved Specials are excluded from the 12% calculation. (Additional specifics on Funding the Mission and exclusions can be found at <<http://fundingthemission.org>>.)
- E. Church income includes monies raised for all purposes for which a donation receipt for a charitable contribution can be given. For examples of income please see, <http://www.nazarene.org/sites/default/files/docs/Stewardship/Definition_of_Income_and_Examples.pdf>
- F. *Each local congregation supports the overall mission of the church as defined by the General Assembly and implemented through the leadership of the Board of General Superintendents in world evangelism, education, ministerial support, and district ministries.* (Manual (2017-21 Edition), Paragraph 32.5) The global church, the district church, the regional educational institution, and the ministers’ pension program are operational through this agreed-upon payment system.
- G. The local churches that do not support the global and district church, the regional educational institution, and the Pensions and Benefits program through these agreed upon means are then, in fact, receiving financial assistance from these entities. Churches that repeatedly receive

assistance in this manner will be considered as meeting the criteria of Manual Paragraph 117 (2017-21 Edition) in regard to receiving “**Regular Financial Assistance**”. Paragraph 117 states, *The pastor of a church that has been organized for fewer than five years, or had fewer than 35 members voting in the previous annual church meeting, or is receiving regular financial assistance from the district, may be appointed or reappointed by the district superintendent, with the consent of the District Advisory Board.*

- H. Churches not fully supporting the mission of the Church of the Nazarene at the requested 12% level plus giving an Easter and Thanksgiving Offering equal to or greater than 1.5% of the annual income of the church (to bring giving to the WORLD EVANGELISM FUND to a total of at least 5.5% of the annual income of the church), and an additional offering to Eastern Nazarene College (EDUCATIONAL FUND) equal to or greater than 0.5% of the annual income of the church (to bring giving to the regional college to a total of at least 2.25% of the annual income of the church) are having a negative impact at all levels of ministry in our church. At the local church level, failure to give the full 12% affects the pension supplement and denominational life insurance of the pastor of that church as indicated in the following table (see http://pbusa.org/resources/reports/funded-benefits-guide_2018.pdf):

2018 ANNUAL PENSION SUPPLEMENT and P&B PROVIDED INSURANCE

Annual Church P&B Fund Contribution	Life Insurance	Disability Insurance	Base APS	Bonus APS	403(b) Match
\$0 of P&B Fund Goal	\$0	\$0	\$0	\$0	\$0
\$1 to 49% of P&B Fund Goal	\$15,000	\$400/month	\$0	\$0	\$0
50% to 99% of P&B Fund Goal	\$15,000	\$400/month	\$200	\$0	\$0
100% of P&B Fund Goal	\$15,000	\$400/month	\$200	10% of P&B Fund Paid	\$0
100% of P&B Fund & Education Fund Goal	\$15,000	\$400/month	\$200	10% of P&B Fund Paid	50% Match of 403(b) Contributions (up to \$250)

The 12% Plan includes support for District Sunday School and Discipleship Ministries, (SDMI), Nazarene Youth International (NYI), and Nazarene Missions International (NMI).

Looking ahead, in supporting the mission of the church through the World Evangelism Fund, the Educational Fund, Pensions and Benefits, and the Metro New York District, it is essential that every organized church participate fully in the 12% Giving Plan, that each new start work contribute 10%, that all churches and new starts receive Easter and Thanksgiving Offerings for world evangelism and give support to our regional college. **Less than full participation by every church and new start could result in an increase in the overall percentage contribution needed to fund the ministry of the church.**

It is expected that all local churches will keep current with their weekly 12% contribution. District minister's licensing, recommendation for ordination, positions on District Boards and committees, the retaining of current staff or hiring of new staff, and approval of mortgage and building requests will be evaluated, in part, on this criteria.

Each church is to remit payments as follows:

<u>Contribution</u>	<u>Sent to:</u>
12%	District Treasurer, C/O Metro NY District Office 201 West Valley Stream Blvd Valley Stream, NY 11580

Easter/Thanksgiving Alabaster Special Projects Etc.	Global Treasury Services Church of the Nazarene P.O. Box 843116 Kansas City, MO 64184-3116
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Eastern Nazarene College (Educational Fund)	Eastern Nazarene College Church Relations 23 East Elm Avenue Quincy, MA 02170
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For additional information and other giving options, see:
< <https://donate.enc.edu/s/1828/17/interior.aspx?sid=1828&gid=2&pgid=566>>

The final day for 2018 12% and 10% Giving contributions to be *in* the Metro District Office is Tuesday, January 21, 2019. As per our auditors guidelines, any contributions received after that date must be allocated to 2020.

RECOMMENDATIONS

We specifically recommend:

1. That every church keep current with all requirements in regard to maintaining property tax exemptions, non-profit incorporation status, exclusions from water and sewer tax/usage payments, certificates of occupancy, annual boiler permits and inspections, property and liability insurance, etc., and to provide documentation on these to the District Office on an annual basis.
2. That all churches operate on a calendar year.
3. That every organized church on the Metro New York District participate fully in the 12% Giving Plan.
4. That every new-start church on the Metro New York District participate fully in giving 10% to the Metro New York District for ongoing new-start work.
5. That every church on the Metro New York District contribute additional offerings to the World Evangelism Fund at Easter and Thanksgiving equal to or greater than 1.5% of the annual income of the church so that its overall giving to the WORLD EVANGELISM FUND equal or exceed 5.5% of all monies raised.
6. That every church on the Metro New York District contribute additional offerings to Eastern Nazarene College (educational fund/education budget) equal to or greater than 0.5% of the annual income of the church so that its overall giving to the EDUCATIONAL FUND equal or exceed 2.25% of all monies raised.
7. That every church on the Metro New York District submit a quarterly report to the District Office indicating total funds raised year-to-date. These reports should be submitted in the first two weeks of April (for the first three months of the year), the first two weeks of July (for the first six months of the year), the first two weeks of October (for the first nine months of the year), and the first two weeks of January of the new year, (for the entire previous year). Reports can be submitted on the District website, by mail, email, or phone.
8. That every church on the Metro New York District develop an annual budget and use this budget as a guideline for all fundraising and ministry and operating expenses. The budget of a church is an indication of its ministry priorities.
9. That every church and individual with a loan outstanding to the Metro New York District act to repay those loans at least at the level suggested to them by the District Finance Committee. Churches or individuals unable to do so must make arrangement with the Finance Committee for a modified repayment schedule. Copies of all loan agreements should be on file in the District Office.
10. That all District Auxiliaries (District NMI, District NYI, District SDMI, Asian American Ministries, Taconic Retreat and Conference Center, The Manhattan Initiative, The Palmer Institute, etc.) submit a quarterly year-to-date financial report to the District Treasurer or chairperson of the District Finance Committee. These reports should be submitted in the first two

weeks of April, July, October, and January. Reports can be submitted by mail or email to the District Office.

11. That all churches operating a day care or school submit an annual financial report to the District Superintendent. This report may be requested more often by the District Superintendent.

MINISTERIAL SUPPORT

We recommend that the following items be considered at the first local church board meeting following District Assembly:

- A. That the local church board, taking into consideration the high cost of living in the Metro New York area, do everything possible to provide ample fulltime support for the pastor, so he might devote his or her full time to pastoral responsibilities; that the pastor's salary be reviewed semiannually, preferably at the April and October Church Board Meetings, with the intention of improving his or her standard of living to a level at least equal to the average parishioner.
- B. That provision for an expense account for the pastor be considered for automobile, travel, and other ministerial expenses associated with carrying out his or her duties. Local churches should stay informed of current Internal Revenue Service guidelines concerning the disbursement of and accounting for these expense accounts.
- C. That a church owned and maintained parsonage with heat and utilities or a rented parsonage with heat and utilities be provided.
- D. That for clergy who own or rent their own home, an appropriate portion of their remuneration be designated as housing allowance.
- E. That each local church enroll their pastor in and make payments for plans, according to Internal Revenue Service guidelines, covering benefits such as Tax Sheltered Annuity (see <<http://pbusa.org/index.php/nazarene-403-b-retirement-savings-plan>>), Group Life Insurance, Hospitalization, Major Medical, Dental, and Disability Insurance. Please see <<http://pbusa.org/>>
- F. That each church pay the pastor's Social Security expense for that portion not covered by any other income. The local church should stay informed of current Internal Revenue Service guidelines concerning the disbursement of and accounting for Social Security expenses.
- G. That the church provide for expense of transportation, lodging and meals in conjunction with the Pastor's attendance at District Assembly, District Preachers' Meeting, PALCON and Regional Pastor's Retreat, etc.; that a minimum of \$50.00 per week be set aside towards the Pastor's General Assembly (2021) expenses.
- H. That any licensed Pastor or other minister in full time service be provided annual vacation with pay as follows: ministers serving in the active ministry of the Church of the Nazarene for one to four years – two weeks vacation; five through ten years of service – three weeks vacation; eleven

through nineteen years of service – four weeks vacation; twenty or more years of service – five weeks vacation.

- I. That local churches give additionally at least one week's salary to the pastor and full time associates at Christmas each year.
- J. That local churches, recognizing the intensity of pastoral duties on the Lord's Day, encourage their pastor to set aside another day during the week for worship and rest.

Remuneration for Evangelists - We recommend that church boards use the following guidelines for payments of full time Evangelists:

- An amount equal to the pastor's weekly salary for each Sunday, week, or partial week of service where weekly salary is defined as the base salary, plus insurance, and Social Security payments.
- Travel expense for the meeting—calculated on the basis of one-way cost from the evangelist's home to the church.

AUTHORIZATIONS

We recommend:

- A. That the District Treasurer, upon receipt of expense reports, pay "Other Expenses", such as food and lodging and other out-of-town expenses, which are incurred by the District Superintendent and District Staff in conducting the affairs of their offices on the Metro New York District.
- B. That the District Treasurer be authorized to pay Assembly expenses for the 2019 year.
- C. That the members of the following district boards receive 50 cents per mile plus tolls for travel to district meeting: Advisory Board, Church Properties, Ministerial Studies, Finance Committee, Court of Appeals, District Center, Home Missions, Ministerial Credentials, and Nominating Committee. A schedule of mileage and tolls is to be submitted to the District Treasurer after each meeting.
- D. That the District Treasurer and the District Secretary be directed to submit for reimbursement all expenses they incur in the conduct of District matters. Where possible receipts should be provided.
- E. That the District Superintendent be given a month's vacation with salary at the time of his own choosing, and that he be allowed additional time, at his discretion, for spiritual renewal, and/or meetings away from the District.
- F. That the District Treasurer be authorized to make payments for unforeseen needs at the direction of the District Advisory Board.
- G. That thanks be expressed to our District Treasurer, **Rosalind Gaffney**, our District Bookkeeper, **Coleen Mendez**, and our Assistant District Bookkeeper, **Everith Palmer**, who are invaluable in the handling of the District Finances. Thanks also to our District Office staff, **Julissa Urrutia**.

Disclaimer

These guidelines are not intended to serve as tax advice. Questions regarding tax issues should be directed to a qualified consultant. Contact the District Office or Global Ministry Center for additional help.