

# Apportionment Interpretation 2010

Revised July 2009

## WORLD SERVICE & CONFERENCE BENEVOLENCES

World Service is “the first benevolent responsibility of the Church” (§812, 2004 *Discipline*). This fund provides the basic financial resources for the core ministries of our denomination. It serves both to provide resources to our local churches and as an extension of local churches in mission on a conference, national and world level.

2009 Apportionment - \$6,787,580	Percent Paid 2008 – 89.5%
Unfunded Missions & Ministries \$ 388,173	
2010 Apportionment - \$6,640,429	

The World Service and Conference Benevolences Fund is the cornerstone for the funding of the connectional system of the United Methodist Church. It represents the needs of the general agencies of the Church and the boards and agencies of the Virginia Conference. The 2004 *Discipline* states in §812 that payment in full of the World Service Fund "...is the first benevolent responsibility of the Church." Receipts are distributed monthly to the General Church and Conference Benevolence recipients on a formula to support their missional responsibilities. For the 2009 year, 48.8 percent will be distributed to World Service and 51.2 percent for Conference Benevolences. The agencies and organizations supported by this apportionment serve both as a resource to local churches and as an extension of local churches in mission on a conference, national, and world level.

Not only does this apportionment provide for the administrative structure of our Church, but the major thrust in mission giving in our Church also begins with the World Service Fund, enabling the United Methodist be in mission and ministry in 167 countries throughout the world. For instance, because of our contributions to World Service, every dollar that we contribute for the support of approximately 1,070 mission personnel goes directly to these people because overhead expenses are funded through World Service. When there is not enough funds available to provide salary support for these missionaries through our advance special giving, World Service funds are used to make up this shortfall.

The total ministries provided through the World Service and Conference Benevolences are impossible to interpret in this limited space. What it is really about is people - people in local congregations all across the Virginia Conference who live, work, and do ministry where they are - and have enough love and resources left over to want to reach out to the world beyond their door. (Read Acts 1:8). The World Service and Conference Benevolence dollar is one of the hardest working dollars in the United Methodist Church.

## EPISCOPAL FUND

Provides for salaries, office budgets, and other operational expenses of the active bishops and the support of retired bishops and spouses. Also provides funds for the maintenance of the Virginia Conference episcopal residence.

2009 Apportionment - \$875,023	Percent Paid 2008 – 92.0 %
Unfunded Mission & Ministry - \$70,181	
2010 Apportionment - \$890,987	

The Episcopal Fund was one of three general apportioned funds which were a part of the financial plan of the Methodist Church from the time of its unification in 1939. It continued as the source of funding for the office of the episcopacy with the unification that created the United Methodist Church in 1968.

The revenue from the Episcopal Fund apportionment:

Pays salaries of bishops

Pays \$10,000 toward the costs for the episcopal residence

Pays moving expenses for bishops

Provides pension and medical insurance coverage for bishops and their spouses and disability coverage for bishops

Covers costs of bishops' professional travel

Pays episcopal office expenses, subject to approval by the General Council on Finance and Administration

All funds collected for the Episcopal Fund are sent by the Conference Treasurer's Office to the General Council on Finance and Administration on a monthly basis and are then distributed back to our Bishop's Office on a regular basis. All active bishops are paid the same salary based on General Conference action each quadrennium. In addition, each bishop is allocated up to \$65,500 in 2009 for office expenses which includes secretarial salary and benefits along with all other office expenses. The Episcopal Fund allocation to each local church for 2010 is on the decimal formula

## EQUITABLE COMPENSATION FUND

Supplements salaries of churches that are unable to meet the minimum compensation level set by the Annual Conference. Also provides salary support for new churches for the first 3 to 5 years.

2009 Apportionment - \$1,040,000                      Percent Paid 2008 – 91.9%  
Unfunded Mission & Ministry - \$72,783  
2010 Apportionment - \$1,144,000

This fund provides for assistance for churches within the Virginia Conference which are unable to meet the minimum compensation scale of the Conference. Full-time ministers are guaranteed a minimum level of compensation dependent upon their ordination status. Also, the local church or charge is required to provide a minimum amount frequently referred to as the "floor" level of compensation. The minimum compensation and floor levels for 2010 are as follows:

	<u>Compensation</u>	<u>Floor</u>
Full Connection (Elders)	\$39,336	\$27,552
Probationers/Associate Members	35,880	25,128
Local Pastors	33,288	23,280

The primary obligation of the Equitable Compensation Commission is to make up the difference between the minimum compensation level and the floor for churches determined to be eligible. The Commission also pays the pro-rata portion of ministers' current pension plan. Some categories of churches eligible for compensation support are:

1. New Churches
2. Inner City Churches
3. Geographically Isolated Church or Charge
4. Mission Church or Charge
5. Larger or Cooperative Parish
6. Innovative Ministry
7. Ethnic Minority Churches
8. A Charge which involves unusual expenses

In 2009, there are 55 charges receiving funds for compensation support throughout the Virginia Conference. Some of these are new churches which are normally given total support for their first year with a schedule to become totally self-supporting within a five-year period. Although your church may not currently benefit directly from this fund, we are part of a connectional system that was there to help many of our churches at their inception or in times of financial difficulty.

## **RETIREE, DISABLED AND WIDOWED FUND CONFERENCE MEDICAL PLAN**

Provides funding for the unfunded portion of the pension plan for ministers' service years prior to the implementation of the Ministerial Pension Plan and Comprehensive Protection Plan on January 1, 1982 in addition to medical benefits for retired and disabled ministers and widows or widowers.

2009 Apportionment - \$13,094,028	Percent Paid 2008 – 93.1%
Unfunded Benefits - \$874,747	
2010 Apportionment - \$14,044,878	

In 1982, the United Methodist denomination changed from a defined benefit plan to a defined contribution plan. Under the defined benefit plan, our currently active ministers will receive pension benefits directly in proportion to the amounts of funds contributed in their name to the General Board of Pensions for their years of service since 1982 (CRSP/CPP). For years served prior to 1982, ministers are guaranteed a defined benefit per year of service with pension credit. However, the amount of the funding provided was not for a specific minister and is now insufficient to provide the payment of retirement benefits for the cumulative years of service prior to 1982. In 2009, each retired minister will be paid \$535 per year of service prior to 1982, with surviving spouses receiving 70 percent of this amount.

In 2010, \$5,276,128 will be included in this apportionment to cover medical and disability benefits for retired and \$575,378 for disabled ministers and spouses. This combines with \$563,106 for pre-82 pension apportionment for a total apportionment of \$6,414,612. In addition to the benefits described above, this apportionment combined with MPP/CPP provides \$95,000 life insurance for active ministers plus a lesser amount for retired ministers based on the years since retirement.

**Conference Health Plan** - Medical benefits for active clergy are provided through the Conference Health Plan component of this apportionment and direct billings to churches for the clergy share of the plan. The projected amount to be raised by this apportionment is \$7,630,266.

## DISTRICT SUPERINTENDENTS FUND

Provides for salaries, pensions, supplemental medical benefits, travel, workers compensation and continuing education for the 18 district superintendents of the Virginia Conference.

2009 Apportionment - \$2,405,914	Percent Paid 2008 – 91.7%
Unfunded Mission & Ministry - \$188,950	
2010 Apportionment - \$2,423,701	

Beginning with 1995 salaries, the process of setting and apportioning the salaries and related expenses of the District Superintendents was changed from the present District-administered process to a Conference CFA-administered process with each DS's salary individually calculated and assigned each year as part of the appointive process, and using the following formula: The starting annual salary for each newly appointed DS shall not exceed 95% of the Bishop's annual salary or be less than twice the minimum conference annual salary for an Elder and will be set at an amount equal to that person's most recent annual salary plus a fixed dollar amount to be fixed by the Conference CFA not to exceed \$4,000. Such increase shall conform with the upper and lower salary limits above. Each fiscal year the annual salaries of the DSs will be adjusted by a percentage or an amount to be set by the Conference, upon recommendation by the CFA, but not to exceed in aggregate the latest five-year average percentage change in the Conference Average Salary, and that the total annual salary is not to exceed 95% of the Bishop's annual salary. CFA will also administer the following salary related expenses: pensions, supplemental benefits, travel by voucher, continuing education, and worker's compensation. The total cost of these salaries and salary-related expenses will be apportioned to the Districts by the CFA using the current decimal system. All of the other DS-related costs such as housing, District office, and District staff shall be paid at the District level.

## CONFERENCE SERVICES FUND

Funds the variety of services provided for the local churches through such functions as the Conference Treasurer's Office, the Annual Conference Session, conference publications, computer services, and mortgage on new conference center and telephone services.

2009 Apportionment - \$2,006,731                      Percent Paid 2008 – 84.8%  
Unfunded Missions & Ministries - \$251,786  
2010 Apportionment - \$2,354,591

Paragraph 613.3c of the 2004 *Discipline* states that allocation and expenditures for conference agencies and officers whose work is primarily administrative may not be included in the Conference Benevolence apportionment. . Some of the major items funded through this fund are:

Conference Treasurer's Office (\$450,000) - Includes the processing and distribution of approximately \$24 million received from local churches for apportionments and second-mile giving,, collection, verification, and computer entry of membership and financial statistics from 1,196 local churches, insurance administration for the Conference, and serving as resource for local churches in the areas of finance, stewardship, administration, and insurance.

Annual Conference Session (\$219,300) - Provides funding for rent of meeting facilities, printing of *Book of Reports* and other program materials, audio recordings, honoraria and travel for speakers and approximately \$40,000 per diem expenses for retired pastors.

Bishop's Assistant(\$216,000) – Provides the cost the expenses of the office of the Bishop's assistant including salary, benefits, travel, secretarial support, and office expenses.

Conference-Provided Publications (\$20,000) - Provides two *Journals*, a *Ministerial Directory*, and a subscription to the *Advocate* for every charge.

Computer Services (\$60,000) Provides support for Conference computer services including maintenance and purchase of hardware and software for information technology and website.

Wesley Foundation Maintenance (\$50,000) – Provides for major repair and renovation for Conference-owned Wesley Foundation properties.

Pastor's Liability/D&O Insurance (\$32,000) - Provides counseling and malpractice insurance coverage for all local church ministers and Directors and Officers coverage for Conference boards and agencies.

800 Telephone Number (\$18,000) - Pays for the 1-800-768-6040 number coming into the United Methodist Center.

Mortgage – VA. United Methodist Center (\$265,000) – Mortgage payment on the unpaid balance of approximately \$2,900,000 on the Virginia United Methodist Center.

Lake Junaluska Dam Restoration (33,333) – Re-pay loans for the dam restoration at Lake Junaluska.

Additional funding is provided for meeting and administrative expenses for such groups as Conference Trustees, CFA, VUMAC, and the Conference Historical Society and maintaining and updating Conference-owned vehicles.

## EDUCATIONAL FUND

Provides support to five Virginia Conference church-related colleges and universities and one preparatory school. The major portion of the funds is used for scholarship assistance for United Methodist students attending these schools.

2009 Apportionment - \$1,650,000	Percent Paid 2008 – 83.7%
Unfunded Missions & Ministries - \$269,053	
2010 Apportionment - \$1,072,500	

The Educational Fund is an apportionment fund that is used entirely within the Virginia Conference. The funds are used specifically to support the five United Methodist-related colleges and universities as well as one high school. These institutions are:

- Ferrum College - Ferrum
- Randolph-Macon College - Ashland
- Randolph College - Lynchburg
- Shenandoah University - Winchester
- Virginia Wesleyan College - Norfolk-Virginia Beach
- Randolph-Macon Academy - Front Royal

All the institutions must use at least sixty percent of their share of these funds for scholarships. The remainder of the funds must be used to provide academic enhancements for the students. Within their student financial aid, each of these institutions have United Methodist scholarships and loans available. The apportionment of \$1,650,000 will be distributed to the institutions on a pro-rata basis upon which they have agreed.

## CHURCH EXTENSION & DEVELOPMENT FUND

65% goes to the Conference Board of Global Ministries for conference-wide grants and loans to new and existing churches; 25% of what a district raises of CEF will be returned to the districts; and, 10% to the Commission on Ethnic Local Church Concerns and the Grants Committee of the Conference Council on Ministries.

2009 Apportionment - \$1,250,000	Percent Paid 2008 – 83.9%
Unfunded Missions & Ministries - \$201,392	
2010 Apportionment - \$812,500	

The effort to raise funds for new churches and church expansion has a long history in the Virginia Conference. In the mid-1950's the churches of the Conference began paying a Church Extension Tithe. This provided the primary Conference-level funding for church extension for over twenty years. The Annual Conference Session of 1981 approved an apportionment of \$450,000 for Church Extension and the Ministry in the Black Community and approved a name change from the Church Budget Tithe for Church Extension to the current title of Church Extension and Development Fund. The apportionment was raised to \$600,000 in 1982. Also, beginning in 1982 a New Church Development Sunday offering was received in April of each year with a goal of \$400,000. This offering continued through 1987 before it was discontinued at the onset of the Revealing Christ Campaign. In 1987, the combination of the Church Extension and Development Fund and the New Church Development Sunday raised a total of \$816,514. From 1988 to 1991, approximately \$12M was raised for a variety of church extension programs through the Revealing Christ Campaign. These funds have been used or are now committed to more than forty congregations to establish new congregations, help finance mergers and relocations, purchase land for future sites, and to assist with major building programs for growing churches.

Today the Church Extension and Development Fund is the primary source of funding at the Conference level for Church extension. For 2009 the apportionment is \$1,250,000. These receipts are divided as follows:

75% of receipts to be administered by the Board of Global Ministries for conference-wide grants and loans to new and existing churches.

25% of receipts received from district to be returned to that district for mission and church extension work on the district.

10% of receipts to the Grants Committee of the Common Table.

## MINISTERIAL EDUCATION FUND

Helps recruit and train effective United Methodist ministers. Three-fourths goes to support our thirteen United Methodist theological schools and seminaries. The other one-fourth provides financial assistance for Virginia Conference students enrolled in seminaries and to assist active ministers with the costs of continuing education.

2009 Apportionment - \$1,114,167                      Percent Paid 2008 – 83.9%  
Unfunded Mission & Ministry - \$175,966  
2010 Apportionment - \$1,108,882

The purpose of the Ministerial Education Fund is to enable the United Methodist Church to unify and expand its program of financial support for the recruitment and education of ordained ministers. It also specifically equips the Virginia Annual Conference to meet increased needs for persons in the professional ministry.

The apportionment for our Conference for 2010 is \$1,108,882. The Virginia Conference retains twenty-five percent of all funds received for use as scholarships and loans to ministerial students. Over 150 persons in the Virginia Conference will receive grants for seminary study and continuing education in 2010.

The seventy-five percent that goes to the General Church is used primarily to support the following thirteen United Methodist theological schools and seminaries:

Boston University School of Theology  
Candler School of Theology, Emory University, Atlanta  
Drew University Theological School, Madison, NJ  
Duke University Divinity School, Durham  
Gammon Theological Seminary, Atlanta  
Garrett Evangelical Theological Seminary, Evanston, Illinois  
Iliff School of Theology, Denver  
Methodist Theological School in Delaware, Ohio  
Perkins School of Theology, Southern Methodist University, Dallas  
St. Paul School of Theology, Kansas City  
Claremont School of Theology, Claremont, California  
United Theological Seminary, Dayton, Ohio  
Wesley Theological Seminary, Washington, DC

The Ministerial Education Fund is essential to assure the tradition of well-educated clergy for The United Methodist Church. To give evidence of this commitment to pastoral leadership, the Virginia Conference must seek to pay its Ministerial Education Fund asking in full.

## GENERAL CONNECTIONAL FUND

Finances administrative functions of the denomination's general and jurisdictional levels, including the cost of General Conference, the Southeastern Jurisdictional Conference and programs, and financing church agencies which are mainly administrative in function.

2009 Apportionment - \$609,434

Percent Paid 2008 – 84.2%

Unfunded Mission & Ministry - \$85,171

2010 Apportionment - \$601,458

This fund is the combination of two apportioned items - the General Administration Fund from the General Church and the SEJ Mission & Ministry Fund from the Southeastern Jurisdiction. Both of these funds finance church activities that are administrative in nature plus the program ministries of the Jurisdiction.

The *General Administration Fund* was established as a part of the original financial plan of the Methodist Church at its unification in 1939. It was continued in the United Methodist Church as the source of funding for the session of the General Conference every four years, the Judicial Council, and other general church agencies deemed to be administrative in nature.

Approximately twenty-four percent of this fund for 2008 is budgeted for the 2008 General Conference. This is to cover the cost of transportation of the official delegates, a per diem for food and lodging, the rental of meeting facilities, equipment and services, and the printing of the *Daily Christian Advocate*. Other major recipients of this fund are the General Council on Finance and Administration (61 percent), General Commission on Archives and History (13 percent), and Judicial Council and Contingencies (3 percent). The 2010 Virginia Conference apportionment for the General Administrative Fund is \$350,976.

The *Southeastern Jurisdictional Mission & Ministry Fund* provides administrative costs for Jurisdictional Council offices, program support for the Jurisdiction, and the costs of the SEJ Jurisdictional Conference each quadrennium. This fund provides per diem plus travel costs for almost 600 delegates to the four-day Jurisdictional Conference. One of the major responsibilities of these delegates is the election of bishops. But, the overwhelming majority of these funds are used in support of the SEJ Administrative Council and the programs it supports such as Hinton Rural Life Center, Gulfside Assembly, SEMAR, UMVIM and the Lay Ministry Training Center. The 2010 Conference apportionment for this fund is \$250,482.

## INTERDENOMINATIONAL COOPERATION FUND

Supports General Church ecumenical ministries. This is United Methodism in mission with other Christian denominations, witnessing to Christian unity.

2009 Apportionment - \$86,833

Percent Paid 2008 – 85.3%

Unfunded Missions & Ministries - \$12,712

2010 Apportionment - \$86,303

The ICF provides basic support for the ecumenical agencies through which the United Methodist Church participates in God's mission in other Christian communions. Following are some of the major ministries funded through ICF:

World Council of Churches - Founded in 1948, the WCC is an exclusive expression of Christian unity - a world fellowship encompassing approximately 350 Christian groups representing 400M Christians in more than 120 countries. The United Methodist Church's forerunner denominations - Methodist and EUB - were charter members.

National Council of Churches of Christ in the USA - The NCCC is the preeminent expression of the movement of Christian unity in the United States. Formed in 1950, the NCCC includes 36 Protestant and Orthodox member communions with nearly 45M members. The NCCC serves as broker for such ministries as disaster relief and recovery, refugee assistance, mission education, and people in poverty.

Churches Uniting in Christ - Nine denominations are joined together in consultation to seek ways toward greater visible unity among themselves. These nine member denominations are:

African Methodist Episcopal Church  
African Methodist Episcopal Zion Church  
Christian Church (Disciples of Christ)  
Christian Methodist Episcopal Church  
The Episcopal Church  
International Council of Community Churches  
Presbyterian Church (USA)  
United Church of Christ  
The United Methodist Church

## BLACK COLLEGE FUND

Supplements the operational expense and capital improvement needs of ten predominantly black colleges and a medical school. This is the largest group of black colleges related to any Protestant denomination.

2009 Apportionment - \$444,485	Percent Paid 2008 – 84.5%
Unfunded Mission & Ministry - \$67,489	
2010 Apportionment - \$442,376	

Immediately following the Civil War, the Methodist Church was the first to recognize its moral responsibility to provide educational opportunities for gifted young newly-freed blacks. Schools and colleges supported by the church were developed throughout the southern part of the United States, mostly by the Methodist Freedmen's Aid Society.

Today, eleven of these schools remain and are supported by the United Methodist Church through the Black College Fund. These colleges are:

Bennett College	Greensboro, North Carolina
Bethune-Cookman College	Daytona Beach, Florida
Clafin College	Orangeburg, South Carolina
Clark Atlanta University	Atlanta, Georgia
Dillard University	New Orleans, Louisiana
Huston-Tillotson University	Austin, Texas
Meharry Medical College	Nashville, Tennessee
Paine College	Augusta, Georgia
Philander Smith College	Little Rock, Arkansas
Rust College	Holly Springs, Mississippi
Wiley College	Marshall, Texas

The Black College Fund was established in 1972 by the General Conference as an apportioned benevolence fund. The chief result of this 1972 action was the removal of these colleges from the occasional support system of a special appeal and offering, instead, regular and consistent support by apportionments. Five-sixths of funds raised are for current operations and the remaining one-sixth is designated for capital expenditures such as new buildings and major remodeling.

## AFRICA UNIVERSITY FUND

Assists the development of a United Methodist university which provides opportunities for students throughout Africa. The university is located in Zimbabwe and includes schools of theology, agriculture and education.

2009 Apportionment - \$99,479

Percent Paid 2008 – 88.3%

Unfunded Missions & Ministries - \$11,239

2010 Apportionment - \$99,007

The 1988 General Conference recognized the need for a university in Africa and committed \$20 to be raised in the 1989-1992 quadrennium - \$10M through apportionments and \$10M through World Service Special Gifts. The need for the university was obvious - by the year 2000, one-fifth of the world's population will live in Africa. The growth of the United Methodist Church on the African continent is equally dramatic. The phenomenal growth of Christians in Africa is illustrated by the following numerical estimates:

1950's	21 million
1960's	48 million
1986	230 million
2000	393 million

The Africa University is the United Methodist Church's response to this enormous growth and to the educational needs of the continent. A site for building the university was selected at Old Mutare in Zimbabwe, one of the most stable countries in Africa. On March 23, 1992, the College of Theology and the College of Agriculture and National Resources opened for 40 students from six African countries. A College of Management and Administration and a College of Education opened in 1996. The most recent discipline added is the College of Humanities and Social Studies. The student body has now reached almost 1300 which provides an economically sustainable enrollment base.

A university in Africa is exciting to Africans who want to study in Africa where the curriculum and instruction will emphasize African culture, perspectives, and concerns. Most Africans travel to Europe, Latin America, or the United States for college or university education. The cost and inconvenience are great. For example, to educate an African student in the United States costs approximately three times what it would cost to educate that same student in Africa. The Africa University provides the United Methodist Church with an unprecedented opportunity to be in ministry to millions of people on the African continent seeking to know more about Christ.