

General Funds Budget 2005-2008

Brent Smith and Frank Soo Hoo

When delegates go to General Conference, a common understanding is that they are voting the apportionments for the next quadrennium. Somehow that needs to equate to an understanding that approving budgets means a promise to support those same budgets through local church offering plates. Delegates are committing every local church of the denomination to see that the funds are fully raised. Without that faithfulness, approving a budget is simply an empty exercise.

The General Council on Finance and Administration (GCFA) is only responsible to recommend to the 2004 General Conference a budget for the years 2005-2008. The delegates bring the financial plan to life. The proposed budget anticipates the needs of the seven general funds of the Church. Included are:

1. **The Episcopal Fund** – which provides the basic support for our Bishops in the United States and around the world.
2. **The World Service Fund** – support for the program ministries of the denomination.
3. **The Interdenominational Cooperation Fund** – which provides for United Methodist participation in ecumenical programming.
4. **The Africa University Fund** – provides for direct support of Africa University.
5. **The Ministerial Education Fund** – which provides for support of our United Methodist Seminaries and for annual conferences' programs of ministerial education and recruitment.
6. **The Black College Fund** – provides financial support for the thirteen historical black colleges.
7. **General Administration** – provides support for the holding of General Conference, for Archives and History, the Judicial Council, and the General Council on Finance and Administration.

The total of all the general funds budgets recommended for the 2005-2008 quadrennium is \$585,668,000. If the recommendation is adopted as it is proposed, it will reflect a 7.3% increase over the \$545,691,000 of the 2001-2004 quadrennium. General Conference actions that add to the budget will increase the total.



While this appears to be a significant increase, it comes at a time when the loss of investment earnings has caused major cutbacks in our missional outreach and the same fixed expenses that are driving local church and annual conference budgets are affecting our boards, agencies and our episcopal leaders. In response to the loss of investment earnings and lower receipt levels the general agencies are working “smarter.” This has generated additional administrative efficiencies in order to maximize the dollars available for core ministries. When the increase is adjusted to reflect the use of investment gains and

reserves in the current quadrennium, the percentage increase is 3.2%.

This increase reflects a continuing shift in where the local church dollar is spent. In 1989 5.7 cents of every local church dollar supported denominational ministries. Even with this increase, the share of total local church expenditures that goes to general church apportionments is projected to decline to about 3.75 cents of each local church dollar next quadrennium.

The continuing decline in support of general Church ministries may reflect a decreased sense of value or understanding of the connectional system. Perhaps our members value the mission and ministry provided by their local churches more. Or it may reflect the inability of our aging, shrinking membership to continue to support the entire existing infrastructure of The United Methodist Church. This erosion of the General Church portion of the local church dollar is a grave concern.

The two funds reflecting the largest percentage increases are The Episcopal Fund (27.5%) and the General Administration Fund (14.7%).

The Episcopal Fund provides the financial support of our 51 jurisdictional bishops eligible for election under the 2000 Discipline, as well as 18 central conference bishops. In addition, there are currently 75 retired bishops that receive support from this

fund, with 19 more bishops scheduled to retire in 2004. The increases in the number of bishops and dependents receiving support from this fund were a major factor in the 27.5% increase for the 2005-2008 quadrennium to \$83,371,000.

The General Administration budget proposed increase for the next quadrennium of 14.7% increases it to \$28,458,000. This includes continued increases in the costs of holding our General Conference.

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General Conference delegates will face several financial challenges:

1. Prioritization of the many opportunities they will have to vote funding for new and emerging ministries.
2. Evaluating existing ministries.
3. Voting a bottom line dollar figure.

At home back in their local church and annual conference:

4. Interpreting the importance of connectional giving.
5. Interpreting the opportunities for mission and ministries.

It has been said that one reflection of our values is our checkbook. This includes the expression of our values at our denominational level. Our denomination's budget is our "Financial Mission Statement." What we value in mission and ministry we must be willing to support with our tithes and gifts. □



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