

Annotations on the Proposed 2018 Diocese of Georgia Budget

Resources

Pledges (\$1,570,000) – Total pledges budgeted for 2017 were \$1.52 million and the 2018 budget is based on the tithes requested as adjusted by Diocesan Council annually for appeals from those below the 10% standard.

Endowment Income (\$80,000) – Of the \$8 million in assets the Board of the Corporation manages, about \$2 million of those assets produce income for use in the annual budget. The range for income draw is in the 4% range to accommodate lower fixed income returns and ensure continued recovery in the value of equities.

Interest Income (\$10,000) – This is the expected interest on the Money Market account and the Short Term Asset account for Campaign proceeds. This hasn't been drawn in several years to ensure the rate of return in the event the income isn't needed for operations

Designated Gifts (\$15,000) – Every year we receive special gifts that are designated for the current year's mission and ministry.

Program Registration Fees (\$28,000) – This amount includes registrations for diocesan convention, and Diocese managed events such as clergy conference, youth events such as Happening, and program revenue from other Diocese activities are reflected directly in the Honey Creek budget. This figure can be higher or lower based on attendance.

Mission Outside the Diocese

The Episcopal Church (TEC) (\$200,000) – This amount is increased from last year's budget line item to continue towards the 16% request in 2018. This remains well below our asking (which at the rate of 16% will be approximately \$260,000 in 2018). We regret that our inability to fully fund The Episcopal Church's asking negatively impacts domestic and foreign mission work.

Province IV of TEC (\$5,000) - This goes to support provincial mission, primarily in the area of youth work, college chaplaincies, and others mission activity. We've increased to meet the request of the Province tithe request.

Sewanee (\$6,000) – As an “owning” diocese of the University of the South, we have an obligation to contribute to its support.

Companion Diocese of the Dominican Republic (\$8,000) – The percentage of the DR’s funding from TEC continues to decline. Our diocesan support helps mitigate the decline in giving from that and others declining sources.

Mission Inside the Diocese

Congregation Mission Development: (\$45,000) –This amount is a small supplement to the mission development at new parishes and represents matching fund grants to congregations, to fund curacies in the Diocese for seminarians raised up by the Diocese. This item continues to decrease sharply due to shifts in the budget and addition of budget line items.

Campus Ministries (\$50,000) – This represents the diocesan commitment to all of our campus ministries at Georgia Southern, Valdosta State and the colleges and universities in Savannah.

Program Scholarships (\$8,000) this figure supports the need for scholarship support to youth programs, which as they expand participation face greater need for scholarship assistance.

Program Costs (\$101,750) – These line items include the costs for youth programs, clergy conferences, the Congregational Development Institute, Conflict Management Training, and other program supplies and costs.

Episcopal Ministries

Staff Salaries (\$570,700) – This line item includes, in addition to diocesan staff, the administrative staff of Honey Creek. The amount allows for modest staff compensation increases. Increase includes any new hires for the coming fiscal year.

Staff Pensions (\$98,591) – 18% for clergy and 10% for lay employees as required by the Church Pension Group.

Staff Health Insurance (\$116,880) – This represents increase due to new hires and premium increases.

Social Security (\$50,911) – 7.65% employer’s portion for lay staff members and a 7.65% supplement for clergy so their compensation is balanced for tax purposes.

Travel, Meals & Hospitality (\$51,000) – While the majority of this line item is for the Bishop’s travel, it also covers travel expenses for the Canons as they exercise their ministry in the diocese. This includes money for the Bishop and Canons to use when hosting other people.

Conference Registration (\$5,000) – Continuing education and conference costs for diocesan staff as well as their participation in meetings with other Canons in Province IV and across The Episcopal Church.

Convocational Deans (\$16,800) – Cost for reimbursement of all expenses related to the six dean's and archdeacon's ministry in their respective convocations.

Honey Creek Debt Reduction (\$0) – Due to budget constraints, the Diocese will continue to build a debt reduction reserve in 2019.

Diocesan Administration

Diocesan Office Expenses (\$77,000) – Costs for rent, building maintenance, internet and telecomm, information systems, supplies and equipment. As with all costs, increases due to higher fees and administrative costs.

Insurance: Retiree and Group Life (\$16,500) – This line item goes to pay for some retired clergy's and lay employee health insurance and the staff group life benefit.

Insurance: Commercial and Auto (\$21,500) - Includes Worker Compensation, liability, property, and auto insurance for the diocesan car. The premiums consider to increase annually.

General Convention Travel (\$10,000) – Costs for reimbursing travel & lodging expenses for our Bishop and our 8 deputies. This is on a three-year cycle so this amount represents one-third of the total expected costs.

Lambeth Travel (\$500) – Lambeth is a meeting of all the bishops in the Anglican Communion once every ten years. This line item then represents one-tenth of the expected cost for our Bishop to attend the next conference in 2018.

Episcopal Transition (\$5,000) – This annual set aside is transferred into a designated fund so when we elect a new bishop we will have the funds needed for the transition.

Clergy Candidate Testing and Screening (\$5,000) – This line item contains elements of canonical responsibility in support of mission (\$2,500 to background checks for lay and clergy and \$2,500 to other Commission on Ministry work)

Diocesan Convention (\$30,000) – These expenses are mostly offset by income shown on the revenue side of the budget.

Audit (\$16,000) – The audit includes Honey Creek (to which \$2,000 additional cost is allocated) together with all other diocesan operations. Includes the audit for the Board of the Corporation Endowment Funds.

Chancellor Administration & Travel (\$1,000) – This covers the administrative and travel expenses of our chancellors.

Chancellor Legal Contingency and Other Legal Costs (\$5,000) – While most of the work of our chancellors is pro bono, there are occasions when we need to seek some limited outside legal counsel. This line item covers that contingency.

Campaign for Mission operating (\$0) – The Campaign for Congregational Development has come to an end.

Moving Fees (\$14,000) – The Diocese is considering moving its headquarters. This is an estimation of expected moving fees.

Maintenance Reserve (\$3,000) – The Diocese is beginning to establish a maintenance reserve to address future building costs and repairs. This is a small start to establishing a true reserve and will need to continue to grow across budget years.

Bond Interest (\$59,840) – This is the annual bond interest cost for the \$1,245,000 of Honey Creek Bonds. This amount is a portion of the total funds committed from Diocesan revenue to Honey Creek operations. The amount is slightly reduced due to the forgiveness of a few select bond holders.