

Like a
Well-Watered
Garden
Isa. 58:11

Annual Conference 2021
Conference Workbook
June 17, 2021



North Carolina Conference
The United Methodist Church

nccumc.org | 700 Waterfield Ridge Place | Garner, NC 27529

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“The Lord will guide you continually,
and satisfy your needs in parched places,
and make your bones strong;
and you shall be like a watered garden,
like a spring of water,
whose waters never fail.”

– Isaiah 58:11

Welcome

Dear United Methodist friends in Christ,

Welcome to the 2021 Session of the North Carolina Annual Conference.

The early Methodists claimed the beautiful Biblical invitation to love God with all our hearts, minds, souls and strength and to love our neighbor as ourselves. Therefore we gather virtually, in order to protect our neighbors and to hasten the end of the pandemic. Thank you for your patience and perseverance and strong hope in this season of our life together.

Our scriptural focus is Isaiah 58, a text that speaks across time into this moment. We continue to journey through this parched time toward the living waters Christ offers. We rejoice in the beautiful promise that God will guide us and strengthen us to fulfill the ministry to which we are called. Christ's ministry, as Isaiah 58 powerfully reminds us verse by verse, is a ministry of proclamation, witness, justice, compassion, healing and restoration.

Thank you for your partnership in Christ's ministry in eastern North Carolina and out into the wider world. As I approach the end of this season as episcopal leader here, I am overcome with gratitude for all our life together and the journey that continues before us as United Methodist people.

With gratitude to God for the ties that bind us in Christ,

Hope Morgan Ward
Bishop, NC Conference

James L. Bryan
Conference Secretary

Special Standing Rules of Order for Annual Conference 2021

I. Rules of Order and Procedure

A. Applicability of these Conference Rules

1. These special standing rules for the North Carolina Annual Conference of The United Methodist Church shall apply to the 2021 annual conference events as scheduled by the bishop.
2. The terms "North Carolina Annual Conference," "Annual Conference," or "Conference" [note the capital letters] refer to The North Carolina Annual Conference of The United Methodist Church. These terms refer to an organization. The term "annual conference" [in lower-case letters] refers to the yearly assembly, usually occupying several days in June, at which the North Carolina Annual Conference gathers to worship God and conduct business. The term *session* refers to one assembly of the North Carolina Annual Conference occurring on any part of one of those days or for a special or called session.
3. These special standing rules shall become effective immediately upon majority approval by the annual conference members by a manner determined by the conference secretary.
4. The Agenda of the Annual Conference shall be one that is published in the Conference Workbook, and which will be online at the annual conference website, and that may be changed from time to time, as needed by the presiding officer.
5. The bar of annual conference shall be those members of the annual conference (as defined by the *Book of Discipline*) who are present and voting by electronic means.
6. The Official Record of the Attendees of the Annual Conference shall be the Registrations recorded by the Conference Registrar via the online meeting platform.
7. The annual conference session may begin with a worship service before the Call to Order.
8. The current edition of *Robert's Rules of Order, Newly Revised* shall apply to any situation not covered by these rules.

B. Internet Meeting

1. The business of the Annual Conference shall be conducted through use of an Internet meeting service designated by the Conference Secretary.
2. The Conference Secretary shall send by e-mail to every member of the annual conference the dates and times of the meeting and the URL and codes necessary to connect to the designated Internet meeting service.

3. The Internet meeting service shall:
 - a) support electronic voting by those members eligible to vote on the question before the body,
 - b) support visible displays identifying the chair and the speaker,
 - c) provide for all members to be able to hear a person who has the floor,
 - d) provide a method for the member to seek recognition by the chair,
 - e) provide a method for the member to submit motions in writing,
 - f) show or permit the retrieval of the text of reports, and pending motions, and pending resolutions,
 - g) show the results of votes.
 4. When attending the annual conference session, members shall:
 - a) maintain Internet access throughout the meeting whenever present, but shall sign out upon any departure before adjournment,
 - b) be responsible for his or her Internet connection, speakers, and microphone (no action shall be invalidated on the grounds that the loss of, or poor quality of, a member's individual connection or computer hardware or software prevented participation in the meeting),
 - c) use a desktop or laptop computer for the 2021 annual conference (tablets, phones, and call-in by telephone are not supported).
 5. Lay members who must be absent shall inform their pastor who must then inform the Conference Secretary no later than June 1, 2021.
 6. The chair may direct the muting of a member's connection if it is causing undue interference with the meeting. The chair's decision to do so, which is subject to an undebatable appeal that can be made by any member, shall be announced during the meeting and recorded in the minutes.
 7. Members shall request the floor by typing their reason for rising for recognition into the designated text box in the Internet meeting platform and clicking the submit button.
 8. Upon recognition by the chair, the member shall clearly speak his/her name, clergy/laity, church/charge, and district before proceeding with debate or other speech.
 9. A call for the previous question must be stated in the form of a motion and follow the procedure outlined above.
 10. The conference secretary shall make available a conference workbook on the Internet.
- C. Speeches and Reports
1. Speeches from the floor shall be limited to three (3) minutes.
 2. A member may speak only once on any motion until all who desire to speak have done

so, and then he/she may speak only one additional time.

3. The chairperson of an agency, or someone designated by him/her, shall be allowed to speak last on his/her report even though the previous questions have been ordered.
 4. Presentations and reports shall be limited to ten (10) minutes. This rule does not apply to sermons, orders of the day, or standing committee reports as listed in the Agenda.
 5. Required reports requested by the conference secretary coming from boards, agencies and committees shall be sent to the conference secretary, in a format acceptable to the conference secretary, on or before the deadline set by the secretary.
 6. Early in each annual conference, the Council on Finance and Administration shall present a proposed budget for consideration and debate, but not action. After consideration and debate, the proposed budget will lie on the table until the final report of the Council on Finance and Administration. Any motion to change the proposed budget may be considered, debated, and voted on, and if affirmed, will be referred to the Council on Finance and Administration. In its final report the Council on Finance and Administration will indicate their concurrence or nonconcurrence with any such motion before final passage of the budget.
- D. Voting
1. A vote conducted through the designated Internet meeting service shall be deemed a valid vote.
 2. There shall be no absentee voting, proxy voting, or voting by mail.

II. Districts

- A. Number of Districts—the number of districts shall be eight (8). A motion to change the number of districts must be presented in writing, and must be considered no sooner than the day following its introduction. Any change in the number of districts shall be approved at one annual conference, and will not take effect for at least one year.
- B. The Annual Conference shall elect the District Lay Leaders for a four-year term at the first annual conference after the General Conference of The United Methodist Church upon nomination by each District Superintendent and the Annual Conference Lay Leader. After election, if a District Lay Leader position becomes vacant, it shall be filled by the same procedure, with the nominee serving as District Lay Leader until a District Lay Leader is elected at the next annual conference to complete the four-year term.

III. Conference Structure

- A. The membership of the Annual Conference is to be as outlined in the complete Lay/Clergy Equalization Plan presented for adoption at the 2012 Annual Conference. A complete report is in the 2012 Journal. The Conference Rules Committee will submit a Lay Equalization Plan for consideration at the 2021 annual conference and, if adopted, to be adopted ahead of the 2022 annual conference.

B. Tenure for membership for all persons on boards, agencies, commissions, committees, and ministry groups shall be four years with possibility of reelection for a second four-year term, except for the Board of Ordained Ministry on which (in accordance with the Book of Discipline) members can serve for three consecutive four-year terms.

C. Committees and Boards

1. The Annual Conference Board of Trustees shall meet at least twice a year at times and places designated by the board. The annual meeting shall be held either at the annual conference or within thirty (30) days prior thereto.
2. There shall be a Program and Planning Committee for the annual conference consisting of the Bishop; Assistant to the Bishop; the Conference Secretary; Conference Treasurer; the host District Superintendent; the Annual Conference Lay Leader; the Annual Conference Presidents of The United Methodist Men, United Methodist Women, the United Methodist Youth Fellowship; the Executive Director of Connectional Ministries, and other persons selected by the Bishop. The committee shall determine the compensation and expense for invited speakers, who shall be paid from the annual conference expense fund. The committee will receive invitations and may also make recommendations for the site of the annual conference.
3. On a rotating basis the Cabinet will designate a district each year as the host district for the annual conference. The host district will be responsible for ushers, flowers, and other similar items of hospitality related to the annual conference.
4. There shall be a Committee on Appeals appointed quadrennially by the Bishop, composed of five members, whose duties shall be to hear appeals from the decisions of the several District Boards of Church Location and Building, or any other questions that may properly come before it.
5. There shall be a Committee on Annual Conference Rules, which shall provide to the Annual Conference a document of standing rules and structure that the Annual Conference from time to time may adopt. This document shall be presented at the opening of the first session of each annual conference.
6. There shall be a Committee on Resolutions and Reference, which shall perform the duties assigned to it.
7. There shall be a North Carolina Annual Conference Board of Institutions, Inc. which shall have the responsibility, upon consultation with Methodist Home for Children, Inc.; United Methodist Retirement Homes, Inc., Cypress Glen Retirement Community, North Carolina United Methodist Camp and Retreat Ministries, Inc.; Louisburg College, Inc.; Methodist University, Inc.; North Carolina Wesleyan College, Inc.; United Methodist Foundation, Inc., and any other related corporations which may be formed in the future, as appropriate, for nominating and electing forty (40) percent of all voting members of each of the boards of trustees of the affiliated institutions with the exception of the Methodist Retirement Homes, Inc. The North Carolina Annual Conference shall elect the trustees of the North Carolina Annual Conference Board of

Institutions, Inc. in staggered four-year terms. (See 1992 Journal, page 320). No person may serve on more than one board of trustees of the institutions for which the Annual Conference elects trustees.

8. There shall be a Structure Review Team which will annually evaluate the conference structure for effectiveness and faithfulness to the vision and mission of the Annual Conference, working in concert with the Connectional Table to propose changes in structure as needed. Ten persons, one from each Team of Ministry plus the Bishop, Executive Director of Conference Connectional Ministries, the Conference Treasurer, and the Conference Lay Leader, plus two at-large members, will be elected by the conference.
9. North Carolina Annual Conference Connectional Table
 - a) Responsibilities of The Conference Connectional Table:
 - (1) to provide a forum for the understanding, casting forth, and implementing of the vision of the conference;
 - (2) to coordinate the mission, ministries, and resources of the Annual Conference;
 - (3) to link the Teams of Ministry (Leadership Development, Racial Equity & Justice Ministries Team, Christian Formation Team, Outreach Ministry Team, and Operations & Administrative Resources Team) and the agency to which they report;
 - (4) to provide for joint planning and the setting of priorities;
 - (5) to report to, and be amenable to the Annual Conference;
 - (6) to discern and articulate the vision of the conference;
 - (7) to provide stewardship of the mission, ministry, and resources of the conference and provide fiscal responsibility and establish policies and procedures to carry out the mission;
 - (8) to collaborate with the Council on Finance and Administration by:
 - (a) communicating the vision and priorities of the conference in preparation of budgets for apportioned funds that come before the Annual Conference Session;
 - (b) setting allocations of budget requests within totals as recommended by the Council on Finance and Administration to the Annual Conference Session;
 - (c) working with the Council on Finance and Administration to achieve consensus concerning total funds allocated to program agencies;
 - (d) enabling the flow of communication among the boards and agencies, districts and local churches through the Teams of Ministry. To help with the flow of communication one member of the Communications Committee will be assigned to each of the Teams of Ministry.

- b) Membership of the Conference Connectional Table shall consist of twelve (12) at-large voting members, in equal distribution of male and female, no fewer than twenty-five percent of whom (25%) shall be from racial/ethnic minorities, with at least one youth. Voting members are the twelve at-large members and Conference Lay Leader. Other members with voice but no vote are:
 - (1) The Bishop;
 - (2) The conference leaders: Executive Director of Conference Connectional Ministries, Assistant to the Bishop, Executive Director of New Faith Communities, Conference Treasurer;
 - (3) Conference Team Directors,
 - (4) Chairperson of the Board of Higher Education and Campus Ministries.
 - c) Teams of Ministry—The agencies, boards and commissions defined by the current edition of the *Book of Discipline* will organize themselves according to the requirements outlined therein and will connect through the Teams of Ministry. The Teams of Ministry, using task forces or standing groups to plan and implement ministry and mission, will organize any ministry areas not prescribed by the Book of Discipline. Teams of Ministry are accountable to the Connectional Table for holding up and living out the vision affirmed by the Annual Conference, and for faithfully presenting ministry needs to the Connectional Table. The four programming teams of Leadership Development, Racial Equity & Justice Ministries, Christian Formation, and Outreach Ministry are represented on the Connectional Table by three (3) at-large members with a chairperson and two rotating members. Rotating members are set in different classes and rotate on a two-year basis from Team to Team. At the end of each quadrennium, the chairpersons will rotate. The Operations and Administrative Resources Team, as a non-programmatic team, will be represented by the Conference Lay Leader and staff representation of the Conference Treasurer. The Teams are as follows:
 - (1) Leadership Development Team: Serves to equip leaders who implement the vision.
 - (2) Racial Equity & Justice Ministries Team: Serves to direct and vision the work of diversity, equity, and inclusion.
 - (3) Christian Formation Team: Serves to form and nurture disciples of Jesus Christ.
 - (4) Outreach Ministry Team: Serves to carry forth the ministry that transforms the world.
 - (5) Operations and Administrative Team: Serves to empower, resource, and provide administrative oversight for ministry.
 - d) Conference Connectional Table Meeting Schedule—The Conference Connectional Table shall meet at least quarterly.
10. There shall be other boards and committees as required by the Book of Discipline

including, but not limited to, the Conference Board of Ordained Ministry, the Conference Board of Laity, the Conference Committee on Episcopacy, the Conference Board of Pension, the United Methodist Women, United Methodist Men, conference council on youth ministry, and others.

D. Annual Conference Officers

1. The Annual Conference Lay Leader shall be elected quadrennially. This nomination will be made in joint session of the Board of Laity and Cabinet. The nomination is to be made no later than October of the year prior to General Conference. Should a vacancy occur at any other time, it shall be filled by the same procedure, with the nominee serving as Lay Leader until a Conference Lay Leader is elected at the next annual conference. The Annual Conference Lay Leader shall serve as the chairperson of the Board of Laity.
2. There shall be a Director of Ministerial Relations and/or Assistant to the Bishop with such duties and responsibilities as determined by the Annual Conference or assigned by the presiding Bishop. These positions can be separate or combined at the discretion of the Bishop and the Committee on Episcopacy.
3. There shall be an Executive Director of Conference Connectional Ministries.
4. There shall be a Conference Treasurer/Business Manager.
5. There shall be an Annual Conference Secretary. The Conference Secretary shall be elected at the beginning of each quadrennium or at the last session preceding the General Conference. The responsibilities of the Conference Secretary shall be determined by the Book of Discipline, the annual conference, and the bishop.
6. The Annual Conference Statistician
 - a) The position of Annual Conference Statistician shall be continued on a part-time basis with those duties stipulated by the current edition of the Book of Discipline of The United Methodist Church, with adequate funding provided.
 - b) The Conference Statistician shall be elected at the beginning of each quadrennium or at the last session preceding the General Conference.

IV. Financial Administration

- A. The Conference Treasurer and all others receiving and disbursing funds from the Annual Conference shall be required to make audited statements annually, which the Conference Secretary will make available.
- B. The Council on Finance and Administration shall present the budget for adoption at the annual conference.
- C. Tables I, II, and III shall be available in the Annual Conference Journal with individual church reports and charge totals as compiled by the Conference Statistician from each pastor's reports.

V. Annual Conference Journal

- A. The Annual Conference shall publish a Journal of The North Carolina Annual Conference each year.
- B. The Conference Secretary shall be charged with the responsibility of editing and making contracts for the publication of the Annual Conference Journal, in keeping with regulations of the General Conference and of the Southeastern Jurisdictional Conference. The editor shall have full authority to condense reports, memoirs, and other papers when necessary.
- C. The Annual Conference Journal will be posted online, at The North Carolina Annual Conference website, making it accessible to everyone.

NC Conference Lay Equalization Plan

For consideration at annual conference 2021 for implementation before annual conference 2022

The annual conference is “the basic body in the Church” (*The Book of Discipline* paragraph 33). It is composed of an equal number of clergy (active & retired) and lay members, who cast vision, prioritize ministry, and resource mission. In order to have balanced representation, each annual conference designs and implements an equalization plan. Below is the process for the nomination and election of At-Large Lay Members for the NC Annual Conference. This plan is intended to bring a diversity of laity to the decision making process. We acknowledge that lay members of the annual conference elected by their local church tend to be older and reflective of the dominant culture. Therefore the election of At-Large Members aims to include youth, young adults, people of color, and the marginalized.

STEP-BY-STEP PROCESS for determining any additional lay members to Annual Conference:

STEP 1: Determine clergy membership as required by *Book of Discipline*, 2016

- A. Deacons in full connection (para. 32, 329.2, 369, 602.1)
- B. Elders in full connection (para. 32, 333, 369, 602.1)
- C. Provisional members (para. 32, 327, 369, 602.1)
- D. Associate members (para. 32, 369, 602.1)
- E. Affiliate members, if received by 2/3 of clergy session, voice but no vote (para. 344.4, 601.1)
- F. Local pastors under appointment (para. 32, 316.6, 369, 601.1)

Total required clergy membership (TRCM): _____

STEP 2: Determine lay membership as required by *Book of Discipline*, 2016

- A. Diaconal ministers (para. 32, 602.4)
- B. Active deaconesses (para. 32, 602.4)
- C. Home missionaries under episcopal appt (para. 32, 602.4)
- D. Conference president of UMW (para. 32, 602.4)
- E. Conference president of UMM (para. 32, 602.4)
- F. Conference lay leader (para. 32, 602.4)
- G. District lay leaders, one per district (para. 32, 602.4)
- H. Conference director of Lay Servant Ministries (para. 32)
- I. Conference secretary of Global Ministries (if any) (para. 32)
- J. President of conference young adult org (para. 32, 602.4)
- K. President of conference youth org (para. 32, 602.4)
- L. Chair of conference college student org (para. 32, 602.4)

- M. Youth age 12-17, one per district (para. 32, 602.4)
- N. Young person age 18-30, one per district (para. 32, 602.4)
- O. One professing lay member, elected by each charge. Charges with more than one appointed clergy receive one additional professing lay member for each additional appointed clergy (para. 32, 602.4).

Total required lay membership (TRLM): _____

STEP 3: Subtract TRLM from TRCM for number of Total additional lay members (TALM): _____

STEP 4: To approach the TALM, admit the following as lay members in this order:

- A. Lay chairpersons of conference boards and divisions (1974 Journal, p. 261)
- B. Conference treasurer (inserted per 1987 Journal, p. 147)
- C. Lay members of general boards (1974 Journal, p. 261)
- D. Lay members of the latest session of General Conference (1974 Journal, p. 261)
- E. Reserve lay members of the latest session of General Conference (1974 Journal, p. 261)
- F. Lay members of the latest session of Jurisdictional Conference (1974 Journal, p. 261)
- G. Reserve lay members of the latest session of Jurisdictional Conference (1974 Journal, p. 261)
- H. District presidents of UMW (1974 Journal, p. 261)
- I. Lay persons on program staff (est. 1987 Journal, p. 147)
- J. One college or university student from each UM-related campus ministry within bounds of conference (1988 Journal, p. 173)
- K. District presidents of UMM (established 1983, codified 1989 Journal, p. 329)
- L. Presidents of the UM-affiliated colleges within bounds of conference (if lay) (established 1976, codified 1989 Journal, p. 329)
- M. Assistants to the District Superintendents (2013 Journal, p. 79)
- N. Conference youth vice president (2013 Journal, p. 79)
- O. Conference youth secretary (2013 Journal, p. 79)
- P. Conference youth treasurer (2013 Journal, p. 79)
- Q. Conference Youth Committee
- R. Lay members of the Committee on Finance and Administration
- S. Lay members of the Board of Pension
- T. Lay members of the Board of Trustees
- U. Conference Chancellor

STEP 5: The number of remaining TALM needed will be distributed to each district in proportion to the membership of the district. The Conference Secretary will notify each District Superintendent & District Lay Leader of the number of additional lay members needed from their district.

- A. The District Superintendent in partnership with the District Lay Leader will nominate

professing members from congregations within the bounds of their District who meet the disciplinary requirements of being active in the United Methodist Church at least 4 years prior and a professing member in the United Methodist Church at least 2 years prior. Attention will be given to a diversity of ethnicity, age, and gender. The four-year participation and the two-year membership requirements for young persons under thirty years of age may be waived per Paragraph 602.4.a of *The Book of Discipline*, 2016.

- B. The nominations will be presented to the Conference Board of Laity for consideration and election.

Reports

Clergy Medical Leave, Joint Committee on

The Joint Committee on Clergy Medical Leave acts as the advocate for those pastors in the North Carolina Conference who are forced by physical or emotional medical and disabling conditions to seek temporary or permanent relief from their appointment. The committee is given the responsibility to study the problems of clergy medical leave within the Conference, to provide a continuing personal ministry to those clergy on medical leave, and to make recommendations to the appropriate agencies of the Conference for each pastor or deacon seeking Clergy Medical Leave, including the source of their disability income. The Joint Committee on Clergy Medical Leave routinely studies the utilization of medical leave benefits in our annual conference and how our utilization compares to denominational and jurisdictional averages. The committee will continue to monitor resource levels needed to fund medical leave benefits as one part of efforts to ensure the long-term sustainability of our support for clergy on medical leave.

Persons interested in discovering more about the process of being granted Clergy Medical Leave can contact a district superintendent or the chair of the Joint Committee on Clergy Medical Leave.

The following recommendations are presented to the ~~2020~~ 2021 session of the North Carolina Annual Conference:

I. General Policies

- A. The Joint Committee on Clergy Medical Leave, through the Conference Treasurer's Office, will make available upon request the necessary forms for any full-time or three-quarter time pastor or deacon to make application for Clergy Medical Leave. In all cases the applications must be completed by the pastor or deacon, chair of the Joint Committee on Clergy Medical Leave, Conference benefits officer, and the district superintendent before the request for Clergy Medical Leave can be acted upon. Whenever possible medical leave requests are to be submitted ninety (90) days prior to Annual Conference except in life-threatening situations after that date, or when the disabling condition occurs after that date. Requests presented before May 15 will be included in the Committee's report to the Annual Conference.
- B. Definition of Disability: For the first 24 months, an active participant will be considered disabled for the purposes of the Comprehensive Protection Plan or UMLifeOptions as of the date the Administrator determines, on the basis of medical evidence, that such active participant was unable to perform the usual and customary duties of his/her employment by reason of bodily injury, disease, or behavioral illness or disorder that will presumably last for at least six continuous months, exclusive of any incapacity resulting from service in the armed forces of any country, warfare, intentionally self-inflicted injury, or participation in any criminal or unlawful act.

- C. Definition of Clergy: Clergy in The United Methodist Church are individuals who serve as commissioned ministers, deacons, elders, and local pastors under appointment of a bishop (full and part-time), who hold membership in an annual conference, and who are commissioned, ordained, or licensed.
- D. A pastor or deacon seeking to be on Clergy Medical Leave secures a disability claim kit from the Conference Treasurer's Office. The applicant completes Form A, completes the applicant's portion of Form C, and submits these forms to the Conference Treasurer's Office for completion. Lincoln Financial reviews the claim and recommends a determination to Wespath Benefits and Investments (Wespath) who retains the authority to approve or deny a claim.
- E. We recommend that pastors applying for Clergy Medical Leave be approved only when Wespath grants their request for medical leave benefits through the Comprehensive Protection Plan.
- F. The Annual Conference and Conference Board of Pension (effective January 1, 2007) will fund pension contributions for the Clergy Retirement Security Program Defined Benefit Plan in the required annual payment for normal cost as defined by the plan document and Wespath for all pastors receiving medical leave benefits from the Comprehensive Protection Plan.
- G. The Comprehensive Protection Plan (effective January 1, 2007) will fund contributions for the Comprehensive Protection Plan and the Clergy Retirement Security Program Defined Contribution Plan, which is 3% of plan compensation as defined by the plan document and Wespath, for all pastors receiving medical leave benefits from the Comprehensive Protection Plan.
- H. Health Insurance and Life Insurance benefits are subject to the policies outlined in Section III below.
- I. Pastors on Clergy Medical Leave are required to file for Social Security benefits within 60 days of the effective date of approved Clergy Medical Leave. Failure to do so will result in decreased benefits. Participation in Medicare Part A and B is required at the earliest possible date in order to receive the best health insurance benefits. Participants who choose not to participate in Medicare Part B at that date will receive the same contribution towards the health insurance premium as if they were retired. Refer to Section III regarding benefits.
- J. A lump sum grant of \$5,000 is recommended to be made at the beginning of Clergy Medical Leave. This grant will be available only one time in a pastor's years of service.
- K. The Joint Committee on Clergy Medical Leave will review the progress of each pastor or deacon on Clergy Medical Leave at least annually. This review will include both recommendations from the pastor's physician and district superintendent as well as opportunities for continuing fellowship with the pastor to develop further possibilities of assistance in his/her disabling circumstances.
- L. We recommend the following pastors to be continued on Clergy Medical Leave:

- ~~1. Robert J. Bauman, (Edenton Street) CC, Capital District~~
 2. **David J. Beck, Pleasant Hill (Robbins) CC, Fairway District**
 3. Vernon Brown, Verona (Jacksonville) CC, Sound District
 4. Marty Cauley, First UMC (Rocky Mount) CC, Heritage District
 5. John M. Crowe, (St. James Greenville) CC, Sound District
 6. Eldrick Davis, Harry Hosier (Fayetteville) CC, Gateway District
 7. Annette Ethridge, Open Table (Raleigh) CC, Capital District
 8. Penny Dollar Farmer, Bayboro (Bayboro) CC, Sound District
 9. Michael David Gira, North Raleigh (Raleigh) CC, Capital District
 10. David William Girod, First (Elon) CC, Corridor District
 - ~~11. Jodi Lampley Gonzalez, Faith Harbor (Surf City) CC, Harbor District~~
 - ~~12. Terry Hobbs, Westwood (Goldsboro) CC, Capital District~~
 13. Al Hocutt, Horne Memorial (Clayton) CC, Capital District
 14. Ronda Lee-Torres, Pinehurst (Pinehurst) CC, Fairway District
 15. Charles Moseley, Oriental (Oriental) CC, Sound District
 16. Benjamin Sims, Warren's Grove (Roxboro) CC, Corridor District
 - ~~17. William W Snotherly, Jr, Wakefield (Raleigh) CC, Heritage District~~
 - ~~18. Clinton William Spence, Calvary (Durham) CC, Corridor District~~
 19. David C. Wade, Pine Valley (Wilmington) CC, Harbor District
- M. We recommend the following pastors to be placed on Clergy Medical Leave for the first time:
NONE
- N. Who has been placed on Clergy Medical Leave since the last Annual Conference?
David Beck
- O. Who have had their Clergy Medical Leave terminated since the last conference session?
Bob Bauman
- P. Who are to be removed from Clergy Medical Leave at this Annual Conference?
Jodi Lampley Gonzalez
Terry Hobbs
William W. Snotherly, Jr.
Clinton William Spence
- Q. We recommend that pastors and congregations in the communities in which our disabled pastors reside seek to establish a supportive relationship with those on Clergy Medical Leave to maintain good fellowship and provide for pastoral opportunities.

II. Clergy Medical Leave Benefits

Wespath:

- A. 70% of plan compensation not to exceed 200% of the DAC (~~2020~~ **2021** DAC = \$72,648 **\$74,199**) as income from CPP. The current range of payments to NC participants is ~~\$20,580~~ **\$25,993.20** to ~~\$72,466~~ **\$57,553.17** annually (with a 3% annual increase). Payments are coordinated with Social Security Disability benefits when applicable.
- B. Benefits afforded active clergy such as pension accrual and the death benefit under CPP.
- C. A one-time lump distribution of up to 35% of MPP funds.

NC Conference:

- D. Grant of \$5,000 to help with the transition from active ministry to Clergy Medical Leave.
- E. Insurance benefits through the NC Conference insurance plans (provided the participant was enrolled in the applicable insurance plan prior to the granting of Clergy Medical Leave). Life insurance is paid in full by the Joint Committee on Clergy Medical Leave.
- F. Moving expenses paid as outlined in the Itinerant Clergy Moving Expense Report (page **210** of the **2020 Journal**).

The Duke Endowment:

- G. Duke Endowment annual grant (subject to the guidelines and availability as defined by The Duke Endowment)

III. Clergy Medical Leave Policies Related to Benefits

- A. Clergy Medical Leave participants will have 60 days from the approved date of Clergy Medical Leave in which to file for Social Security benefits. Proof of filing must be submitted to the Conference Benefits Coordinator. Participants who fail to provide proof of filing within 60 days will be charged 100% of the applicable monthly insurance rate until notification is received by the Benefits Coordinator.
- B. Insurance Coverage – Participants approved for Clergy Medical Leave must be covered under the Conference life and/or health insurance plan immediately preceding the approval date of Clergy Medical Leave in order to have life and/or health insurance coverage after the appointment of Clergy Medical Leave.
- C. Life Insurance –
 - i. The life insurance premiums are paid by the Joint Committee on Clergy Medical Leave.
 - ii. Current participants on Clergy Medical Leave who are enrolled in the life insurance are covered as follows: \$25,000 life coverage, \$10,000 on eligible dependents.
 - iii. Supplemental life insurance premiums are the responsibility of the individual.
- D. Health Insurance –
 - 1. Effective January 1, 2020, clergy on Clergy Medical Leave (current and future) and their dependents will be required to pay personal premiums according to the following

tiered schedule:

- i. If the participant's CPP disability income per Wespah records is 125% but less than 150% of Conference Full-Time Minimum Salary, the participant's personal premium will be one-half (1/2) of the Base Coverage personal portion for the participant's selected level of medical coverage.
 - ii. If the participant's CPP disability income per Wespah records is equal to or above 150% of Conference Full Time Minimum Salary, the participant's personal premium will be 100% of the Base Coverage personal portion for the participant's selected level of medical coverage.
 - iii. Additional personal premiums will apply if the participant chooses the Buy-Up Plan or dental coverage (rates published in the Insurance Report Section VIII).
 - iv. This schedule applies until the clergyperson reaches Medicare eligibility due to age (see D.5. below).
2. Participation in Medicare Part A and Part B is required at the earliest possible date in order to receive the best health insurance benefits. Participants who choose not to participate in Medicare Part B at that date will receive the same contribution toward the health insurance premium as if they were retired.
 3. If the participant is enrolled in Medicare (part A and/or B) due to disability, the Conference health insurance will coordinate benefits with Medicare as primary, the Conference plan as secondary. Family members (with no other coverage) will be covered as primary by the Conference health insurance plan.
 4. Upon reaching Medicare eligibility due to age and eligibility to retire, clergy receiving CPP benefits and their dependents will receive the same contribution toward the health and life insurance premium as if they were retired.
 5. The termination policy defined in the Insurance Committee report Section III.16 will be applicable.

— Ben Williams, Chairperson

Conference & District Nominations

North Carolina Annual Conference • June 2021

The persons listed below in this report are nominated by the Committee on Nominations for service on Annual Conference committees and boards effective July 1, 2021. The listing includes new persons being nominated to serve in addition to those previously elected. In general, additions were made to committees or boards to replace persons who have resigned or must be replaced due to attendance or required term rotation. The Committee on Nominations nominates the following persons for service:

Church & Society:	Alex Parker (A-M-C)
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Communications:	Janet Baucom (W-F-C)
	Jenee Brewer (W-F-L)
	Andy Fox (W-M-L)
	Geeta Goodwin (W-F-L)
	Sanders Hill (W-M-L)
	Effie McGill (AA/B-F-L)
	George Mewborn (W-M-L)
	Jennifer Swindell (W-F-C)
	Donald Warren (W-M-C)
	Gil Wise (W-M-C)

Congregations for Children:	Amanda Brown (W-F-L)
	Carolyn Deese (NA-F-L)
	Laura Early (W-F-C)
	Avery Lail (W-M-C)
	Cody Marks (W-M-C)
	Carol Ann Van Buskirk (W-F-C)
	Jo Wainwright (W-F-L)

Finance and Administration, Council on:	Sang Seon Park (A-M-C)
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Health Ministries:	Ginny Crocker (W-F-L)
	Carie Dupree (W-F-L)
	Michael Griffin (W-M-C)
	Christina Parrish (W-F-C)
	Lirosia Wall (AA/B-F-L)

Higher Education & Campus Ministries:	Isabelle Gibson (W-L) Arthur Manigault (AA/B-M-C) Jon Patterson (W-M-L) Heidi Reddy (W-F-C)
Institutions, Board of:	David Blackman (W-M-C) Gil Wise (W-M-C)
Ministries with Differently-Abled Persons:	Christopher Davis (AA/B-M-L) Thud Gandy (W-F-L) Christina Parrish (W-F-C)
Ordained Ministry, Board of:	Tricia Hahn (W-F-L) Kwan Kim (A-M-C) Al Richmond (AA/B-M-L) Tim Russell (W-M-C)
Safe Sanctuaries:	Michael Griffin (W-M-C) Miles Baker Hunt (W-M-L) Jo Wainwright (W-F-L) Lirosia Wall (AA/B-F-L) Toni Wood (W-F-C)
Trustees, Board of:	Sherri Pridgen (W-F-L)

In addition to changes in committee rosters, changes proposed to team and committee names or structure include:

- The current position of the Executive Director of Ministerial Relations/Assistant to the Bishop will be split into two positions in order to undergird the season ahead of shared Episcopal oversight. The two positions will be Assistant to the Bishop and Assistant to the Bishop for Clergy Life.
- The work of Clergy Life will be focused on all stages and relationships of clergy in the Conference.
- Committee functions and oversight for the Board of Higher Education and Campus Ministry will be moved from Conference Connectional Ministries to Clergy Life.
- Committee functions and oversight for the Christian Unity and Interreligious Concerns

Committee will be moved from Conference Connectional Ministries to the Episcopal Office staff through the Assistant to the Bishop.

If corrections are needed to spelling or any demographical information for anyone on the nominations listing, please email helpdesk@nccumc.org and the correction will be made in the nominations files.

The committee is grateful for all who applied to serve in these vacancies and appreciates the time and energy that applicants give so generously in service to the committees of the NC Annual Conference. We are blessed in North Carolina with strong capable leadership and look forward to working with both current and future committee members toward our shared mission - healthy congregations and effective leaders in every place making disciples of Jesus Christ for the transformation of the world!

*Note: The Committee on Nominations works with a stated goal of inclusivity on all conference boards, committees, and agencies. This inclusivity goal is broad-based and includes equity in membership as much as possible with respect to gender, ethnicity, clergy or lay status and age. To that end, certain demographic information for nominations is included with each person's name. The demographic information is included in parentheses following the name in the order of (ethnicity-gender-clergy or lay status). The abbreviations included in each section are as follows:

Ethnicity: A-Asian, AA/B-African American/Black, Hispanic/Latino – H/L, Multi-Racial – M-R, NA-Native American, PI-Pacific Islander, W-White/Caucasian

Gender: F-Female, M-Male

Clergy or Lay Status: C-Clergy, L-Laity

District Officers & Committees 2021-2022

CODES: Laywoman (LW) | Layman (LM) | Clergyman (CM) | Clergywoman (CW)

BEACON DISTRICT

Lay Leader: Tom Santa

Committee on District Superintendency:

DS: David Blackman; **Lay Leader:** Tom Santa; **Appointed by DS:** Sylvia Collins-Ball (CW), Pam Stallings (LW); **Laity:** Trudee Fairley (LW), Ken Mann (LM), Steve Day (LM), Walter Manning (LM); **Clergy:** Arthur Manigault (CM), Betsy Haas (CW); **At- Large:** Ken Hall, Jr. (CM), Sandra Tunnell (LW)

Board of Trustees:

DS: David Blackman; **Lay Leader:** Tom Santa;
Laity: Trudee Fairley (LW), Ken Mann (LM), Walter Manning (LM), Steve Day (LM), Pam Stallings (LW);
Clergy: Arthur Manigault (CM), Betsy Haas (CW), Sylvia Collins-Ball (CW)

Committee on Ordained Ministry:

DS: David Blackman; **Conf. BOM Representative:** Bennie Oakes (CM); **Clergy:** Ken Hall Jr. (CM), Laura Early (CW), Teresa Holloway (CW), Jim Reed (CM), Matt O'Neal (CM), Mary Frances McClure (CW), Sylvia Collins Ball (CW), Jerry Cribb (CM), Colin Snider (CM), Chris Aydlett (CM), Vicki Woolard (CW); **Laity:** Jeff Jenkins (LM), Jo Drago (LW), Cathey Linton (LW), Marjorie Rayburn (LW), Patricia Merritt (LW), Tracey Manigault (LW)

Board of Church Location and Building:

DS: David Blackman; **2019-2022:** Dawne Hollis-Custer (CW), Samantha Matamoros (LW) Lee Wise (CM), Gary Sawyer (LM); **2020-2023:** Shirley Davenport (LW); **2021-2024:** Don Schone (LM)

CAPITAL DISTRICT

Co-Lay Leaders: Lawrence Bradley (LM), Freda Davis (LW)

Committee on District Superintendency:

DS: Chris Brady; **Lay Leaders:** Freda Davis (LW), Lawrence Bradley (LM); **Appointed by DS:** Lisa Yebuah (CW & At Large), David Rockefeller (LM); **Laity:** Marlee Ray (LW), Mary June Jones (LW), Matt Sawchak (LM); **Clergy:** Howard James (CM), Beth Gaines (CW), Wallace Johnson (CM); **At-Large:** Phillip Jefferson (LM)

Board of Trustees:

DS: Chris Brady; **Lay Leaders:** Freda Davis (LW), Lawrence Bradley (LM);
Laity: Marlee Ray (LW), Mary June Jones (LW), Matt Sawchak (LM), David Rockefeller (LM);
Clergy: Howard James (CM), Beth Gaines (CW), Wallace Johnson (CM)

Committee on Ordained Ministry:

DS: Chris Brady; **Conf. BOM Representative:** Kelly Lynn Logue (CW); **Clergy:** Dan Baer (CM), Martha McLean (CW), LuAnn Charlton (CW), Kevin Johnson (CM), Bob Bergland (CM), Jen Swindell (CW), Alan Felton (CM), Janet Baucom (CW), Adam Brinkley (CM), Won NamKoong (CM); **Laity:** Freda Davis (LW), Susan Lassiter (LW), Peggy Banks (LW), Leslie Coman (LW), Aaron Brothers (LM), Karen Throckmorton (LW), Lawrence Bradley (LM), Sarah Capel (LW), Alejandro Garcia (LM), Mary Penn Sherlin (LW)

Board of Church Location and Building:

DS: Chris Brady; **2019-2022:** Kim Lamb (CW), Scott Fortenberry (LM), Lee Clyburn (LM), Evan Covington Chavez (LW); **2020-2023:** Henry Jones (LM), Alan Felton (CM), Stuart Walston (LM); **2021-2024:** Jay Minnick (CM), Pam Ginn (LW) [Ex-Officio: Lawrence Bradley]

CORRIDOR DISTRICT

Lay Leader: Tommy Humphries

Committee on District Superintendency:

DS: Mike Frese; **Lay Leader:** Tommy Humphries; **Appointed by DS:** Katie Wagstaff (LW), Ben Wolf (CM); **Laity:** Ron Cromartie (LM), Al Elsenrath (LM), Connie Mundy (LW), Rebecca Bloyd (LW); **Clergy:** Crystal DesVignes (CW), Ben Williams (CM); **At-Large:** Jeanne Neal (CW), Eric Crissman (LM)

Board of Trustees:

DS: Mike Frese; **Lay Leader:** Tommy Humphries;
Laity: Ron Cromartie (LM), Katie Wagstaff (LW), Al Elsenrath (LM), Connie Mundy (LW), Rebecca Bloyd (LW); **Clergy:** Ben Wolf (CM), Crystal DesVignes (CW), Ben Williams (CM)

Committee on Ordained Ministry:

DS: Mike Frese; **Conf. BOM Representative:** Sangwoo Kim (CM); **Clergy:** Donna Banks (CW), Adam Seate (CM), Rich Greenway (CM), Bryan Faggart (CM), Claire Clyburn (CW), Kellie Gallagher (CW), Julia Webb-Bowden (CW), Kathie Wilkinson (CW), Jeff Nash (CM), Casey Murstin (CW), Chase Albright (CM), Rani Woodrow (CW), Lisa Reynold (CW); **Laity:** Gloria McAuley (LW), Tommy Humphries (LM), LaNella Smith (LW), Anna Gail Workman (LW), Darlene Lumpkin (LW), Beverly Christian (LW), Bonnie Francis (LW), Bill Sabiston (LM), Eric Crissman (LM)

Board of Church Location and Building:

DS: Mike Frese; **2019-2022:** Brenda Wilson (LW); **2020-2023:** Bonnie Brewer (LW), Cheryl Lawrence (CW), Ross Carter (CM); **2021-2024:** Tommy Humphries (LM), Bryan Faggart (CM)

FAIRWAY DISTRICT

Lay Leader: Shannon Jones

Committee on District Superintendency:

DS: Dena White; **Appointed by DS:** Marilee Ostman (LW), Emily Blair (CW); **Laity:** Norma Smith (LW), Velda Mustard (LW), Claudia Dwight (LW); **Nick Gaster (LM), Frank Thigpen(LM); Clergy:** Tommy Sweeley (CM); **At-Large:** Mamie Alley (CW), Jane Leechford (CW)

Board of Trustees:

DS: Dena White;
Laity: Norma Smith (LW), Velda Mustard (LW), Marilee Ostman (LW), Claudia Dwight (LW); **Nick Gaster (LM), Frank Thigpen(LM), Shannon Jones (LM);**
Clergy: Emily Blair (CW), Tommy Sweeley (CM)

Committee on Ordained Ministry:

DS: Dena White; **Conf. BOM Representative:** Bruce Petty (CM); **Clergy:** Kay Boone (CW), Elaine Lilliston (CW), John Michael McAllister (CM), Ray Gooch (CM), Betty Lou Miller (CW), Jane Leechford (CW), James Henderson (CM), Mamie Alley (CW), Jim Littleton (CM), Kong Namkung (CM), Jim Jones (CM); **Laity:** Caroline Jackson (LW), Brenda Brown (LW), Brenda McCaskill (LW), Shannon Jones (LW)

Board of Church Location and Building:

DS: Dena White; **2019-2022:** Lucas Nelson (CM), David Bell (LM); **2020-2023:** Shelley Foley (LW); **2021-2024:** James Jones, Jr (CM), Deb Taylor (LW), Scott Finicum (CM)

GATEWAY DISTRICT

Lay Leader: Sara Cameron

Committee on District Superintendency:

DS: Kenneth W. Locklear; **Lay Leader:** Sara Cameron; **Appointed by DS:** Jerline Miller (LW), Sam Wynn (CM);
Laity: Hazel Hall (LW), Melba McCallum (LW), Robby Lowry (LM), Murray McKeithan (LM);
Clergy: Thomas Simpson (CM), Herbert Lowry (CM); **At-Large:** David Beck (CM), Gypsie Murdaugh (CW)

Board of Trustees:

DS: Kenneth W. Locklear; **Lay Leader:** Sara Cameron;
Laity: Jerline Miller (LW), Hazel Hall (LW), Melba McCallum (LW), Robby Lowry (LM), Murray McKeithan (LM);
Clergy: Thomas Simpson (CM), Herbert Lowry (CM), Sam Wynn (CM)

Committee on Ordained Ministry:

DS: Kenneth W. Locklear; **Conf. BOM Representative:** Larry Robinson (CM); **Clergy:** Jaye White (CW), Vermel Taylor (CW), Jimmy Cummings (CM), Sam Wynn (CM), Woody Wells (CW), Thomas Simpson (CM), Charles Bethea (CM), Mattheue Locklear (CM), Ellen McCubbin (CW), GilWise (CM), Larry Chandler (CM); **Laity:** Gurney Hunt (LM), Robby Lowry (LM), Jerline Miller (LW), Sara Cameron (LW), Norma Hamilton (LW), Lynn Clewis (LW), Michelle Skipper (LW), Monty Oxendine (LM)

Board of Locations and Building:

DS: Kenneth W. Locklear; **Lay Leader:** Sara Cameron; **2020-2023:** Paige McMillian (LW), Paul Haber (CM), Joel Wise (CM); **2021-2024:** James Brigman (CM), Todd Jones (LM)

HARBOR DISTRICT

Lay Leader: John Kelso

Committee on District Superintendency:

DS: Tara Lain; **Lay Leader:** John Kelso; **Appointed by DS:** Lynn Shuffler (LW), Hiram Williams (LM); **Laity:** Linda Ingraham (LW), Eric Younts (LM), Lori Barwick (LW); **Clergy:** Kwan Kim (CM), Jamie Thompson (CW), Jim Pegan (CM); **At-Large:** Terry Hunt (CM), Gene Cobb (CM)

Board of Trustees:

DS: Tara Lain; **Lay Leader:** John Kelso;

Laity: Lynn Shuffler (LW), Hiram Williams (LM), Linda Ingraham (LW), Eric Younts (LM), Lori Barwick (LW);

Clergy: Kwan Kim (CM), Jamie Thompson (CW), Jim Pegan (CM)

Committee on Ordained Ministry:

DS: Tara Lain; **Conf. BOM Representative:** Timothy Reaves (CM); **Clergy:** Matthew Seals (CM), David Goehring (CM), Susane Priddy (CW), Tal Madison (CM), Paul Stallsworth (CM), Brock Meyer (CM), Duane Partin (CM), Rudd Nunney (CM), Stuart Milton (CM), Lindsay Collins (CW); **Laity:** Carolyn Hankins (LW), Susan Robbins (LW), Nancy Smith (LW), Eston Brinkley (LM), Sherry Mewborn (LW), John Kelso (LM)

Board of Church Location and Building:

DS: Tara Lain; **Lay Leader:** John Kelso; **2019-2022:** Debora Mathis (CW), Sherry Combs (LW), Lee Hauser (LM); **2021-2024:** Debbie Black (LW), Mike Priddy (LM), David Culp (LM), Chris O'Bryant (CM)

HERITAGE DISTRICT

Co-Lay Leaders: Sylvia Harrison & David Johnson

Committee on District Superintendency:

DS: Ismael Ruiz-Millán; **Appointed by DS:** Donald Warren (CM), Sylvia Harriss (LW); **Laity:** Barbara Hendricks (LW), W.B. Bullock (LM), Sam Perdue (LM), Alex Cheek (LM); **Clergy:** Terry Williams (CM); **At-Large:** Carolyn Roy (CW), Hannah McManus (CW)

Board of Trustees:

DS: Ismael Ruiz-Millán; **Co-Lay Leaders:** Sylvia Harrison (LW) & David Johnson (LM);

Laity: Sylvia Harriss (LW), Barbara Hendricks (LW), W.B. Bullock (LM), Sam Perdue (LM), Alex Cheek (LM);

Clergy: Terry Williams (CM), Donald Warren (CM)

Committee on Ordained Ministry:

DS: Ismael Ruiz-Millán; **Conf. BOM Representative:** Donald Warren (CM); **Clergy:** Hyung Kim (CM), Jared Hanson (CM), Stan Lewis (CM), Erin Pearce (CW), Sue Owens (CW), Carolyn Roy (CW), Tyler Williams (CM), Terry Williams (CM), Richard Booker (CM), Bobby Fletcher (CM), Laura Wittman (CW), Sang Park (CM); **Laity:** Velna Hux (LW), Joe Callahan (LM), Sylvia Harrison (LW), David Johnson (LW), Sylvia Harriss (LW), Jennifer Quick (LW)

Board of Church Location and Building:

DS: Ismael Ruiz-Millán; **Co-Lay Leaders:** Sylvia Harrison (LW) & David Johnson (LM); **2019-2022:** Jenny Wilson (CW), Alex Cheek (LM); **2021-2024:** Peter Varney (LM), Susan Pope (LW), Tracy Clayton Sexton (CW), George Loveland (CM)

SOUND DISTRICT:

Lay Leader: Kim Smith

Committee on District Superintendency:

DS: Jon Strother; **Lay Leader:** Kim Smith; **Appointed by DS & At Large:** Sunny Limm (CM), Laura Little (LW); **Laity:** Marilyn Boyce (LW), Elizabeth Harrison (LW), Ed Mann (LM), Graham Cavanaugh (LM), Frank Hart (LM); **Clergy:** Tim Nichols (CW), Bryan Huffman (CM), Rhonda Grant-Jordan (CW)

Board of Trustees:

DS: Jon Strother; **Lay Leader:** Kim Smith;
Laity: Marilyn Boyce (LW), Elizabeth Harrison (LW), Ed Mann (LM), Graham Cavanaugh (LM), Frank Hart (LM);
Clergy: Tim Nichols (CW), Bryan Huffman (CM), Rhonda Grant-Jordan (CW)

Committee on Ordained Ministry:

DS: Jon Strother; **Conf. BOM Representative:** Amy Stroud (LW), Sarah Williams (CW); **Clergy:** Kirk Oldham (CM), Tom Greener (CM), Rob Licht (CM), Johnny Branch (CM), Johnnie Wright (CM), Susan Pate-Greenwood (CW), Joseph Park (CM), Kevin Baker (CM), Rachel Moser (CW), Tom Supplee (CM), Dennis Peay (CM), Taylor Mills (CM), Steve Smith (CM), Connie Stutts (CW), Homer Morris (CM), Rochele Bailey (CW), Anne Sims (CW); **Laity:** Tommy Shaw (LM), Lindsey Wyatt (LM), Louisa Ringo (LW), Rose Kellum (LW), Sheila Barth (LW)

Board of Church Location and Building:

DS: Jon Strother; **2020-2023:** Ross Woodall (LM), Roger Dunn (LM), Ann Davis (LW), Roxie Cauley (LW), Judy Murad (LW); **2021-2024:** Linda Grider (CW), Michael Cole, Sr (LM)

Equitable Compensation, Commission on

The *Book of Discipline* mandates that “there shall be in each annual conference a commission on equitable compensation” (§ 625), whose purpose is “to support full-time clergy serving as pastors in the charges of the annual conference” (§625.2). Four broad areas of responsibility are outlined in §625.2, which are: “(a) recommending conference standards for pastoral support; (b) administering funds to be used in base compensation supplementation; (c) providing counsel and advisory material on pastoral support to district superintendents and committees on pastor-parish relations”; and (d) submitting an arrearage policy to be adopted by the annual conference.

The Commission seeks equity and fairness for both pastors and local churches. Why should this commission be so concerned about equity and fairness? Our prayerful consideration of scriptural and historical foundations is found in the following:

- a. Jesus says, “the laborer deserves to be paid,” (Luke 10:7) and Paul reminds us, “Let the elders who rule well be considered worthy of double compensation, especially those who labor in preaching and teaching; for the scripture says, “You shall not muzzle an ox while it is treading out the grain,” (1 Timothy 5:17,18).
- b. Wesley was concerned that clergy have responsibility not to be “in debt so as to embarrass you in your work” (§330.5.d.18), which implies that the Church has a responsibility that it neither lead its clergy into positions of embarrassing indebtedness, nor leave them there.
- c. The Great Commission to “go into all the world preaching, teaching and baptizing” brings with it a cost. Systems of clergy support which foster the use of the right pastor in the right place hold up the hope of seeing the Great Commission bear its promised fruit.
- d. The Commission on Equitable Compensation (CEC) embraces the Great Commandment to “love our neighbors as we love ourselves” by desiring for each pastor what our members’ desire for themselves – compensation adequate to free persons for the work of pastoral ministry.

Through our prayers, working and considering together as both laity and clergy from across The North Carolina Annual Conference, we make the following recommendations. We believe these recommendations will help us move toward fairness for both local churches and pastors as together we support ordained ministry in The North Carolina Annual Conference.

The CEC’s mandate and mission is to ensure justice and fairness in salaries of active full-time pastors of our local congregations. While, for many years, we have been recommending a single minimum salary for all full-time pastors serving, we have found that many congregations look at the “minimum salary recommendation” as “the amount we have to pay the pastor.” Clarification of “minimum compensation” may benefit the mission and ministry of the local congregations.

The definition of “minimum” is not the ceiling, or maximum, amount of “the pastor’s salary;” rather, it is the floor, or minimum, of what a full-time pastor is to be paid. No full-time pastor may be paid less than the minimum compensation. We recommend that each congregation review its ability to sustain

its pastor independently and only use the minimum salary as just that, a minimum, and prayerfully discern the appropriate level of compensation for its called leader. As Jesus said, “Where your treasure is, there is your heart.” When the congregation’s treasure and heart are in the health and effectiveness of both local congregation and pastor, God is glorified!

For the year 2021, the average full-time salary and non-vouchered cash allowance for all clergy under appointment to a local church in the North Carolina Conference increased by **2.74%**. The CPI (Urban South) for the last twelve months ending December **2020** showed an increase of **1.4%**. With the rapidly changing economic environment, the CPI varies widely by month. The Commission currently recommends a **1.6% (\$746)** increase minimum salary for the year **2022**.

I. Recommended Schedule of Minimum Compensation for 2022:

A. Salary Schedule

We recommend that the student minimum salary be based on 65% of the minimum salary of full-time pastors.

PASTORS UNDER FULL-TIME APPOINTMENT (Full Connection, Associate, Provisional, Local Pastor)	2021	2022
Salary	\$46,627	\$47,373
STUDENT PASTORS (Local Pastors or Conference Members)		
Salary	\$30,308	\$30,792

B. Utilities Expense

It is expected that each local charge would provide for utilities expense for parsonages. Utilities have been defined in guidance from the Internal Revenue Service to be electricity, heat, water/sewer, trash pick-up, local telephone, cable and internet access expenses. In order to increase accountability surrounding utility payments and to help ease transitions during appointment changes, the local church shall pay utilities directly to the utilities companies instead of through unvouchered allowances to the pastors.

C. Travel Expense

Although travel is reimbursed by the local charge as an item of pastoral expense, it is expected that each local charge would provide at least \$4,000 for travel expense. The Commission encourages each charge to establish a plan to reimburse the pastor for all legitimate business mileage at the current rate established by the IRS. Where such a plan is established for reimbursement of business mileage, equitable compensation support shall not be affected by payment of travel expenses. However, where a reimbursement plan is not implemented and a travel allowance is given, any travel allowance in excess of \$4,000 will result in a reduction of equitable compensation support.

D. Pension Program

Charges receiving Equitable Compensation Funds support are responsible for paying the total amount required for the Clergy Pension Plan and the Comprehensive Protection Plan (CPP) based on the pastor’s cash base compensation (including funds from the Equitable

Compensation Fund, Duke Endowment, and any other sources), and housing (percentage of cash base compensation designated by Wespath Benefits and Investments or housing allowance, if provided in lieu of a parsonage).

E. Vacation Recommendation

Vacation and time off is defined as annual leave and weekly time off “which is completely distinct from any other occasions in which the pastor is out of the parish” (1988 NC Annual Conference Journal, page 373) such as Continuing Education events, Bishop’s Day Apart, Order of Elders, Deacons, Local Pastors, Annual Conference, and Convocation/Pastor’s School.

Rationale:

In recent times, focus on clergy health has highlighted the necessity of following the mandate of God’s Commandment to “remember the Sabbath by keeping it holy” (Exodus 20:8) and, like our Lord Jesus, to take time apart for rest and relaxation. This mandate and example are beneficial to not only the pastor, but also the larger faith community/local church. Many pastors in full-time ministry do not take time away increasing the likelihood of burnout, compromising their health, and reducing their effectiveness in ministry. Right stewardship of time, finances, physical health, relationships with family and colleagues is necessary for effective ministry in the parish. These personal areas often suffer with the lack of a weekly personal day, a weekly Sabbath Day, and an annual vacation time apart. Our Conference Board of Ordained Ministry found in 1988, “Our experience as an Annual Conference with clergy burnout shows that rest and recreation are an indispensable element of a whole and complete ministry.” (1988 North Carolina Annual Conference Journal, page 373).

Recommendations to local congregations:

1. That clergy members of the Annual Conference (Book of Discipline 2016 ¶1602.1) under appointment to local congregations shall receive one full month of vacation per calendar year. Vacation time shall include four (4) Sundays per year and shall be negotiated between the pastor and S/PPR Committee and may be taken in either segments adding up to one full month or as a whole.
2. Clergy members of the Annual Conference (Book of Discipline 2016 ¶1602.1) under full-time appointment should receive at least one personal day off per week. Changes to a set personal day off should be allowed due to unforeseen circumstances that may arise. This time should be carefully respected and guarded by the district superintendent and the congregation.
3. We encourage annual discussions between pastor/s and the S/PPR Committee where they are appointed concerning provisions for Continuing Education and Spiritual Growth and Sabbatical Leave, found in paragraph 351 of the 2016 *Book of Discipline*.

II. Principles Governing Eligibility for Equitable Compensation Funds:

The clergy’s base compensation is the responsibility of the charge; therefore, each charge of The North Carolina Annual Conference should be so arranged as to be able to assume full salary

support. The Commission urges each charge receiving Equitable Compensation Funds, its pastor, and the district superintendent responsible for that charge, to administer the affairs of that charge to the end that it may move as rapidly as possible toward total self-support. To enable the Annual Conference, the Commission and the district superintendents to carry on their cooperative efforts in understanding, in harmony, and for the greatest good for all concerned, the following principles and procedures are set forth:

- A. Base Compensation: That portion of a pastor's compensation which is paid directly to the pastor as cash compensation, contributions authorized by the pastor to either a tax-paid pension program or a tax-deferred program (such as a 403(b) plan), payments to assist the pastor with the personal share of Social Security taxes, and some other kinds of cash compensation, such as bonuses, payments to private investment programs, and the like. Base compensation would not include other items included in total compensation, such as utilities and other housing-related allowances, accountable reimbursements for professional expenses (such as continuing education, books, and the like), and the cost of benefits such as life or health insurance.
- B. Any Equitable Compensation Fund supplement will be terminated immediately upon information that the pastor has taken full-time, secular employment. The supplement may be reinstated at the time the charge's appointed pastor returns to full-time or student status. Exceptions to this provision will be permitted only by the approval of the executive committee of the CEC upon the recommendation of the district superintendent of the pastor seeking to be employed outside their ministerial responsibilities for emergency reasons.
- C. Disbursement of funds from Conference Treasurer's Office: Equitable Compensation Funds are to be sent to charges that have applied for their use to provide their pastor with the minimum base compensation established by the Annual Conference. The monthly base compensation supplement checks sent by the Conference Treasurer's office are to be deposited by the charge treasurer into the charge/church bank account. *Checks shall not be endorsed nor cashed by the pastor.*
- D. Application for funds: Churches or charges applying for Equitable Compensation Funds shall submit a request on the appropriate form which can be found online. The pastor, administrative council, and the district superintendent shall carefully review the request. The application form must have the signatures of the pastor and recording secretary of the charge conference affixed to it, and receive the approval of the charge conference. Applications that are not completed in full are not eligible for consideration by the Commission until such time that they have been completed and resubmitted.
- E. The CEC will not fund any charge that is also receiving funds from The Emerging Church Salary Fund. The CEC is in consultation and study with other Conference boards and agencies to seek ways to more adequately provide for the temporal needs of our pastors and churches.
- F. Consideration may be given to make funds available for the deacon when the primary appointment is to a local church. (*Book of Discipline* 2016 ¶625.4)

Application Deadlines for Full-Time Pastoral Compensation Supplement:

1. Completed applications for the January – December calendar year are to be received by November 1 of the previous year.
2. Completed applications for the July – June appointment cycle are to be received by November 1 of the previous year.
3. The application deadline for superintendent/cabinet-initiated applications for the immediate appointment year is May 15. These grants are subject to the availability of funds.

Application Deadlines for Mission-Based Supplement:

1. Completed applications for the July – June appointment cycle are to be received by November 1 of the previous year.
2. The application deadline for those grants limited to superintendent/cabinet initiated applications for the immediate appointment year, providing funds are to be received by May 15.

III. Policies Governing Use of Equitable Compensation Funds

- A. Charges must be so arranged that no more than one third (1/3) of the base compensation will come from the Equitable Compensation Fund on the first application of the charge.
 1. Charges seeking more than one third (1/3) supplement shall provide specific information with their application, indicating the reasons for their inability to meet these guidelines. Information shall be made available to the CEC and the district superintendent regarding the terms of Equitable Compensation support, giving the date of its inception and the present amount of support being received by the respective charges.
 2. When the division of a charge is desired, Equitable Compensation funds will be used only upon the recommendation of the Bishop and the approval of the cabinet. In the division of a charge in which one church seeks to become a station, it is recommended that such a church shall assume total responsibility for base compensation and its proportionate share of all apportionments.
 - a. The remainder of the charge in such a division assumes full pastoral support and proportionate share of all apportionments. In no case will the CEC provide more than one third (1/3) of the base compensation required for such a division.
 - b. When there is a division of a charge forming one or more student appointments, each newly created charge shall pay initially two thirds (2/3) of the pastoral support established by the division.
 3. It is expected that each church receiving Equitable Compensation support will pay 100% of its financial responsibilities including apportionments, insurance, and pension benefits, etc.

B. Annual Reduction and Length of Time for Support:

1. Each charge which is receiving, or shall hereafter receive, Equitable Compensation Fund, is expected to reduce this aid by at least twenty-five percent (25%) of the original grant each year.
2. CEC grants shall be made annually, renewable for each year, up to five years for mission or charge-support grants, and three years for grants based on The Book of Discipline paragraph 213.
3. At the beginning of the second and subsequent years of receiving grant renewal applications, an evaluation of the charge's progress toward reaching its own goals will be made by members of the commission following a site-visit and consultation with the charge's pastor, its leadership, and the district superintendent.

C. Supplementals to Base Compensation:

1. **Merit Grant Supplemental to Base Compensation:** Each full-time pastor, associate member, or member in full connection of The North Carolina Annual Conference, serving full-time, and who, in the opinion of the cabinet and in consultation with CEC is rendering unusually effective service, may apply for a one-time grant in the amount of \$400, when such clergy person's salary is equal to the Conference minimum base compensation.
2. **Supplemental Compensation for Years of Service:** Elders and Deacons who have served continuously as pastors in charge in the North Carolina Annual Conference, at conference established minimum salary, for five years or more, in the sixth year, may apply for this supplemental grant of up to \$400. With each annual application, the grant may increase incrementally by up to \$400 per year until the lifetime maximum of \$6,000 has been reached. No single year supplement may exceed \$2,000. Special attention shall be given to ethnic pastors serving ethnic ministries (*Book of Discipline* 2016 ¶625.6). Receipt of this supplemental compensation may be subject to income taxation and will be reported as applicable.
3. **Extraordinary Grants:** These policies do not restrict the CEC, upon the recommendation of the cabinet, from making additional grants in extraordinary circumstances.

IV. Compensation and Benefits Arrearage Policy

- A. In the event that a local church treasurer becomes aware that the church will be unable to provide to the pastor full payment of a regularly scheduled payroll or housing allowance installment, or to remit to the Conference Treasurer full payment for regular direct billed benefit payments such as pension and health care, the church treasurer shall immediately notify both verbally (within 24 hours) and in writing (within 3 days) the Pastor, the Lay Leader, and the Chairs of S/PPRC, Finance, Trustees, and the Administrative/Church Council of the impending arrearage. Upon receipt of such notice, the Chair of S/PPRC and/or the Pastor shall immediately (within 3 days) notify the District Superintendent of the impending arrearage. It is the pastor's responsibility to keep copies of all such written notifications,

and to provide additional written confirmation to the District Superintendent when an arrearage has taken place. Failure to document salary or benefit arrearages may result in a loss of compensation and/or forfeiture of pension and benefits.

- B. Upon receipt of notice of a pending arrearage, the Chair of S/PPRC shall immediately (within 24 hours) call a meeting of the Pastor, Lay Leader, and Chairs of Finance, Trustees, and the Administrative/Church Council to discuss the financial situation and seek remedies to prevent an arrearage from occurring. Such remedies might include:
 - a. Drawing from invested funds
 - b. An emergency appeal for special giving from the congregation
 - c. Emergency grants from the District or Conference

According to the *Book of Discipline* ¶ 624, such remedies cannot include a reduction in the Pastor's compensation until the beginning of the next Conference year.

- C. If, after consultation among the Lay Leader and Chairs of S/PPRC, Finance, Trustees, and the Administrative/Church Council, it becomes apparent that the church may be facing a long term financial crisis, the Chair of S/PPRC shall notify in writing the Pastor and District Superintendent that:
 - a. An Equitable Compensation Subsidy Grant may be necessary to maintain compensation for the remainder of the Conference year and/or
 - b. A change in pastoral compensation or appointment may be necessary at the beginning of the following Conference year.
- D. If the local church becomes delinquent in the pastor's compensation (i.e. more than 30 days delinquent), then the District Superintendent shall notify the CEC, which on its own initiative may do any or all of the following, but not limited to:
 - a. Sending a representative from CEC to meet with the local church and pastor to seek resolution of the issue.
 - b. Developing with the local church a payment plan so that the pastor receives full payment of compensation by the end of the conference year.

The District Superintendent shall be invited to participate in this process.

- E. If the local church is already receiving a subsidy grant from the CEC, the Commission may also:
 - a. Determine if all subsidy grant funds allocated to the church were used to pay the pastor's salary
 - b. Examine the original subsidy grant application to determine if the amount requested to meet minimum compensation was reduced
 - c. Require an outside audit of all church funds in compliance with GCFA guidelines (www.gcfa.org)
 - d. Notify the District Superintendent of its findings and recommendations in writing

- F. If a local church becomes delinquent in the payment of the pastor's direct billed pension and benefits (i.e. more than 30 days delinquent), then the Conference Benefits Team shall notify the District Superintendent. If the church makes application for salary support, the status of payment of benefits will be reported to the CEC. The Conference Benefits Team and District Superintendent shall develop a written payment plan with the local church so that the Conference receives full payment of pension and benefits by the end of the conference year.
 - G. It is the responsibility of the pastor to provide evidence of an arrearage by providing documentation such as: Treasurer's Reports, Charge Conference reports of adopted salary and compensation, check stubs, W-2 forms, and a Certification of Payment Form (sample provided by Treasurer's Office staff) signed by the Pastor, S/PPRC Chair, Trustee Chair, Treasurer, and Administrative/Church Council Chair.
 - H. The statute of limitations for filing a claim for funds from the Annual Conference (i.e., notification to the District Superintendent of the arrearage) for any salary arrearage is one year from the date of the initial arrearage. Once an appointment ends the Pastor no longer has claim on the local church for compensation funds (§ 342.4).
 - I. An Administrative Complaint may be filed against a pastor who fails to report an arrearage according to the timeline established in this policy.
- V. The Commission reports that **13** charges received grants for mission and compensation assistance for a total of **\$148,676** in the year **2020**. The Commission has awarded grants for the calendar year **2021** for 11 charges for a total of **\$137,861**.
- VI. The Commission reports that **no** pastors were awarded the Years of Service supplemental compensation for the appointment year **2020**.
- VII. The Commission remains committed to monitoring the rapidly changing financial realities of our local churches and will adapt our procedures as needed to respond and support ministries of the United Methodist Church.

—*Johnnie Wright, Chairperson*

Finance and Administration, Council on

I. Conference Budget to be Raised

January 1, 2022 to December 31, 2022

Row #	Ministry Teams	Requested Request 2019 Raised 2020 for 2021	Actual Raised 2020 for 2021	Shortfall for 2021	Requested Request 2020 Raised 2021 for 2022	Requested Request 2021 Raised 2022 for 2023	Increase (Decrease)	-0.51% % Increase (Decrease)	% of Total Apport
1	** World Service	\$2,043,849	\$1,793,489	\$250,360	\$1,744,429	\$1,744,429	\$0	0.00%	11.33%
	<u>Outreach Ministry Team</u>								
2	Disaster Readiness & Response	36,800	32,292	4,508	42,500	30,270	(12,230)	-28.78%	0.20%
3	Missions & Outreach	743,000	651,987	91,013	731,500	600,000	(131,500)	-17.98%	3.90%
4	Health Ministries	7,300	6,406	894	9,700	7,700	(2,000)	-20.62%	0.05%
5	Creation Care Ministries	17,400	15,269	2,131	15,900	12,840	(3,060)	-19.25%	0.08%
6	Camp & Retreat Ministries Inc.	275,000	241,314	33,686	275,000	275,000	-	0.00%	1.79%
7	Congregations for Children	-	-	-	18,000	32,000	14,000	77.78%	0.21%
	Subtotal - Outreach Ministry Team	\$1,079,500	\$947,267	\$132,233	\$1,092,600	\$957,810	(134,790)	-12.34%	6.22%
	<u>Christian Formation Team</u>								
8	Evangelism & Discipleship	\$18,000	\$15,795	\$2,205	\$125,000	\$100,000	(\$25,000)	-20.00%	0.65%
9	Faith Formation	110,000	96,526	13,474	-	-	-	0.00%	0.00%
10	Worship	6,600	5,792	808	6,500	5,500	(1,000)	-15.38%	0.04%
11	Higher Education & Campus Ministries	8,500	7,459	1,041	906,000	977,800	71,800	7.92%	6.35%
12	College Chaplaincy Support	264,000	231,661	32,339	-	-	-	0.00%	0.00%
13	Campus Ministry	558,349	489,954	68,395	-	-	-	0.00%	0.00%
14	Christian Unity	13,000	11,408	1,592	13,000	10,500	(2,500)	-19.23%	0.07%
15	Financial Discipleship Team	6,500	5,704	796	-	-	-	0.00%	0.00%
	Subtotal - Christian Formation Team	\$984,949	\$864,298	\$120,651	\$1,050,500	\$1,093,800	\$43,300	4.40%	7.11%
	<u>Racial Equity & Justice Ministries Team</u>								
16	Multicultural Ministries Team	\$19,000	\$16,673	\$2,327	\$19,000	\$24,000	\$5,000	26.32%	0.16%
17	Multicultural Ministries Grants	60,000	52,650	7,350	60,000	50,000	(10,000)	-16.67%	0.32%
18	Multicultural Ministries Program	119,650	104,994	14,656	121,650	106,000	(15,650)	-12.86%	0.69%
19	Ministries with Differently Abled People	5,000	4,388	612	5,000	5,700	700	14.00%	0.04%
20	Comm. on the Status/Role of Women (COSROW)	7,750	6,801	949	7,750	17,500	9,750	125.81%	0.11%
21	Restorative Justice & Mercy Ministries	11,000	9,653	1,347	11,800	11,800	-	0.00%	0.08%
22	Refugee & Immigration	24,000	21,060	2,940	27,500	24,100	(3,400)	-12.36%	0.16%
23	Anti-racism Ministries	-	-	-	50,000	50,000	-	0.00%	0.32%
	Subtotal - Racial Equity & Justice Ministries Team	\$246,400	\$216,217	\$30,183	\$302,700	\$289,100	(\$13,600)	-5.52%	1.88%
	<u>Leadership Development Team</u>								
24	** Ministerial Education Fund	690,317	605,757	84,560	546,359	546,359	-	0.00%	3.55%
25	Board of Ordained / Diaconal Ministry	361,695	317,389	44,306	391,695	361,695	(30,000)	-7.66%	2.35%
26	Laitly	30,500	26,764	3,736	29,800	23,620	(6,180)	-20.74%	0.15%
27	District: DS Sal & Ben	1,235,000	1,083,719	151,281	1,272,000	1,272,000	-	0.00%	8.26%
28	District: ADS Sal & Ben	748,700	656,988	91,712	-	-	-	0.00%	0.00%
29	District Offices	250,267	219,611	30,656	204,165	214,800	10,635	5.21%	1.40%
30	District Centralized Support: Sal & Ben	245,655	215,564	30,091	712,215	720,600	8,385	1.18%	4.68%
31	District Centralized Support: Office	21,218	18,619	2,599	78,700	80,274	1,574	2.00%	0.52%
32	DS & AADS: Travel	130,000	114,076	15,924	130,000	130,000	-	0.00%	0.84%
33	Cabinet Meeting Expenses	43,500	38,171	5,329	43,500	43,500	-	0.00%	0.28%
34	Ministerial Relations Office: Sal & Ben	465,874	408,807	57,067	453,109	505,000	51,891	11.45%	3.28%
35	Ministerial Relations Office	22,820	20,025	2,795	22,820	22,820	-	0.00%	0.15%
36	Office of the Bishop	39,000	34,223	4,777	50,000	64,500	14,500	29.00%	0.42%
37	Effective Ministry Program	30,000	26,325	3,675	30,000	50,000	20,000	66.67%	0.32%
38	Cabinet: Immigration Expense Assistance	-	-	-	-	20,000	20,000	100.00%	0.13%
39	Center for Leadership Excellence	71,290	62,557	8,733	71,290	63,400	(7,890)	-11.07%	0.41%
40	Nominations	1,000	878	122	1,000	500	(500)	-50.00%	0.00%
41	Church & Society	20,000	17,550	2,450	21,000	16,800	(4,200)	-20.00%	0.11%
42	Safe Sanctuaries	3,500	3,071	429	3,500	3,500	-	0.00%	0.02%
43	Emerging Church Support	959,000	841,528	117,472	959,000	959,000	-	0.00%	6.23%
44	New Faith Communities: Sal & Ben	295,732	259,506	36,226	275,000	290,000	15,000	5.45%	1.88%
45	New Faith Communities Office	75,000	65,813	9,187	75,000	75,000	-	0.00%	0.49%
46	NC Council of Churches	25,000	21,938	3,062	25,000	35,000	10,000	40.00%	0.23%
47	Conflict Transformation	8,125	7,130	995	8,125	7,100	(1,025)	-12.62%	0.05%
	Subtotal - Leadership Development Team	\$5,773,193	\$5,066,009	\$707,184	\$5,403,278	\$5,505,468	\$102,190	1.77%	35.76%

I. Conference Budget to be Raised (cont'd)

Row #	Ministry Teams	Requested Request 2019 Raised 2020 for 2021	Actual Raised 2020 for 2021	Shortfall for 2021	Requested Request 2020 Raised 2021 for 2022	Requested Request 2021 Raised 2022 for 2023	Increase (Decrease)	-0.51% % Increase (Decrease)	% of Total Apport
Operations & Administrative Resources Team									
48	Annual Conf. Expense	\$205,000	\$179,889	\$25,111	\$220,000	\$220,000	\$0	0.00%	1.43%
49	Conf. Secretary's Office	17,400	15,269	2,131	17,400	15,000	(2,400)	-13.79%	0.10%
50	Conf. Secretary's Office: Sal & Ben	106,000	93,016	12,984	109,000	109,000	-	0.00%	0.71%
51	Conf. Journal/Printing	10,000	8,775	1,225	8,000	6,000	(2,000)	-25.00%	0.04%
52	Communications	150,000	131,626	18,374	148,500	123,100	(25,400)	-17.10%	0.80%
53	** General Administration	242,690	212,962	29,728	214,825	214,825	-	0.00%	1.40%
54	** SEJ Mission & Ministry	31,410	27,562	3,848	31,410	31,410	-	0.00%	0.20%
55	Conf. Treasurer's Office: Sal & Ben	930,000	816,080	113,920	1,158,867	1,158,867	-	0.00%	7.53%
56	Conf. Treasurer's Office	155,000	136,013	18,987	155,000	150,000	(5,000)	-3.23%	0.97%
57	Information Management Office	62,200	54,581	7,619	182,200	170,000	(12,200)	-6.70%	1.10%
58	Information Management: Sal & Ben	348,867	306,133	42,734	-	-	-	0.00%	0.00%
59	Conf. Board of Trustees	1,750	1,536	214	1,750	1,500	(250)	-14.29%	0.01%
60	Board of Institutions	500	439	61	500	500	-	0.00%	0.00%
61	Contingency Fund	15,000	13,163	1,837	15,000	15,000	-	0.00%	0.10%
62	** Meth. Bldg. Operating Fund	185,000	162,339	22,661	200,000	200,000	-	0.00%	1.30%
63	** Meth. Bldg. Capital Fund	250,000	219,376	30,624	-	-	-	0.00%	0.00%
64	Episcopal Residence Current Expense	-	-	-	-	-	-	0.00%	0.00%
65	Episcopal Residence Capital Fund	-	-	-	-	-	-	0.00%	0.00%
66	Legal Counsel	20,000	17,550	2,450	20,000	20,000	-	0.00%	0.13%
67	Equitable Compensation	175,000	153,563	21,437	175,000	175,000	-	0.00%	1.14%
68	Minister's Moving Expense	150,000	131,626	18,374	150,000	150,000	-	0.00%	0.97%
69	Joint Comm. on Clergy Medical Leave	322,000	282,557	39,443	350,000	340,000	(10,000)	-2.86%	2.21%
70	Conf. Claimants-Retiree Insurance - Current	-	-	-	-	-	-	0.00%	0.00%
71	Conf. Claimants-Retiree Insurance - Unfunded Liability	-	-	-	-	-	-	0.00%	0.00%
72	General & Jurisdictional Conference	30,000	26,325	3,675	30,000	30,000	-	0.00%	0.19%
73	Archives & History	8,500	7,459	1,041	9,500	8,500	(1,000)	-10.53%	0.06%
74	Conf. Media Center	7,499	6,580	919	7,496	7,476	(20)	-0.27%	0.05%
75	CCM Office, Mtgs. & Cong. Revitalization	115,500	101,352	14,148	115,500	98,500	(17,000)	-14.72%	0.64%
76	CCM Staff: Sal & Ben	1,542,000	1,353,114	188,886	1,542,000	1,542,000	-	0.00%	10.02%
	Subtotal - Operations & Administrative Resources Team	\$5,081,316	\$4,458,883	\$622,433	\$4,861,948	\$4,786,678	(\$75,270)	-1.55%	31.09%
	Conference Connectional Ministries	\$13,165,358	\$11,552,675	\$1,612,683	\$12,711,026	\$12,632,856	(\$78,170)	-0.61%	82.06%
77	World Service & Connectional Ministries	\$15,209,207	\$13,346,164	\$1,863,043	\$14,455,455	\$14,377,285	(\$78,170)	-0.54%	93.39%
	Past Service Liability								
78	** Past Service Liability	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%
	Other General Conference								
79	** Episcopal Fund	\$605,267	\$536,321	\$68,946	\$700,453	\$700,453	\$0	0.00%	4.55%
80	** Africa University Fund	61,625	54,720	6,905	56,765	56,765	-	0.00%	0.37%
81	** Black College Fund	275,361	245,237	30,124	252,489	252,489	-	0.00%	1.64%
82	** Interdenominational Coop. Fund	53,988	47,646	6,342	7,552	7,552	-	0.00%	0.05%
83	Total Other General Apportionments	\$996,241	\$883,923	\$112,318	\$1,017,259	\$1,017,259	\$0	0.00%	6.61%
84	Grand Total All Funds	\$16,205,448	\$14,230,087	\$1,975,361	\$15,472,714	\$15,394,544	(\$78,170)	-0.51%	100.00%
85	Total General Conference	\$3,973,097	\$3,496,131	\$476,966	\$3,522,872	\$3,522,872	\$0	0.00%	22.88%
86	Total Jurisdictional Conference	\$31,410	\$27,562	\$3,848	\$31,410	\$31,410	\$0	0.00%	0.20%
87	Total Pensions & Conference Claimants	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%
88	Total Annual Conference	\$12,200,941	\$10,706,394	\$1,494,547	\$11,918,432	\$11,840,262	(\$78,170)	-0.66%	76.91%

** Budget raised and spent in the same year

II.a. Actual Operating Budget

Row #	Ministry Teams	Actual Raised in 2019	Total Approved Supplement	Operating Budget for 2020	Actual Expenditures 2020	2020 Remaining Balance
1	** World Service	\$1,749,299	250,360	\$2,043,849	\$2,043,849	
	<u>Outreach Ministry Team</u>					
2	Restorative Justice & Mercy Ministries	\$10,441.0	-	\$11,224	\$9,741	\$1,483
3	Disaster Readiness & Response	32,019	10,481	42,500	27,515	14,985
4	Missions & Outreach	646,473	96,527	754,729	733,853	20,876
5	Refugee & Immigration	24,797	-	26,845	21,154	5,691
6	Board of Institutions	435	-	479	250	229
	Subtotal - Outreach Ministry Team	\$714,165	\$107,008	\$835,777	\$792,513	\$43,264
	<u>Christian Formation Team</u>					
7	Evangelism	\$15,662	\$0	\$17,228	\$5,201	\$12,027
8	Church & Society	17,402	-	18,268	6,235	12,033
9	Faith Formation	98,885	-	108,774	33,406	75,368
10	Worship	5,743	-	6,317	1,368	4,949
11	Higher Education & Campus Ministries	6,526	-	6,526	2,164	4,362
12	College Chaplaincy Support	229,702	(31,702)	198,000	198,000	-
13	Campus Ministry	432,397	198,960	631,357	561,508	69,849
14	Safe Sanctuaries	5,281	-	5,809	-	5,809
15	Camp & Retreat Ministries Inc.	239,273	35,727	275,000	275,000	-
16	Emerging Church Support	834,411	124,589	959,000	893,602	65,398
17	New Faith Communities: Sal & Ben	312,899	-	312,899	249,011	63,888
18	New Faith Communities Office	65,256	-	65,256	47,760	17,496
19	Ministries with Differently Abled People	4,785	-	5,264	501	4,764
20	Financial Discipleship Team	5,656	-	6,222	800	5,422
	Subtotal - Christian Formation Team	\$2,273,878	\$327,573	\$2,615,920	\$2,274,554	\$341,365
	<u>Leadership Team</u>					
21	Multicultural Ministries Team	\$17,402	\$0	\$19,142	\$3,666	\$15,476
22	Multicultural Ministries Grants	52,205	-	57,426	48,175	9,251
23	Multicultural Ministries Program	106,759	-	117,435	79,227	38,208
24	** Ministerial Education Fund	590,832	63,420	690,317	669,177	-
25	Board of Ordained / Diaconal Ministry	314,705	-	337,285	235,864	101,421
26	Laity	26,538	-	28,582	9,003	19,579
27	District: DS Sal & Ben	1,057,501	130,000	1,187,501	1,174,693	12,808
28	District: ADS Sal & Ben	668,834	(548,834)	120,000	101,590	18,410
29	District Offices	213,484	(28,300)	199,073	122,957	76,116
30	District Administration: Sal & Ben	207,515	402,485	610,000	568,194	41,806
31	District Administration: Office	17,924	54,400	74,116	32,364	41,752
32	DS & AADS Travel	113,111	-	124,422	25,411	99,011
33	Cabinet Meeting Expenses	37,849	-	41,634	15,671	25,963
34	Ministerial Relations Office: Sal & Ben	405,350	-	445,885	356,808	89,077
35	Ministerial Relations Office	19,855	-	21,841	13,165	8,676
36	Christian Unity	10,441	-	11,485	(882)	12,367
37	NC Council of Churches	21,752	-	21,752	21,752	-
38	Office of the Bishop	33,933	20,847	54,780	44,043	10,737
39	Effective Ministry Program	26,103	-	28,713	15,863	12,850
40	Center for Leadership Excellence	62,028	-	67,876	38,127	29,749
41	Nominations	870	-	957	-	957
42	Comm. on the Status/Role of Women (COSROW)	5,221	-	5,599	-	5,599
43	Conflict Transformation	13,421	-	13,421	2,906	10,515
	Subtotal - Leadership Team	\$4,023,632	\$94,017	\$4,279,242	\$3,577,775	\$680,328

II.a. Actual Operating Budget (cont'd)

Row #	Ministry Teams	Actual Raised in 2019	Total Approved Supplement	Operating Budget for 2020	Actual Expenditures 2020	2020 Remaining Balance
<u>Stewardship Team</u>						
44	Annual Conf. Expense	\$178,367	\$26,633	\$205,000	\$38,677	\$166,323
45	Conf. Secretary's Office	12,181	-	13,399	5,757	7,642
46	Conf. Secretary's Office: Sal & Ben	92,229	13,771	106,000	102,637	3,363
47	Conf. Journal/Printing	8,701	-	9,571	6,771	2,800
48	Communications	133,253	-	139,371	66,745	72,626
49	** General Administration	207,715	29,728	242,690	242,690	-
50	** SEJ Mission & Ministry	27,329	-	31,410	27,562	-
51	Conf. Treasurer's Office: Sal & Ben	796,127	334,087	1,130,214	1,087,685	42,529
52	Conf. Treasurer's Office	134,863	-	148,349	99,564	48,785
53	Information Management Office	54,119	117,846	171,965	114,500	57,465
54	Information Management: Sal & Ben	289,790	(289,790)	-	-	-
55	Conf. Board of Trustees	1,523	-	1,523	1,523	-
56	Contingency Fund	13,051	(2,477)	11,879	-	11,879
57	** Meth. Bldg. Operating Fund	160,966	-	185,000	162,339	-
58	** Meth. Bldg. Capital Fund	217,521	-	250,000	219,376	-
59	Episcopal Residence	8,701	-	8,701	2,900	5,801
60	Episcopal Residence Capital Fund	43,504	-	43,504	14,501	29,003
61	Legal Counsel	17,402	2,477	21,619	21,619	-
62	Equitable Compensation	152,265	-	167,491	149,759	17,732
63	Minister's Moving Expense	130,513	-	143,564	99,127	44,437
64	Joint Comm. on Clergy Medical Leave	261,025	40,000	301,025	295,368	5,657
65	Conf. Claimants-Retiree Insurance - Current	1,914,186	-	1,914,186	1,914,186	-
66	Conf. Claimants-Retiree Insurance - Unfunded Liability	435,042	-	435,042	435,042	-
67	General and Jurisdictional Conference	26,103	-	26,103	26,103	-
68	Archives & History	10,006	-	11,007	3,199	7,808
69	Conf. Media Center	6,549	-	6,563	6,536	27
70	CCM Office, Mtgs. & Cong. Revitalization	100,495	15,005	125,549	27,584	97,965
71	CCM Staff: Sal & Ben	1,294,722	193,319	1,509,270	1,446,585	62,685
	Subtotal - Stewardship Team	\$6,728,249	\$480,599	\$7,359,995	\$6,618,335	\$684,527
	Conference Connectional Ministries	\$13,739,926	\$1,009,197	\$15,090,934	\$13,263,178	\$1,749,484
72	World Service & Connectional Ministries	\$15,489,225	\$1,259,557	\$17,134,783	\$15,307,027	\$1,749,484
<u>Past Service Liability</u>						
73	** Past Service Liability	\$0	\$0	\$0	\$0	\$0
<u>Other General Conference</u>						
74	** Episcopal Fund	\$532,052	\$68,946	605,267	605,267	\$0
75	** Africa University Fund	\$54,107	6,905	61,625	61,625	-
76	** Black College Fund	\$243,220	30,124	275,361	275,361	-
77	** Interdenominational Coop.Fund	\$47,319	6,342	53,988	53,988	-
78	Total Other General Apportionments	\$876,698	\$112,318	\$996,241	\$996,241	\$0
79	Grand Total All Funds	\$16,365,923	\$1,371,875	\$18,131,024	\$16,303,268	\$1,749,484
80	Total General Conference	\$3,424,545	\$455,826	\$3,973,097	\$3,951,957	\$21,140
81	Total Jurisdictional Conference	\$27,329	\$0	\$31,410	\$27,562	\$3,848
82	Total Pensions & Conference Claimants	\$1,914,186	\$0	\$1,914,186	\$1,914,186	\$0
83	Total Annual Conference	\$10,999,863	\$916,049	\$12,212,331	\$10,409,563	\$1,724,496

** Funds raised and spent in the same year

II.b. 2021 Actual Operating Budget

Row #	Ministry Teams	Carry Over from 2020	Actual Raised in 2020	Total Approved Supplement	DRAFT			% of Total
					Operating Budget for 2021	21 Budget/ 20 Budget % Change	21 Budget/ 20 Actual % Change	
1 **	World Service	\$0	\$1,793,489	\$0	\$1,744,429	-14.65%	-14.65%	11.49%
	<u>Outreach Ministry Team</u>							
2	Restorative Justice & Mercy Ministries	\$965	\$9,653	-	\$10,618	-5.40%	9.01%	0.07%
3	Disaster Readiness & Response	3,229	32,292	-	35,521	-16.42%	29.10%	0.23%
4	Missions & Outreach	-	651,987	41,013	693,000	-8.18%	-5.57%	4.56%
5	Refugee & Immigration	2,106	21,060	-	23,166	-13.70%	9.51%	0.15%
6	Board of Institutions	44	439	-	483	0.84%	93.20%	0.00%
7	Health Ministries	-	6,406	(1,606)	4,800	100.00%	100.00%	0.03%
8	Creation Care Ministries	-	15,269	(2,869)	12,400	100.00%	100.00%	0.08%
	Subtotal - Outreach Ministry Team	\$6,344	\$737,105	\$36,539	\$779,988	-8.00%	-1.58%	5.14%
	<u>Christian Formation Team</u>							
9	Evangelism	1,580	\$15,795	(\$7,800)	\$9,575	-44.42%	84.11%	0.06%
10	Church & Society	1,755	17,550	(7,000)	12,305	-32.64%	97.35%	0.08%
11	Faith Formation	9,653	96,526	(13,000)	93,179	-14.34%	178.93%	0.61%
12	Worship	579	5,792	(1,500)	4,871	-22.89%	256.07%	0.03%
13	Higher Education & Campus Ministries	-	7,459	(2,459)	5,000	-23.38%	131.08%	0.03%
14	College Chaplaincy Support	-	231,661	(33,661)	198,000	0.00%	0.00%	1.30%
15	Campus Ministry	-	489,954	180,103	670,057	6.13%	19.33%	4.41%
16	Safe Sanctuaries	307	3,071	(975)	2,403	-58.63%	100.00%	0.02%
17	Camp & Retreat Ministries Inc.	-	241,314	33,686	275,000	0.00%	0.00%	1.81%
18	Emerging Church Support	-	841,528	267,472	1,109,000	15.64%	24.10%	7.30%
19	New Faith Communities: Sal & Ben	25,951	259,506	-	285,457	-8.77%	14.64%	1.88%
20	New Faith Communities Office	6,581	65,813	9,187	81,581	25.02%	70.81%	0.54%
21	Ministries with Differently Abled People	439	4,388	(2,500)	2,327	-55.79%	364.94%	0.02%
22	Financial Discipleship Team	570	5,704	(3,000)	3,274	-47.38%	309.30%	0.02%
	Subtotal - Christian Formation Team	\$47,415	\$2,286,061	\$418,553	\$2,752,029	1.34%	20.99%	18.12%
	<u>Leadership Team</u>							
23	Multicultural Ministries Team	\$1,667	\$16,673	\$0	\$18,340	-4.19%	400.26%	0.12%
24	Multicultural Ministries Grants	5,265	52,650	-	57,915	0.85%	20.22%	0.38%
25	Multicultural Ministries Program	10,499	104,994	-	115,493	-1.65%	45.77%	0.76%
26 **	Ministerial Education Fund	-	605,757	-	546,359	-20.85%	-18.35%	3.60%
27	Board of Ordained / Diaconal Ministry	31,739	317,389	14,306	363,434	7.75%	54.09%	2.39%
28	Laitly	2,676	26,764	(3,000)	26,440	-7.49%	193.68%	0.17%
29	District: DS Sal & Ben	-	1,083,719	151,281	1,235,000	4.00%	5.13%	8.13%
30	District: ADS Sal & Ben	-	656,988	(656,988)	-	-100.00%	-100.00%	0.00%
31	District Offices	19,717	219,611	-	239,328	20.22%	94.64%	1.58%
32	District Administration: Sal & Ben	-	215,564	487,079	702,643	15.19%	23.66%	4.63%
33	District Administration: Office	-	18,619	-	18,619	-74.88%	-42.47%	0.12%
34	DS & AADS Travel	11,408	114,076	(25,000)	100,484	-19.24%	295.43%	0.66%
35	Cabinet Meeting Expenses	3,817	38,171	-	41,988	0.85%	167.93%	0.28%
36	Ministerial Relations Office: Sal & Ben	40,881	408,807	57,067	506,755	13.65%	42.02%	3.34%
37	Ministerial Relations Office	2,002	20,025	-	22,027	0.85%	67.32%	0.15%
38	Christian Unity	1,141	11,408	-	12,549	9.26%	-1523.08%	0.08%
39	NC Council of Churches	-	21,938	-	21,938	0.86%	0.86%	0.14%
40	Office of the Bishop	-	34,223	4,777	39,000	-28.81%	-11.45%	0.26%
41	Effective Ministry Program	2,633	26,325	-	28,958	0.85%	82.55%	0.19%
42	Center for Leadership Excellence	6,256	62,557	-	68,813	1.38%	80.48%	0.45%
43	Nominations	88	878	-	966	0.94%	100.00%	0.01%
44	Comm. on the Status/Role of Women (COSROW)	680	6,801	-	7,481	33.61%	100.00%	0.05%
45	Conflict Transformation	713	7,130	-	7,843	-41.56%	169.85%	0.05%
46	Anti-racism Ministries	-	-	96,000	96,000	100.00%	100.00%	0.63%
	Subtotal - Leadership Team	\$141,182	\$4,071,065	\$125,522	\$4,278,373	0.44%	19.58%	28.18%

II.b. 2021 Actual Operating Budget (cont'd)

Row #	Ministry Teams	Carry Over from 2020	Actual Raised in 2020	Total Approved Supplement	DRAFT			% of Total
					Operating Budget for 2021	21 Budget/ 20 Budget % Change	21 Budget/ 20 Actual % Change	
Stewardship Team								
47	Annual Conf. Expense	\$17,989	\$179,889	(\$70,000)	\$127,878	-37.62%	230.63%	0.84%
48	Conf. Secretary's Office	1,527	15,269	-	16,796	25.35%	191.76%	0.11%
49	Conf. Secretary's Office: Sal & Ben	-	93,016	12,984	106,000	0.00%	3.28%	0.70%
50	Conf. Journal/Printing	878	8,775	-	9,653	0.86%	42.57%	0.06%
51	Communications	13,163	131,626	(5,776)	139,013	-0.26%	108.27%	0.92%
52	** General Administration	-	212,962	-	214,825	-11.48%	-11.48%	1.41%
53	** SEJ Mission & Ministry	-	27,562	-	31,410	0.00%	13.96%	0.21%
54	Conf. Treasurer's Office: Sal & Ben	-	816,080	330,053	1,146,133	1.41%	5.37%	7.55%
55	Conf. Treasurer's Office	13,601	136,013	-	149,614	0.85%	50.27%	0.99%
56	Information Management Office	-	54,581	90,000	144,581	-15.92%	26.27%	0.95%
57	Information Management: Sal & Ben	-	306,133	(306,133)	-	0.00%	0.00%	0.00%
58	Conf. Board of Trustees	-	1,536	-	1,536	0.85%	0.85%	0.01%
59	Contingency Fund	1,316	13,163	-	14,479	21.89%	0.00%	0.10%
60	** Meth. Bldg. Operating Fund	-	162,339	-	200,000	8.11%	23.20%	1.32%
61	** Meth. Bldg. Capital Fund	-	219,376	-	-	-100.00%	-100.00%	0.00%
62	Episcopal Residence	-	-	-	-	-100.00%	-100.00%	0.00%
63	Episcopal Residence Capital Fund	-	-	-	-	-100.00%	-100.00%	0.00%
64	Legal Counsel	-	17,550	2,450	20,000	-7.49%	-7.49%	0.13%
65	Equitable Compensation	15,356	153,563	-	168,919	0.85%	12.79%	1.11%
66	Minister's Moving Expense	13,163	131,626	-	144,789	0.85%	46.06%	0.95%
67	Joint Comm. on Clergy Medical Leave	-	282,557	39,443	322,000	6.97%	9.02%	2.12%
68	Conf. Claimants-Retiree Insurance - Current	-	-	-	-	-100.00%	-100.00%	0.00%
69	Conf. Claimants-Retiree Insurance - Unfunded Liability	-	-	-	-	-100.00%	-100.00%	0.00%
70	General and Jurisdictional Conference	-	26,325	-	26,325	0.85%	0.85%	0.17%
71	Archives & History	746	7,459	-	8,205	-25.46%	156.51%	0.05%
72	Conf. Media Center	27	6,580	-	6,607	0.67%	1.08%	0.04%
73	CCM Office, Mtgs. & Cong. Revitalization	10,135	101,352	(40,000)	71,487	-43.06%	159.16%	0.47%
74	CCM Staff: Sal & Ben	-	1,353,114	188,886	1,542,000	2.17%	6.60%	10.16%
Subtotal - Stewardship Team		\$87,901	\$4,458,444	\$241,908	\$4,612,250	-37.33%	-30.31%	30.38%
Conference Connectional Ministries		\$282,843	\$11,552,675	\$822,521	\$12,422,640	-17.68%	-6.34%	81.81%
75	World Service & Connectional Ministries	\$282,843	\$13,346,164	\$822,521	\$14,167,069	-17.32%	-7.45%	93.30%
Past Service Liability								
76	** Past Service Liability	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
Other General Conference								
77	** Episcopal Fund	\$0	\$536,321	\$0	700,453	15.73%	15.73%	4.61%
78	** Africa University Fund	-	\$54,720	-	56,765	-7.89%	-7.89%	0.37%
79	** Black College Fund	-	\$245,237	-	252,489	-8.31%	-8.31%	1.66%
80	** Interdenominational Coop.Fund	-	\$47,646	-	7,552	-86.01%	-86.01%	0.05%
81	Total Other General Apportionments	\$0	\$883,923	\$0	\$1,017,259	2.11%	2.11%	6.70%
82	Grand Total All Funds	\$282,843	\$14,230,087	\$822,521	\$15,184,328	-16.25%	-6.86%	100.00%
83	Total General Conference	\$0	\$3,496,131	\$0	\$3,522,872	-11.33%	-10.86%	23.20%
84	Total Jurisdictional Conference	\$0	\$27,562	\$0	\$31,410	0.00%	13.96%	0.21%
85	Total Pensions & Conference Claimants	\$0	\$0	\$0	\$0	-100.00%	-100.00%	0.00%
86	Total Annual Conference	\$282,843	\$10,706,394	\$822,521	\$11,630,046	-4.77%	11.72%	76.59%

** Funds raised and spent in the same year

II.c. Contingency Reserve Fund

	<u>2020</u>
Income	
Interest Income on Checking	\$34,522
Interest on CD Investments	\$24,212
Interest on UMF Investments	\$352,813
Net Reclaim Last Year	\$1,466,641
Other Receipts (Return of supplement)	\$1,131,477
Post Audit Receipts from prior year	<u>\$16,497</u>
TOTAL INCOME	\$3,026,161
Distributions	
Current Year Budget Supplements	\$495,826
Current Year Non-Budget Supplements	\$2,734,647
Subsequent Year Budget Supplements	\$726,521
Subsequent Year Non-Budget Supplements	\$0
Reserve for GC Budget Supplement Consideration (2021-2022)	\$1,307,547
Interest / Service Charges Paid	\$42,786
Audit Adjustments (Reclaimed)	<u>(\$265)</u>
TOTAL DISTRIBUTIONS	\$5,307,063
Change in net assets (TOT. INCOME — TOT. DISTRIBUTIONS)	(\$2,280,902)

Current Year Budget Supplements:

General Church Apportionments	\$ 455,826
Joint Cmte on Clergy Medical Leave	\$ 40,000
	<u>\$ 495,826</u>

Current Year Non-Budget Supplements:

Camp & Retreat Ministries, Inc.	\$ 234,647
COVID-19 Response	\$ 1,500,000
Disaster Recovery	\$ 1,000,000
	<u>\$ 2,734,647</u>

Subsequent Year Budget Supplements:

Salary & Benefit Lines Shortfall	\$ 606,121
Office Lines Shortfall	\$ (71,808)
Campus Ministry: Salary/Benefits	\$ 42,208
Emerging Church Support	\$ 150,000
	<u>\$ 726,521</u>

Subsequent Year Non-Budget Supplements:

	\$ -
	<u>\$ -</u>

III. Financial Policies

The United Methodist Church is a connectional church, and all local churches participate in the mission and service giving of the larger church. The outreach and mission giving opportunities of the Connection are distributed to the churches of the NC Conference by means of a formula based on the financial performance in each local church. Every effort is made to develop a computation which is shared with fairness by all. Church leaders are encouraged to interpret the work of the Connection so that each congregation understands these funds to be a necessary extension of the ministry and mission of the church beyond its local organization.

A. APPORTIONMENTS:

1. The funds to be apportioned are:
 - World Service and Connectional Ministries
 - Episcopal Fund
 - Interdenominational Cooperation Fund
 - Black College Fund
 - Africa University Fund
2. Formula: The Apportionments for each year shall be based on the average of the total monies disbursed by each church in the four years immediately previous to the apportionment year less the approved exclusions each year, or on the most recent year less the approved exclusions, whichever is lower. The change in unadjusted apportionments from the previous year shall not increase in excess of 15%. The exclusions are: Payments on World Service and Connectional Ministries, Past Service Liability, Episcopal Fund, and all other apportionments; principal and interest on indebtedness; buildings and improvements; 50% of property insurance; local benevolences paid directly by the local church; General and Conference Advance Specials; New Room Society; up to \$4,500 for travel paid by a charge for each pastor; United Methodist Student Day; Human Relations Day; Peace and Justice Sunday; Native American Awareness Sunday; UMCOR Sunday (formerly One Great Hour of Sharing); World Communion Sunday; UMW Funds sent to district or conference treasurer; housing allowance paid in lieu of furnished parsonage to a minister serving under Episcopal appointment in a charge of the Conference; offerings taken for disasters as designated by the Disaster Readiness and Response Committee and the Resident Bishop.
3. Effective July 1, 2004, new faith communities shall be assigned an apportionment beginning in the apportionment year in which the church is chartered (Year A in the following table), or five years from inception date (designated leader begins ministry), whichever is sooner. New faith communities considered under this formula include new churches, multi-site locations, and relaunched churches sponsored by the New Faith Communities Office. The new and projected charter dates for all new churches shall be reported annually by the New Faith Communities Office to the Treasurer's Office immediately following Annual Conference. The amount to be apportioned

shall be a percentage of the apportionment as computed on the standard formula described in III.A.2 above. Because this formula results in a lower apportionment for a longer period than earlier new church formulas, no adjustment will be allowed to the apportionment computed as shown in the following table:

Year	Percent	Base Year Net Disbursement Formula	Maximum % Change
A	0%	None	None
B	60%	$=(4A)/4$	None
C	65%	$=(3A+B)/4$	None
D	70%	$=(2A+B+C)/4$	None
E	75%	$=(A+B+C+D)/4$	None
F	80%	$=(B+C+D+E)/4$	None
G	85%	$=(C+D+E+F)/4$	None
H	90%	$=(D+E+F+G)/4$	None
I	95%	$=(E+F+G+H)/4$	None
J	100%	$=(F+G+H+I)/4$	None

4. Apportionments to the churches shall be made by the Council on Finance and Administration (CFA) based on the current formula. Each cause shall be paid proportionately out of the income from funds received up to the amount fixed by the Annual Conference. In the event receipts shall fall short, all items shall be paid pro-rata. The CFA is authorized to make supplementary appropriations between sessions of the Annual Conference, if funds are available, for emergency or unforeseen needs. Such supplementary appropriations shall be made only from available undesignated funds. In the light of possible unforeseen and emergency need beyond available resources within the Annual Conference, the CFA is authorized to adjust the pro-rata distribution by up to 10% at its discretion and is authorized to use such funds to make supplementary appropriations according to this provision. General Church apportionments will be paid in full as collected to general agencies and will not be subject to adjusted pro-rata distributions. All supplementary appropriations made under these provisions shall be reported in the Conference Journal for purposes of information.
 5. Apportionments will be delivered from the Treasurer's Office to the district superintendents by **July 16, 2021**.
 6. The percentage payout rate for local churches shall be based upon payment of all apportioned items as listed in Section III.A.1. above.
- B. The following special offerings shall be taken in each local church and remitted to the Conference Treasurer as separate items. They are not to be included in the Apportionments. General Church special offerings include United Methodist Student Day, Human Relations Day, Peace with Justice Sunday, Native American Awareness Sunday, UMCOR Sunday (formerly One Great Hour of Sharing), and World Communion Sunday. Annual Conference approved special offerings include Project AGAPE Mission to Armenia, Methodist Home

- for Children, Mother's Day Offering for the Methodist Retirement Homes, Golden Cross Sunday, and Disciple Bible Outreach Ministries.
- C. No Conference agency's budget shall incorporate funds to be appropriated to a non-conference agency, without specific approval of CFA. All funds granted to a non-conference agency must be spent consistent with the Social Principles of The United Methodist Church.
 - D. No transfer of funds shall be made from one line item in the Conference Budget to another.
 - E. All General Church Funds (World Service, Episcopal, Ministerial Education, Black College, Africa University, Interdenominational Cooperation, General Administration), Jurisdictional Conference, and Methodist Building Operations and Capital Maintenance Funds will be raised and paid out in the same year. All other funds will be raised and paid out in the subsequent year on a schedule determined by the CFA.
 - F. Investment Policy: The investment of the funds of the conference shall be such that funds available for mission are maximized in a manner consistent with the preservation of capital and with the Social Principles of The United Methodist Church. Investments are with the United Methodist Foundation, Inc. (local), the United Methodist Church Foundation (national), Wespeth Benefits and Investments, area banks, and with specific minority-owned financial institutions within the bounds of the NC Conference. Investments of funds reserved for use in the next budget year shall be invested 50% fixed income investments and 50% equity investments.
 - G. Monies paid by the churches shall be reported to the statistician by the pastors at the end of the year on the Table II, Financial Report. The Table I, Table II and Table III reports for **2021** shall be due to the statistician no later than January 31, **2022**.
 - H. The Council may enact its own bylaws governing meetings, quorum, and other matters of procedure as authorized in the *2016 Discipline*, Para. 612.5.b.
 - I. The Council shall maintain a central treasury for all Conference agencies as authorized by Para. 613.12 of the 2016 Discipline, and the 1953 session of the Annual Conference. Annual Conference boards and agencies, including those separately incorporated, are required to maintain their funds on deposit in the central treasury unless exempted by the Annual Conference or the Discipline. Exemptions are granted to the Methodist Home for Children, the Methodist Retirement Homes, the Colleges, the United Methodist Foundation, Inc., Board of Missions, Inc., Asbury Homes, and North Carolina United Methodist Camp and Retreat Ministries, Inc.
 - J. All new programs or entities which would not be funded by an existing approved budget shall be referred to the CFA for review of budget needs and supplemental funds available prior to approval by Annual Conference. If the item is approved, the next year's budget shall be amended to include the necessary funds based on the CFA recommendation.
 - K. Contracts executed by commissions, boards, or agencies which obligate the Annual Conference must: 1) be created for periods of no more than 12 months, 2) not involve expenditures exceeding \$50,000 in the aggregate and 3) not include a guarantee by the Conference of debt incurred by a separately incorporated entity. All contracts that

exceed a 12-month period and/or \$50,000 must be authorized by the Council on Finance and Administration. Should authorization be needed between meetings of CFA, it can be given by two signatures from the Executive Director of Connectional Ministries, the president of CFA, or the Conference Treasurer.

IV. Itinerant Clergy Moving Expense

Effective Date – June 1, 2020

The Itinerant Clergy Moving Expense Committee met to study moving expense needs and policies. The Committee makes the following recommendations.

A. Eligibility

1. Pastors of local churches continuing under appointment to local churches within the Conference, moving to or from extension ministries, district superintendents, ministerial assistants to district superintendents and Conference ministerial staff whose salaries are paid from the Conference Treasurer's Office.
2. Pastors in section A.1. who become Conference Evangelists upon moving from an appointment to a new residence. Their moving expense to return to any of the above categories will also be paid.
3. Pastors in section A.1 who retire from serving appointment or who assume approved medical leave or return into active service from approved medical leave.
4. Widows or widowers of those identified in section A.1. upon moving from place of appointment to new residence.
5. Pastors moving into an appointment in the North Carolina Conference under section A.1.
6. Interim Supply pastors
7. Pastors being appointed to leave of absence are entitled to moving expense for one leave of absence.
8. Pastors who are called to active military duty will be entitled to moving expense at the time of call up, if need be, and at the time of return, if need be, if not covered by the military, with substantiation of the military orders.
9. Persons moving who are not defined above will not be eligible to make claim.

B. Payment of Claims

1. All reimbursements must be substantiated with paid receipts for actual moving expenses. All reimbursements must be for expenses which are deductible for income tax purposes according to Internal Revenue code, Section 217, non-taxable fringe benefits. Payment will be granted to all who are eligible to make claims as follows:
 - a. Active itinerant clergy in section A.1., A.2., A.5., A.6., A.7. and A.8. (except retiring clergy, widows, widowers, and clergy couples) will receive reimbursement of costs up to \$2,250.00 with submission of paid receipts for actual moving expense.

- b. Retiring itinerant clergy, widows or widowers will receive reimbursement of costs up to \$3,500.00 with submission of paid receipts for actual moving expenses. The retirement amount may be granted upon request when taking medical leave in lieu of receiving the retirement benefit at retirement.
 - c. Itinerant clergy couples will receive reimbursement of costs up to \$2,600.00 with submission of paid receipts for actual moving expenses. If only one member of the clergy couple is re-appointed, section B.1.a. will apply.
- 2. Travel: Mileage is reimbursed at the standard IRS rate for moving expense deductions. This rate may be paid per mile per vehicle for a single trip to move each vehicle to the new residence. If a vehicle is used to move household goods, i.e., in lieu of a moving company, additional trips may be reimbursed as necessary. The per trip mileage will be computed from appointment to appointment, or from the Conference boundary to the appointment, or from the appointment to the residence/Conference boundary (in case of retirement), whichever is less. Either the mileage as described above or actual out of pocket expenses for gas, oil, etc. may be reimbursed from the Conference boundary.
- 3. Reporting and Payment Requirements
 - a. Effective January 1, 2018, all moving expense reimbursements are taxable to the recipient. The Conference Treasurer's Office will reimburse moving expenses directly to the pastor. Moving expense reimbursements will be reported on the employee's W-2 for employees of the Conference and on a 1099-MISC for pastors not paid through the Conference Treasurer's Office. Any required benefit computations or payments due for the moving expense reimbursement will be completed by the Conference Treasurer's Office and funded through the Itinerant Clergy Moving Expense annual budget.
 - b. The Conference Treasurer will make this payment upon receiving the Itinerant Clergy Moving Expense Requisition form signed by the person receiving reimbursement and verified by the District Office, along with appropriate receipts to substantiate the expenses.
 - c. The pastor should send the completed document, "So You're Moving" checklist to the District Office. This will fulfill the *2016 Discipline*, Paragraph 2533.4, which states "The chairperson of the board of trustees or the chairperson of the parsonage committee, if one exists, the chairperson of the committee on pastor-parish relations, and the pastor shall make an annual review of the church-owned parsonage to ensure proper maintenance."
 - d. Moving expense funds will be withheld by the Conference Treasurer if the district superintendent determines that the parsonage was inadequately cleaned or was damaged beyond normal wear and tear. If an inspection by the district superintendent and the pastor-parish relations committee or the parsonage committee reveals monetary needs for cleaning or repairs, or for having the fuel tank filled, the

remaining balance of the moving expense due said pastor shall be made payable to the respective district to pay for needed cleaning or repairs. If the district superintendent or the moving pastor is NOT in agreement with said pastor-parish relations committee or the parsonage committee, the superintendent may request the arbitration committee of the clergy living committee, or other committee of the Board of Ordained Ministry assigned these duties, to inspect the parsonage involved and give an impartial recommendation.

4. The Conference Treasurer will make an advance payment up to \$600.00 to eligible itinerant clergy to cover the expense of deposit and fees for moving expenses prior to their move, upon verification by the District Office. Those receiving an advance must substantiate their expenditures, and any money that is left over shall be refunded to the Conference Treasurer. All advance payments shall be reported as required as taxable income on the W-2 for conference employees and 1099-MISC for pastors not paid through the Conference Treasurer's Office.
5. No additional claim can be made against a local church, district or the Conference for payment of moving expenses.
6. Reimbursable expenses include the cost of boarding and moving domestic animals, the moving of recreational vehicles, moving household and personal goods, travel as defined in B.2., lodging, packing, crating, in-transit storage and insurance, labor costs, and any other expense necessary to physically move household items. Labor costs paid to individuals currently residing in the moving household, or those moving their own personal belongings are not reimbursable. Other expenses which are not reimbursable include meals, purchase of household items, or any other item not reasonable or necessary for the move.
7. The request for moving expense reimbursement must be received in the Treasurer's Office no later than four months following the date of the move.
8. The Moving Expense Committee will consider and have final authority over any questionable or disallowed claim or special claim beyond allowances set in the approved plan.

V. Local Church Finance Minimum Standards

Serving as a financial officer or in a financially related position within a local church requires that we serve with fiduciary responsibility over the financial matters of the church. This fiduciary responsibility means that we stand in service to perform our duties with the trust and confidence that we act for the benefit of the church and not for the benefit or convenience of ourselves. As we serve with these responsibilities in local churches, we are guided to provide the most effective and most efficient ways to safeguard the assets entrusted to our care. One of the ways we safeguard the assets is to put procedures in place that have been proven to minimize risks by preventing and detecting error, deterring fraud and protecting innocent staff and volunteers. The following guidelines have been developed in order to assist those with financial responsibilities in local churches to identify and implement basic internal control procedures.

These guidelines are intended to aid in the prevention or deterrence of fraudulent behavior and are not accusations that fraudulent activities are being performed. These guidelines provide protection for those in a position of controlling financial activity from being accused of fraud. Part of the fulfillment of our calling to be good stewards of the Lord's funds is having effective procedures in place to safeguard those funds. These minimum standards should be increased for churches with higher volumes of transactions but should not be compromised for lower volumes of transactions. All local churches are expected to meet these minimum standards.

A. Receipts and Disbursements

1. Treasurer and Financial Secretary should not be the same person and should not be in the same immediate family residing in the same household
2. Counting team (at least two unrelated persons) should count offerings and document totals – not treasurer and not financial secretary
3. Offerings should be deposited the same or next business day
4. Offering count details should be given to financial secretary for recording
5. Offering totals should be given to the treasurer or financial secretary to record deposit
6. The Financial Secretary's deposit log should be compared to the bank statement to verify deposits (by bank reconciliation reviewer)
7. At least two persons should be listed as authorized signatures on all accounts. This should also be the case for setting up electronic payments (or EFTs). For EFTs, one of those individuals should be a Trustee or a member of the Finance Committee (other than the Secretary or Treasurer).
8. The Treasurer is authorized to make electronic payments of bills. The Treasurer shall maintain support for every electronic payment just as with the support for paper checks.
9. Financial policy and authority guidelines should be written and approved by the Finance Committee (there is a template available on the Conference Treasurer's Office website).
10. Invoices should be required for all payments from all accounts
11. Someone other than the treasurer (with authority by Finance Committee) should approve invoices for payment
12. Typically, the Treasurer should make payments only after the invoice is approved. A policy may be implemented where routine, budgeted expenses (i.e., rent/mortgage, electric bill, etc.) may be paid without recurring approval; non-routine expenses must be approved prior to payment.

B. Reporting and Review

1. All accounts should be reconciled monthly
2. Someone other than treasurer should review bank reconciliation at least semiannually – including bank statements, invoices, checks written, and financial reports

3. The Treasurer should make detailed report of budget and designated fund activities to the Finance Committee at least quarterly
 4. There must be an annual evaluation of financial records – at least in as much detail as the Local Church Audit Guide (completed no later than August 1 for preceding year, with the results of the audit being reported at Charge Conference) – including ALL accounts of the church (except UMW may be under separate evaluation or audit) – ALL accounts includes the general fund, building funds, designated accounts, cemetery funds, discretionary funds, Sunday school accounts, etc.
 5. An external annual audit of ALL accounts should be done at least every three years for churches with total annual disbursements of more than \$500,000 per year (completed by August 1 for preceding year). An annual evaluation should be performed during the interim years.
 6. While a full audit is optimal, the term ‘external audit’ could mean a review by a CPA firm or other qualified individual (one with an accounting degree and accounting experience) that is independent of the church’s Finance Committee or church council.
 7. An external annual audit of ALL accounts should be done every year for churches with total annual disbursements of more than \$1,000,000 per year (completed by August 1 for preceding year). The term ‘external audit’ in this recommendation refers to an audit by an independent CPA or firm—not a member of the church. An opinion is given on the financial statements—both balance sheet and income statement.
 8. An individual CPA may participate in an audit, however, s/he must be a member of a church audit team performing an audit; thereby, a member of an audit team reporting to the church’s finance committee.
- C. Tax Reporting Requirements
1. W-2s must be issued for employees, including pastors, and 1099s issued for non-employee compensation by January 31 for preceding year (federal law requirement)
 2. Payroll tax forms and deposits done as required for payroll amount (federal law requirement) – payroll reporting should be completed for the IRS and SSA by appropriate due date for filing method
 3. Housing allowance or exclusions approved annually at charge conference and kept on file (federal law requirement)
- D. Other General Requirements
1. Prepare list of all church property for insurance purposes – include item description, serial number and value
 2. Prepare list of safety deposit box contents – update authority as needed – access should be allowed by two unrelated people
 3. Computer records are backed up and password protected for security
 4. Ideally, four individuals are required for regular financial procedures: financial secretary,

treasurer, person to review and approve invoices and person to review bank reconciliations. It is possible for this to be accomplished with 3 individuals if proper segregation is achieved.

VI. Approval to Solicit Funds

Any organization designated as a Conference Advance Special may ask local churches to consider opportunities for giving. It shall be at the discretion of the local church as to whether, when and how these opportunities will be presented to the membership. Solicitation or private campaign may not be taken directly into local churches of the Conference through solicitation in classes or other groups or by the use of membership lists (either partial or in entirety).

Approval is given to the requests of the following agencies and programs for the privilege of soliciting funds under these policies throughout the District or Conference.

- A. Christmas Offering for District programs and/or projects.
- B. The [Congregational Development] Fund, Inc.,] for the promotion of the Church Extension, New Room Society, and the John Wesley Endowment for Congregational Development.
- C. The Board of Directors for Camp and Retreat Ministries, Inc. to solicit from church groups and individuals, materials and money for specific projects for the three camps of the North Carolina Conference.
- D. Methodist Retirement Homes, Incorporated; Methodist Home for Children; Louisburg College; Methodist University; North Carolina Wesleyan College; and Asbury Homes for the privilege of private solicitation and receipt of such funds as may be directed thereto.
- E. The United Methodist Foundation, Incorporated, as provided in its charter.
- F. The Disaster Response Committee upon joint decision of the committee and the Resident Bishop to respond to disasters within the bounds of the NC Annual Conference.

The CFA continues to recommend that 100% "Missional Service Giving" be the on-going priority. The Council also recommends that stewardship continue to be a missional focus, Conference priority.

VII. District Superintendents' Salary

The Council on Finance and Administration recommends that the formula for computing the annual salary for the district superintendents be the average of the top 25 pastors' salaries in the Conference for the previous year, no less than the salary of the previous year. Salary is defined as cash salary plus nonvouchered allowances. In March 2021, current district superintendents requested no increase be made to the district superintendent salary in 2022. Therefore, we recommend the 2022 salary for district superintendents be set at \$112,766, reflecting no change from the 2020 and 2021 salaries.

VIII. Organization and Procedure *(presented for information only)*

- A. The audit for **2020** will be by Crosslin & Associates, Nashville, Tennessee.

- B. The president, vice-president, secretary, and treasurer of the CFA shall serve as the executive committee of the Council. In addition to these individuals, at-large members of the executive committee include chairpersons of the CFA sub-committees.
- C. The Conference Treasurer will include in the monthly financial reports, for any given month, all monies received in the office by the 5th day of the following month, except when the 5th day falls on a weekend or holiday the report will include the funds received the following workday.
- D. The Treasurer may approve minor over-expenditures of a budget line item up to \$5,000 or 5% of the line item, whichever is less. A request for such over-expenditure shall be submitted in writing in advance and shall state the reason for the request. The over-expenditure will be reported to CFA and will be listed in the Conference Journal.
- E. Any Conference or non-conference agency which receives financial support from Conference funds or from any authorized conference-wide appeal in excess of \$5,000 shall submit, with any budget request, an annual detailed audited budget report of all receipts, disbursements and assets. A statement in effect that "All funds granted have been spent consistent with the Social Principles of The United Methodist Church" will be furnished to CFA upon submission of the audit. Such reports received shall remain on file in the Treasurer's Office until reported to CFA. An agency may be exempted (for just cause) from this reporting requirement by CFA. Note: CFA requests the Board of Institutions to provide regular reports (at least annually) regarding its financial monitoring of related institutions/ programs. The financial monitoring shall include consideration of a final independent audit for the institution, pension plan, and affiliated entities, including journal entries, the auditor's management letter and any other reports of the auditors; liability insurance coverage levels; and the institution's projected budget for any subsequent fiscal years, including the current fiscal year.
- F. A carry-over of budgeted funds remaining (not including any supplemental appropriations) of up to 10% of the amount raised for the subsequent year will be allowed for Conference budget line items. Any carryover or portion thereof by this policy may be rescinded in any year in which funds are not available to meet basic ministry needs as determined by the CFA.
- G. Funds appropriated to a board or agency must be spent in the calendar year of the appropriation unless otherwise allowed.
- H. Supplemental Appropriations: The Council will consider requests for supplemental appropriations in the following priority order:

First Priority

- Salary and benefit items previously approved according to the policies of the Annual Conference or General Conference (i.e. Equitable Compensation Funds, staff salaries, etc.)
- Programs authorized and mandated by the NC Annual Conference which are not included in the Annual Conference budget for that financial year.

- Amounts required to provide funding for retiree pension or insurance benefits included in previously fully funded plans.

Second Priority

- New creative programs to respond to emerging needs and to expand the mission of the Annual Conference which are not included in the Conference budget for that year. Such programs will be funded through supplemental appropriations only on a short-term basis.
- Emergency needs and programs in the life of the boards and agencies of the Annual Conference. The petitioning group shall make such requests in writing to the Treasurer's Office at least 15 working days before a scheduled CFA meeting.

Third Priority

- Any other type of funding requests.

Procedure for seeking supplemental appropriations:

1. All requests for supplemental appropriations shall be made to the CFA President and/or the Conference Treasurer's Office in writing at least 15 working days before a scheduled CFA meeting.
 2. The normal procedure for requests for supplemental appropriations will be a review by the CFA supplemental appropriations committee which will make a recommendation to the full Council.
 3. If an emergency request for supplemental appropriations is received between scheduled meetings, the CFA supplemental appropriations committee will consider the request and may direct the Conference Treasurer to forward it to the membership via mail or e-mail with a recommendation for action.
- I. Interest shall be paid to/from the Board of Pension, Insurance Fund, Blackburn Scholarship Fund, Congregational Development funds using the rate of the conference interest-bearing checking account, compounded monthly, on monthly average balances held by the Conference Treasurer for interest earned in excess of service fees paid for transactions in those funds. Excess service costs of boards or committees funded outside the conference budget not covered through the conference interest-bearing account may be billed to the appropriate board or committee's fund.
 - J. Retroactive adjustments for transfer or posting delays will be made to the Board of Pension and the Insurance Fund accounts for earnings calculations.
 - K. Funds in excess of operational needs for the Board of Pension and the Insurance fund are invested in the United Methodist Foundation, Inc. of the N.C. Conference, Wespeth, Inc., or other socially responsible investment funds as deemed appropriate by the respective board or committee.
 - L. In order to prevent a loss of funds due to investment risk, and in order to have funds available for emergency use, the goal of the Council is to maintain minimum reserve

funds equal to 15% of the current operating budget for World Service and Connectional Ministries. Supplemental appropriations from current year earnings shall follow the guidelines in paragraph H above. Supplemental appropriations beyond current year earnings shall follow the following guidelines:

1. If reserves are less than or equal to 20% of the current operating budget, only supplements to meet payroll for existing positions may be considered.
 2. If reserves are above 20% and below 30% of operating budget, only supplements to meet payroll for existing positions, ministries, and retiree pension or insurance may be considered.
 3. If reserves are equal to or greater than 30% of operating budget, other requests may be considered.
 4. No request may be considered if the amount requested would reduce reserves below 15% of operating budget.
- M. Mailing address labels will be available for a nominal fee to conference agencies, clergy and lay members of Annual Conference or other United Methodists for church-related uses.

- N. **CFA Meeting Schedule:** The executive committee meets at the call of the President. Scheduled meetings are:

June 17-18, 2021: There may be a called meeting in conjunction with Annual Conference if necessary, to elect officers or conduct other business.

September 14, 2021: A meeting to be held for considering general business matters.

November 2, 2021: An optional meeting to be held if necessary, at the call of the President.

December 7, 2021: To consider apportionment matters and supplemental appropriations for salaries.

January 14, 2022: To look at the shortfall and make a decision regarding paying out the general church apportionments. (Subject to change based on GCFA final closing date.)

February 1, 2022: To consider the operating budget for the current year. All payments on apportionments are due to the Treasurer by mid-January. A report of receipts, amounts allocated to the budgeted boards and agencies, and supplemental appropriations are decided at the meeting.

March 22, 2022: To consider the budget to be recommended to Annual Conference which will be raised in the subsequent year and spent in the year after it is raised. Additionally, the CFA policy recommendations to the Annual Conference are adopted.

- O. **Dates to Remember:**

July 16, 2021: Apportionments sent to the local church pastors.

November 2, 2021: Requests for supplemental appropriations for the 2021 operating

budget due in the Treasurer's Office.

January 12, 2022: Annual Conference and General Church remittances must be received by 8:30 A.M. in order to receive credit for 2021. (Subject to change based on GCFA final closing date.)

January 19, 2022: Requests for supplemental appropriations for the 2022 operating budget due in the Treasurer's Office.

January 25, 2022: Requests for the 2024 budget, to be adopted at the 2022 Annual Conference, due to the Treasurer's Office from Conference Connectional Table (CCT) team leaders to be presented to the full CCT.

January 31, 2022: Tables I, II and III for 2021 due to the Conference statistician.

IX. United Methodist Personal Investment Plan (UMPIP), and UMLifeOptions

A. General

1. The lay employee's supervisor is responsible for making lay employees aware of these rules and procedures. Detailed information on the UMPIP and the UMLifeOptions is available from the Treasurer's Office. Supervisors will have lay employees who are eligible for these benefits contact the Treasurer's Office 60 days before they are eligible for participation or sign a waiver form if they decline to participate in the UMPIP. The form will be kept on file in the Treasurer's Office for future reference.
2. The Conference Treasurer's Office will administer the UMPIP and the UMLifeOptions.
3. Contributions will be withheld from the employee's pay and remitted to Wespath by the Treasurer's Office within ten business days after receiving the bill from Wespath.

B. United Methodist Personal Investment Plan (UMPIP - Effective January 1, 2006)

1. The lay employee must be full time (at least 20 hours per week).
2. The lay employee must be an employee for 1 continuous year before becoming eligible for UMPIP.
3. The conference contribution will be twelve percent (12%) of the employee's base compensation.
4. The lay employee's required contribution will be 3% of the employee's base compensation. Participants in the UMPIP must be participants in the UMLifeOptions.

C. UMLifeOptions

1. The UMLifeOptions plan is a death and disability plan for lay employees.
2. UMLifeOptions is an employer-funded plan and, as such, is required enrollment for all eligible employees.
3. Employees are eligible after one year of employment working at least 20 hours per week.

—Anne Lloyd, President

Insurance Committee

I. The Insurance Committee is to be made up of representatives from the following boards and agencies: 2-Board of Pension; 1-Board of Pension Chair; 2-Board of Ordained Ministry; 2-Joint Committee on Clergy Medical Leave; 3-Lay Members appointed by the Commission on Laity; 5-At Large Members. The following members are without vote: 1-Conference Treasurer; 1-Controller; 1-Benefits Coordinator; 1-Director of Ministerial Relations. The representative should be elected at the organizational meeting of these boards and agencies. Once elected from its constituent groups at the beginning of each quadrennium, the Insurance Committee's membership will remain established for the remainder of that quadrennium.

II. Group Term Life Insurance

- A. The current life insurance program is provided by *MetLife*.
- B. Our coverage is \$25,000 for active participants, \$12,500 for retired clergy up to age 72. Effective July 1, 2005 the coverage for retirees age 72 and over is \$5,000. Current spouse and child coverage is \$10,000 per person. The spouse's life insurance terminates upon retirement of the subscriber.
- C. The active life insurance plan is non-contributory. Life insurance premiums are to be paid by the salary-paying unit.
- D. Supplemental Life insurance guidelines (voluntary individual enrollment):
 - 1. Participant must be enrolled in active Conference life insurance plan.
 - 2. ~~Initial voluntary enrollment November 1 – 30, 2007 for an effective date of January 1, 2008.~~ **Voluntary enrollment is available each annual Open Enrollment period.**
 - 3. Premiums should be withheld by the salary-paying unit on an after-tax basis. Premiums will be included on the monthly invoices issued by the Treasurer's Office.
 - 4. ~~Late applicants may apply for coverage during Open Enrollment and are subject to health questions.~~
 - 5. Approval or denial is administered by MetLife.
- E. Basic LIFE INSURANCE CLAIMS FILED IN 2020:
Total Claims FILED: **18**
Total Benefit FILED: **\$138,300**

III. Health Insurance Benefits

- A. Group Health
 - 1. The Insurance Committee will provide the proposed benefits to the members immediately before each Annual Conference session. The committee considers the most current financial information that is available before adopting its recommendations.

2. Insurance companies who make inquiries, for the purpose of submitting proposals, will be notified of a \$200 processing fee. This fee will help cover the costs of preparation and processing of the information necessary for proposals.
3. The NC Conference health care plan has been amended as necessary to comply with federal health care laws applicable to the plan.

B. Policy and Rules

1. ~~Effective January 1, 2004, The North Carolina Conference offers a Preferred Provider (PPO) health insurance plan administered by Blue Cross Blue Shield of North Carolina. Details may be obtained by contacting the Benefits Coordinator in the Treasurer's Office, 800-849-4433.~~
2. ~~Effective January 1, 2012 the North Carolina Conference offers a PPO Base Plan for health insurance benefits with the option of a PPO Buy-Up plan for increased health insurance benefits.~~
3. **Effective January 1, 2014 The North Carolina Conference offers a PPO Base Plan for health insurance benefits with the option of a PPO Buy-Up plan for increased health insurance benefits.** Benefits will include life insurance, pharmacy, and mental health services. Optional benefits available will include supplemental life, dental coverage, medical reimbursement, and dependent care accounts. Funding for all optional coverages will be the responsibility of the participant.
4. Medical Reimbursement and Dependent Care Accounts must be established during Open Enrollment (November 1 – 30), for an effective date of the following January 1. If you do not claim these funds prior to March 15 for the preceding plan year (plan year being the previous calendar year plus a 75 day grace period of the current year), these funds are forfeited. Participation in the Medical Reimbursement and Dependent Care accounts is contingent upon participation in the health insurance plan.
5. A change of life circumstances (birth, marriage, divorce, death, loss of spousal coverage) will allow a mid-year change. When there is a change in family status, or a change of address, it is the insured's responsibility to notify the Treasurer's Office within 30 days. The toll-free number to the Methodist Building in Garner is 1-800-849-4433 where staff persons continue to provide personal attention to insurance matters.
6. Adding new family members must be completed within 30 days of the qualifying event or 60 days if the eligible change is related to the Children's Health Insurance Program (CHIP).
7. Effective January 1, 2004, the Conference health insurance plan will be the primary carrier for active participants who continue to work past the Medicare eligibility age and are enrolled in the Conference health plan.
8. Pre-Certification of all in-patient admissions is required. Effective January 1, 2004, call Blue Cross Blue Shield of NC at 800-214-4844. Mental Health benefits are handled through Blue Cross Blue Shield of NC. Any pre-authorization would be obtained through Blue Cross Blue Shield of NC. Members can use the MDLive telehealth service

or other providers.

9. Effective January 1, 2019, diagnostic imaging services should be pre-certified.
10. Denial of claims or incorrect processing of claims should be appealed through Blue Cross Blue Shield of NC. There are two levels of appeal.
11. Payment for the church's portion of the insurance programs must be made by the church/charge treasurer. Personal checks cannot be accepted due to IRS regulations governing Section 125 cafeteria plans. The personal portion of insurance premiums must be withheld from the participant's salary by the salary-paying unit on a pre-tax basis.
12. Premiums for health and life insurance may be paid in ADVANCE on a monthly, quarterly, semi-annual, or annual basis.
13. Lay persons or clergy on maternity/family medical leave may continue their insurance coverage, as long as the premiums are paid.
14. The Insurance Committee may terminate the coverage for non-payment of premiums. Insurance payments which are 60 days late (from the due date of the bill) will result in termination of benefits. Termination will take place on the last day of the month in which the 60th day has occurred. Benefits may be reinstated without lapse in coverage if full payment is made within 30 days of the termination date. Thereafter, insurance coverage may be reinstated upon full payment and coverage will be effective the first day of the following month.
15. In case of any termination of coverage, the church is responsible for the premium until the Treasurer's Office is notified in writing of such termination.

IV. Statement of Intent

The NC Annual Conference established a Life Insurance Plan with the intent of providing coverage for the active and retired clergy and a Group Health Plan with the intent of providing coverage for active clergy and retirees under age 65. However, the Annual Conference reserves the right to terminate the health and life contracts, in whole or in part, at any time. The Annual Conference, at any time or from time to time, may amend any or all of the provisions of the health or life plan without the consent of individual participants.

V. Eligibility Policies of Non-Retired Participants

- A. If you enroll in the Conference insurance plan, you are eligible for your coverage to begin on the first day of the month following the date of hire or appointment. Coverage is not automatic. Completion of an enrollment form on a timely basis is required (within 30 days of original eligibility).
- B. You must work a minimum of 30 hours per week to be eligible for the Conference insurance plans.
- C. Health insurance and life insurance through the Conference groups will be available to the following:

1. Clergy who are members in full connection of the Conference, provisional and commissioned members, associate members, student local clergy, full-time and part-time local clergy, serving full time or part time under appointment in:
 - a. One of the churches or charges of the NC Conference.
 - b. One of the institutions or agencies of this Conference receiving financial support from the Conference.
 - c. An institution or agency established to provide a ministry or service provided that:
 - i. Clergy shall elect in writing within 30 days after the appointment to continue the coverage.
 - ii. The institution shall be responsible for payment of all insurance premiums by the due date.
 2. Clergy eligibility for insurance is based on the following three criteria:
 - a. Serving half-time or greater appointment.
 - b. Making one-half of minimum salary as determined by the Clergy Compensation Worksheet line 7.
 - c. Working at least 30 hours per week.
 3. Clergy on Leave of Absence, provided a written request to retain benefits is submitted to the Benefits Coordinator within 30 days of the appointment of Leave of Absence. The participant is responsible for the entire monthly rate (church portion and personal portion) by the due date.
- D. Post-Retirement Benefits
1. Eligibility for post retirement benefits may be viewed in detail in the Board of Pension Report Section B.
 2. Post retirement health plan funding eligibility for clergy newly licensed, commissioned or ordained effective July 1, 2009 (or later), under Episcopal appointment to a NC Conference responsible appointment (i.e. eligible for enrollment in the Conference Insurance plan) will be based on total months enrolled in the Conference Insurance Plan. A minimum of 180 months total enrollment is required for funding eligibility.
 3. Effective January 1, 2014, funding for post retirement health benefits will be established by the Conference Board of Pension via a Health Reimbursement Account (HRA). Post 65 retirees may purchase individual health care plans with the assistance of Via Benefits or on their own. Individual HRA balances can be used to reimburse retirees for qualified expenses. Funding of the individual HRA will be based on the accrued years of credit as outlined in the Board of Pension Report.
- E. Clergy Couple Appointments
1. Clergy couples will be enrolled in the life insurance program separately. This affords the clergy couple with the maximum life insurance benefits available. Clergy couples

are not permitted to cover each other under the provisions of the life insurance. Eligible dependents may only be covered by one member of the clergy couple.

F. Clergy Medical Leave Appointments

1. Clergy placed on Clergy Medical Leave can remain covered under the Conference insurance plans, provided they were enrolled and covered in the Conference plan immediately preceding the approval date of Clergy Medical Leave.

G. Clergy eligible for life and health insurance through the North Carolina Conference benefits under option V. A - C (above) are entitled to these benefits.

H. Lay Employees:

1. An insurance administrator must be appointed at each church/charge to manage insurance policies dealing with lay staff. It is the responsibility of each local church/charge and its officers to be apprised of the parameters of the Conference insurance plan.
2. Each local church must have at least 75% participation of the eligible lay employees to participate in the Conference plan.
 - a. As of January 1, 2007, churches who currently have less than 75% participation will be allowed to continue the current participation of their lay employees under the Conference plan.
3. The employee must work a minimum of 30 hours weekly and must be enrolled in the period specified for initial enrollment.
 - a. This period being within 30 days of date first eligible, or be added as a late applicant during Open Enrollment.
4. Persons appointed as Interim Supply are enrolled as lay employees.
5. The Committee recommends that the church provide this benefit to lay employees with the same premium payment policy as recommended for clergy.
6. All churches providing post-retirement benefits to retired lay employees will be billed in full for the funding of the post retirement HRA or life insurance premiums associated with retirement insurance benefits. The Annual Conference is not responsible for the funding of local church retired lay staff benefits.

I. Continuation of Benefits

1. The participant may be eligible to continue health insurance for up to 18 months following the loss of employment or appointment.
2. Written requests for continuation should be submitted to the Conference Benefits Coordinator within 30 days of the termination of employment or loss of appointment.
3. The life insurance cannot be continued. Conversion of the life insurance may be possible by contacting MetLife at 1.877.275.6387 or solutions@metlife.com.
4. Flexible Spending Accounts are not available to terminated participants, as they are no

longer receiving salary from which to withhold these funds. Funds already contributed must be claimed within 90 days of the termination date.

J. Open Enrollment

1. Open Enrollment for active participants is held each year from November 1 through November 30.
2. During Open Enrollment, an active employee or appointee may enroll in the Conference insurance plan.
3. Flexible Spending Accounts must be established for the upcoming year during Open Enrollment. If the participant does not establish a new account during each Open Enrollment, they cannot participate in the Flexible Spending Accounts for the upcoming year.

K. The Insurance Committee continues to explore eligibility options for future benefit plans and questions of church participation.

L. Participants enrolled in the Conference health and life insurance plans may continue to be enrolled in the Conference benefits as long as they are Episcopally appointed, employed as lay staff, meet the qualifications of Continuation as defined in Section G above, and meet the required eligibility rules and regulations.

VI. Historically, the Insurance Committee has developed rates based on projected expected claims and administration fees.

VII. The Insurance Committee strives diligently to present the best possible health and life insurance coverage available to the North Carolina Annual Conference. Careful consideration is given to benefits and rates that are proposed each year.

VIII. **2022 Life, Health and Dental Insurance Monthly Rates & Benefit Changes:**

Life Insurance	2021 Monthly	2022 Monthly
Single	\$16.50	\$16.50
Family	\$20.75	\$20.75
Retiree Under age 72*	\$8.50	\$8.50
Retiree Over age 72*	\$3.50	\$3.50

*Retiree contributions are dependent upon the rules in place at the time of retirement.

8% 3% Increase to Health Rates

Health Insurance (Monthly)	2021 Base Plan	2021 Buy-Up Plan	2022 Base Plan	2022 Buy-Up Plan	Change Over 2021 Base	Change Over 2021 Buy-Up
Church	\$1,397.85	\$1,397.85	\$1,439.79	\$1,439.79	\$41.94	\$41.94
Personal Single	\$227.59	\$264.16	\$234.42	\$272.08	\$6.83	\$7.92
Personal Parent/Child	\$421.26	\$488.95	\$433.90	\$503.62	\$12.64	\$14.67
Personal Family	\$579.81	\$672.35	\$597.20	\$692.52	\$17.39	\$20.17

No Benefit Changes Effective January 1, 2022

Dental Insurance 5.5% 0% Increase	2021 Monthly	2022 Monthly
Personal Single	\$39.40	\$39.40
Personal Parent/Child	\$70.81	\$70.81
Personal Family	\$111.03	\$111.03

The Committee wishes to thank the members of the Annual Conference for their support.

—Dennis Goodwin, Chairperson

Pension, Board of

Report A – General Information

I. We recommend special appropriations for the following persons in the indicated amounts:

A. To be paid by Wespath Benefits and Investments (“Wespath”):

Ministers: None

Surviving Spouses:

1. Doris Dellinger Reynolds, build up to 20% of the denominational average compensation for 1982 with 2% annual increase.
2. Gloria Clarisa Reinoso, an amount equal to \$643.50 per month as a missional special grant.

B. To be paid from the Pension Support Fund:

Surviving Spouses:

1. Charlotte Calloway Dingus, total annual benefit \$385, paid in 12 monthly payments.
2. Mary Frances Ham Evans, total annual benefit of \$3,240, paid in 12 monthly payments, plus premiums for group health insurance.
3. Sarah O. Meadows, \$150 per month toward health insurance premiums.
4. Nancy Terry Traynham, \$150 per month toward health insurance premiums.
5. Ruby A. Phillips, \$150 per month toward health insurance premiums.

II. Ministers retiring this year (Years of Service listed are according to service history as found in Wespath Benefits and Investments and NC Conference records):

Retiree	Retirement Type	Age	Service Years Toward Retirement Eligibility	North Carolina Pre-82 Credit	North Carolina MPP Credit	North Carolina 2007-2013 CRSP Credit	North Carolina post-2013 CRSP Credit
Bergland, Robert	Ad-Interim 1/1/2021	66	40.5	1.5	25.0	7.0	7.0
Burnette, Renee	Ad-Interim 8/1/2020	62	18.0	0.0	4.5	7.0	6.5
Byers, Leonard	Ad-Interim 8/31/2020	71	49.75	3.5	25.0	0.0	0.0
Calhoun, Anthony	Actuarially Reduced	61	35.0 [SC 15.0]	0.0	5.5	7.0	7.5
Chandler, Larry	Actuarially Reduced	62	24.0	0.0	9.5	7.0	7.5
Clayton, Richard	Full Retirement	65	38.0	0.0	23.5	7.0	7.5

Crutchfield, Karen	Full Retirement	67	13.42	0.0	0.42	0.71	0.0
Drake, Para	Full Retirement	69	23.5	0.0	10.5	5.25	0.0
Edwards, Lee Harvey	Full Retirement	68	24.0	0.0	9.5	7.0	7.5
Farlow, Sue	Actuarially Reduced	63	6.5	0.0	6.5	3.38	0.0
Fletcher, Robert	Actuarially Reduced	63	24.0	0.0	9.5	7.0	7.5
Hackney, Grace	Ad-Interim 1/1/2021	64	16.5	0.0	3.5	7.0	0.0
Haley, David	Full Retirement	70	19.0	0.0	4.5	7.0	7.5
Hall, Steven M	Full Retirement	65	35.0	0.0	20.5	7.0	7.0
Holloway, Teresa	Full Retirement	70	20.5	0.0	6.0	7.0	7.5
Hollowell, David	Full Retirement	66	12.5	0.0	3.5	1.5	7.5
Horn, Joyce	Actuarially Reduced	63	6.25	0.0	1.5	1.75	0.0
Hoyle, Cathy	Actuarially Reduced	64	13.75	0.0	1.5	6.75	2.5
Huckaby, Robert	Ad-Interim 9/1/2020	68	23.25 [TN 4.5]	0.0	4.0	0.0	0.0
Hudson, Pamela	Ad-Interim 1/22/2021	65	0.0	0.0	0.0	0.0	0.0
Humphreys, Christopher	Ad-Interim 5/1/2021	67	28.0	0.0	13.5	7.0	7.34
Langley, Delores	Full Retirement	65	28.0	0.0	13.5	7.0	7.5
Lewis, Jerry	Full Retirement	63	42.0	2.75	25.0	0.0	6.0
McGarvey, Gregory	Actuarially Reduced	64	30.0 [E.PA 1.0]	0.0	15.5	6.0	7.5
Miller, Larry Kent	Mandatory	72	18.5 [AL.-WFL 0.42, S.GA 12.17]	0.0	0.0	0.0	5.84
Miller, Theodore Ralph	Actuarially Reduced	64	26.0	0.0	11.5	7.0	7.5
Safley, Michael	Full Retirement	70	47.75	8.5	25.0	0.0	6.0
Sexton, Jr., Kenneth Bryan	Full Retirement	65	35.75 [NM 1.67]	2.5	17.0	7.0	7.5

Snotherly, William	Full Retirement	66	44.0	4.5	25.0	7.0	7.5
Spence, Clinton	Full Retirement	65	33.0	0.0	18.0	7.0	7.5
Vaughan, Richard	Mandatory	72	49.0	9.5	25.0	7.0	7.5
Whittaker, James	Full Retirement	65	20.0	0.0	5.5	7.0	7.5
Williams, Bradley	Actuarially Reduced	63	27.0 [AL-WFL 3.0, N.GA 9.0]	0.0	0.75	6.0	7.5
Williams, Samuel A	Full Retirement	69	37.0	0.0	22.5	7.0	7.5
Winston, Joseph	Full Retirement	69	34.5	0.0	20.0	7.0	7.5
Yow, Joey	Full Retirement	63	40.0	0.5	25.0	7.0	7.5

III. We recommend that the expense account of the Board of Pension and such independent consultation expense as necessary during 2021-2022 be paid from funds designated as Administrative Expense in the Board of Pension Budget.

IV. **Recommendations regarding service credit:**

None

Report B – Recommendations for the Pension Program and Post-Retirement Benefits

I. Funding Plan for Supplement One of the Clergy Retirement Security Program

- A. **Defined Plan Benefits:** Supplement One of the Clergy Retirement Security Program (Pre-82 Plan) provides defined benefit pension benefits to participating retired clergy for all service rendered to the North Carolina Conference through December 31, 1981. This plan will continue until all pastors with past service benefits and their surviving spouses are deceased and is administered by Wespath Benefits and Investments.
- B. **Current Past Service Rate:** For many years, The Book of Discipline has defined Pre-82 Plan defined benefits as a fixed payment per year of past service. This fixed payment is the Past Service Rate (PSR). The benefit goal is stated to be a PSR of 1% of the Conference Average Compensation (CAC). The 2021 CAC for the North Carolina Conference is **\$77,555**. The 2021 PSR is **\$793** or **1.02%** of the CAC. Our Conference Board would like to maintain a PSR of at least 0.9% of CAC. North Carolina CAC has increased by an average of **1.37%** per year over the past 10 years. We estimate future PSR increases to average approximately 2.5% each year.
- C. **Funded Status:** The Conference is required to fund all future benefits of the Pre-82 Plan by December 31, 2021. Funded Status (previously called unfunded liability) is the difference

of the current assets held by Wespath for future benefits of North Carolina participants and the total present value of all future benefits to be paid under the plan at the approved PSR. Wespath values assets and liabilities of the plan every two years and projects data to current years based on the increase in PSR and investment earnings. For the **2021** Funding Plan, Wespath and the Conference use an assumed earnings rate of **6.375%**.

Wespath Benefits and Investments has determined that the portion of the pre-82 plan liability attributable to North Carolina Annual Conference is **\$29,490,788** with a 2.5% PSR increase assumption based on a **2021** PSR of **\$793**. Plan funds currently held with Wespath Benefits and Investments have a value of **\$20,806,947** as of January 1, **2021** (for **2021** funding plan).

The difference between the total plan liability and current plan funding is \$8,683,841. This represents the unfunded plan liability and will be provided through non-plan funds that are held in various investment sources. The Conference intends for contributions to be made within the 1-year period, ending December 31, 2021. The minimum annual contribution due December 31, **2021**, is currently estimated to be **\$3,558,082**.

- D. **Funding Plan for 2021:** Our conference pays for plan benefits through several potential funding sources. Both the interest and principal of non-plan funds may be available for retirement funding needs. Below is a description of the non-plan assets available to pay the present value of future contributions. Our Conference expects to utilize funding from previous annual apportionments from the local churches and earnings on those invested apportionment funds as the primary source for pre-82 pension funding. This funding plan was originally approved by the 1991 Annual Conference with revisions approved by the 2013 Annual Conference.

The Conference maintains a General Deposit Account with Wespath Benefits and Investments that has a value of **\$11,502,610.44** as of January 1, **2021**. Both the interest and principal from this account are available to meet future contribution requirements.

The Conference maintains and manages various liquid asset accounts that are available for Supplement One of the Clergy Retirement Security Program funding. The current values of these accounts are **\$250,529** as of January 1, **2021**. Both the interest and principal from these sources are available to meet future contribution requirements.

The Superannuate Endowment fund has a value of **\$907,421.94** as of January 1, **2021**. All of it is available except for the original balance of **\$87,195.39**, from which interest only is available.

The 2021 funding plan as of January 1, 2019 is summarized below:

Supplement One of the Clergy Retirement Security Program funding Liability:

Assuming a PSR Increase of 2.5%	\$33,419,201
Current Plan Funding as of 1/1/19	\$20,806,947
Funded Status as of 1/1/19	(\$12,612,254)

Expected Funded Status as of 1/1/2021	(\$7,474,148)
Additional Plan Assets (as of 12/31/20):	
General Deposit Account (Wespath)	\$11,502,610
Conference Managed Liquid Asset Accounts	\$250,529
Conference Superannuate Endowment Fund (Wespath)	\$907,421
Total Additional Plan Assets	\$12,660,560

Proposed Past Service Rate: The 2022 CAC for the North Carolina Conference is \$79,471.

We propose that the past service rate beginning January 1, 2022 be increased to \$813.00 per service year, or 1.02% of the CAC. Assuming 2.5% future PSR increases and 5.5% investment earnings, this increase creates an unfunded plan liability of \$29,836,375. The minimum annual contribution due December 31, 2022 is currently estimated to be \$1,054,797.

II. Ministerial Pension Plan (MPP) (effective through December 31, 2006)

Guidelines for the Ministerial Pension Plan and the Comprehensive Protection Plan are contained in the plan document. A copy of the summary plan document is available on request by contacting the Benefits Team in the Treasurer's Office.

- A. Service on and after January 1, 1982 through December 31, 2006 was funded on a defined contribution basis. This plan is basically deferred salary and creates no unfunded liability because it builds an account of funds for a specific minister as his/her salary is paid.
- B. These contributions were placed in the individual minister's Church Account to be available for benefits when the minister becomes eligible for payment in the retired relationship.
- C. Each minister who is eligible for benefits will be required to designate beneficiaries for the benefits he/she is qualified to receive.

III. Clergy Retirement Security Program (CRSP) (Effective January 1, 2007)

Guidelines for the Clergy Retirement Security Program and the Comprehensive Protection Plan are contained in the plan document. A copy of the summary plan document is available on request by contacting pension services in the Treasurer's Office. Service on and after January 1, 2007 will be funded on a combined defined contribution/defined benefit basis.

- A. Defined Benefit (Effective January 1, 2007 – December 31, 2013)
 1. The Defined Benefit will be 1.25% of the Denominational Average Compensation (DAC) according to the plan document.
 2. The Defined Benefit portion will be funded based on a percentage of Plan Compensation calculated on a yearly basis using up to the normal cost rate provided by Wespath Benefits and Investments factoring in the annual interest rate. The current assumed interest rate is 7.0%. The funding percentage rate through 2013 is 10.4% of Plan Compensation.

- B. Defined Benefit (Effective January 1, 2014)
1. The Defined Benefit will be 1.0% of the Denominational Average Compensation (DAC) according to the plan document.
 2. The Defined Benefit portion will be funded based on a percentage of Plan Compensation calculated on a yearly basis using up to the normal cost rate provided by Wespath Benefits and Investments factoring in the annual interest rate. The current assumed interest rate is 7.0%. The funding percentage rate from 2014 through 2017 is 8.8% of Plan Compensation.
- C. Defined Benefit (Effective January 1, 2018)
1. The Defined Benefit will be 1.0% of the Denominational Average Compensation (DAC) according to the plan document.
 2. The Defined Benefit portion will be funded based on a percentage of Plan Compensation calculated on a yearly basis using up to the normal cost rate provided by Wespath Benefits and Investments factoring in the annual interest rate. The current assumed interest rate is 7.0%. The funding percentage rate effective January 1, 2018 is 8.1% of Plan Compensation.
- D. Defined Benefit (Effective January 1, 2020)
1. The Defined Benefit will be 1.0% of the Denominational Average Compensation (DAC) according to the plan document.
 2. The Defined Benefit portion will be funded based on a percentage of Plan Compensation calculated on a yearly basis using up to the normal cost rate provided by Wespath Benefits and Investments factoring in the annual interest rate. The current assumed interest rate is 7.0%. The funding percentage rate effective January 1, 2020 is 7.8% of Plan Compensation.
- E. Defined Benefit (Effective January 1, 2021)
1. The Defined Benefit will be 1.0% of the Denominational Average Compensation (DAC) according to the plan document.
 2. The Defined Benefit portion will be funded based on a percentage of Plan Compensation calculated on a yearly basis using up to the normal cost rate provided by Wespath Benefits and Investments factoring in the annual interest rate. The current assumed interest rate is 7.0%. The funding percentage rate effective January 1, 2021 is 7.5% of Plan Compensation.
- F. **Defined Benefit (Effective January 1, 2022)**
1. **The Defined Benefit will be 1.0% of the Denominational Average Compensation (DAC) according to the plan document.**
 2. **The Defined Benefit portion will be funded based on a percentage of Plan Compensation calculated on a yearly basis using up to the normal cost rate provided by Wespath Benefits and Investments factoring in the annual interest rate. The**

current assumed interest rate is 7.0%. The funding percentage rate effective January 1, 2022 is 7.3% of Plan Compensation.

- G. Defined Contribution
 - 1. Benefits will be provided based on the participant's account balance at their actual retirement date.
 - 2. The Defined Contribution portion funding is based on three percent (3%) of Plan Compensation.
 - 3. Of the 3% funding, a 2% non-matching contribution will be made to the participant's Defined Contribution account with 1% matching if the participant contributes at least 1% to their United Methodist Personal Investment Plan (UMPIP) account.
 - 4. Any funds remaining from a pastor's non-participation in the matching component will be redirected to fund the liabilities of other components of the pension plan.
- H. Plan Compensation is calculated by Wespath according to the plan document:
 - 1. Vouchered travel and utilities paid directly to utility companies are not used in Plan Compensation calculations since this is considered by Wespath Benefits and Investments to be a local church expense.
 - 2. Clergy couples housing:
 - a. When only one of the spouses is furnished a parsonage, the one furnished the parsonage includes the housing allowance.
 - b. When one spouse is furnished the parsonage and the other a cash allowance, the one furnished the parsonage will use the 25% housing allowance and the other will report the actual cash housing paid.
 - c. When two parsonages are furnished each spouse claims a housing allowance.
 - d. When neither is furnished a parsonage, the actual cash housing allowance may be counted by the person/or persons receiving the allowance.
 - 3. In accordance with the plan document, the housing allowance for those furnished housing is 25% times the cash salary.
 - 4. Those furnished a cash housing allowance will report the actual amount in accordance with the plan document.
- I. The Clergy Retirement Security Program contribution from the local church is to be paid monthly by the Church or Charge Treasurer to the Conference Treasurer's Office.
- J. The Defined Contribution portions are placed in the individual minister's Church Account to be available for benefits when the minister becomes eligible for payment in the retired relationship.
- K. Each minister who is eligible for benefits will be required to designate beneficiaries for the benefits he/she is qualified to receive.

IV. Comprehensive Protection Plan (CPP)

1. This part of the program contains provisions for a death benefit and disability income. In addition to the provisions of a death benefit for the pastor, there is a death benefit on the life of the spouse and dependent children under age 18 or who are dependent because of disability. The Comprehensive Protection Plan also includes educational benefits for the children of a deceased minister. This part of the plan is only available to those ministers covered under the CPP.
2. Effective January 1, 2002, the disability benefit equals 70% of plan compensation, with plan compensation capped at 200% of the DAC. (The DAC for 2020 is \$72,648 and for 2021 is \$74,199 **and for 2022 is \$79,471**). The disability benefit is reduced by any disability benefits payable under the Social Security Act. This revised benefit applies only to eligible clergy whose disability effective date, as determined by Wespath Benefits and Investments, is on or after January 1, 2002.
3. The Comprehensive Protection Plan contribution from the local church is to be paid monthly by the Church or Charge Treasurer to the Conference Treasurer's Office. (Effective November 1, 2004)
4. For eligible active participants, the death benefit payable upon the death of the clergyperson is \$50,000. The death benefit payable upon the death of a spouse of an active participant is ~~\$14,529.60 for 2020~~ and \$14,839.80 for 2021 **and \$15,894.20 for 2022**. This is 20% of the DAC. The death benefit payable upon the death of a surviving spouse of a deceased active participant is ~~\$10,897.20 for 2020~~ and \$11,129.85 for 2021 **and \$11,920.65 for 2022**. This is 15% of the DAC.
 - A. Death Benefits in retirement prior to January 1, 2013
 1. For participants who retire prior to January 1, 2013, the death benefit payable upon the death of the clergyperson is ~~\$21,794.40 for 2020~~ and \$22,259.70 for 2021 **and \$23,841.30 for 2022**. This is 30% of the DAC. The death benefit payable upon the death of a spouse of a retired participant is ~~\$14,529.60 for 2020~~ and \$14,839.80 for 2021 **and \$15,894.20 for 2022**. This is 20% of the DAC. The death benefit payable upon the death of a surviving spouse of a deceased retired participant is **\$10,897.20 for 2020** and \$11,129.85 for 2021 and \$11,920.65 for 2022. This is 15% of the DAC.
 - B. Death Benefits in retirement after January 1, 2013
 1. For participants who retire after January 1, 2013, death benefits payable upon the death of the clergyperson will be fixed at ~~\$20,400~~ **\$20,808**. The death benefit payable upon the death of a spouse of a retired participant will be fixed at ~~\$15,300~~ **\$15,606**. The death benefit payable upon the death of a surviving spouse of a deceased retired participant will be fixed at ~~\$10,200~~ **\$10,404**.
 - C. Effective January 1, 2007, the cost of the Comprehensive Protection Plan (CPP) will be funded by billing up to the calculated percentage to fund the CPP each year using the rate required by Wespath Benefits and Investments. For **2021**, the cost is a total of 3% of the actual Plan Compensation up to 200% of the Denominational Average Compensation

(DAC). The pastor shall be required to pay 1% of Plan Compensation (up to 1% of 200% of DAC) on an after tax basis and the church or charge shall pay 2% of the Plan Compensation (up to 2% of 200% of DAC). ¶1506.15 in The Book of Discipline 2014.

V. Transition Fund (TF)

- A. The Transition Fund is a Discretionary Contribution set forth by Addendum to the United Methodist Personal Investment Plan (UMPIP).
- B. For specific eligibility and program details, refer to the Treasurer's Office Transition Fund webpage.
- C. The Annual Conference retains approval authorization for any changes to the Transition Fund. No changes are proposed for **2021**.

VI. Implementation of the Program

The benefit program adopted by your Conference Board of Pension seeks to provide a wider range of support for the minister's family through death benefits for every member of the family, disability income for the minister in time of great stress, educational benefits for children of deceased ministers, minimum annuity benefits for surviving spouses, and clergy benefits based on the Denominational Average Compensation (DAC).

- A. Costs of the Clergy Retirement Security Program/Comprehensive Protection Plan will be borne by the local charge as an item of ministerial support according to the Plan Compensation of the minister and the category of the charge.
 - 1. Effective January 1, ~~2021~~ **2022**
 - FULL TIME (100% Appointment Time Conference Member/Local Pastor) – 2% of Plan Compensation for CPP (up to 2% of 200% of the DAC) and ~~7.5%~~ **7.3%** of Plan Compensation for CRSP – Defined Benefit portion and 3% of Plan Compensation for CRSP - Defined Contribution portion. Of the 3% CRSP-Defined Contribution funding, a 2% non-matching contribution will be made to the participant's UMPIP account with 1% matching if the participant makes a contribution of at least 1% to their UMPIP account. Any funds remaining from a pastor's non-participation in the matching component will be redirected to fund the liabilities of other components of the pension plan.
 - THREE-QUARTERS (75% Appointment Time Conference Member/Local Pastor) – 2% of Plan Compensation for CPP (up to 2% of 200% of the DAC) and 11.2% of Plan Compensation for United Methodist Personal Investment Plan (UMPIP). Of 11.2% funding, a 10.2% non-matching contribution will be made to the participant's UMPIP account with 1% matching if the participant makes a contribution of at least 1% to their UMPIP account. Any funds remaining from a pastor's non-participation in the matching component will be redirected to fund the liabilities of other components of the pension plan.
 - HALF & QUARTER TIME (50% & 25% Appointment Time Conference Member/Local

Pastor/Student Pastor) 11.2% of Plan Compensation for United Methodist Personal Investment Plan (UMPIP). Of the 11.2% funding, a 10.2% non-matching contribution will be made to the participant's UMPIP account with 1% matching if the participant makes a contribution of at least 1% to their UMPIP account. Any funds remaining from a pastor's non-participation in the matching component will be redirected to fund the liabilities of other components of the pension plan.

INTERIM OR RETIRED SUPPLY – no pension responsibility

- B. Effective January 1, 2007 Deacons and Probationary Deacons serving in Episcopal appointments to a local church or other entity that falls under the pension plan sponsorship of the Conference shall be enrolled in the plans according to the plan document.
- C. The pastor will make regular monthly payments to the Conference Treasurer's Office through the local church treasurer for his/her 1% of Plan Compensation (up to 1% of 200% of the DAC) on an after tax basis for CPP.
- D. It is recommended that the pastor make regular monthly payments through the local church treasurer for his/her personal tax paid or tax deferred contributions to the UMPIP of at least 5%.

VII. Policies Related to Life and Health Insurance

- A. Eligibility Policies
 - 1. Clergy persons who retire from the North Carolina Annual Conference with twenty or more full time years of earned pension credit in the North Carolina Annual Conference may receive life and health insurance benefits when the clergy person attains age 62 and receives pension benefits or retires with thirty (30) years of service and receives pension benefits provided at least twenty (20) of the thirty years of pension credit is in the North Carolina Annual Conference. The North Carolina pension credit record used to determine insurance funding for retiring Deacons in Full Connection shall consist of eligible North Carolina earned pension credit years in both the lay and clergy pension plans.
 - 2. Effective July 1, 2007, clergy persons who retire at age 59 ½ with 20 or more years may remain on the Conference insurance plan, provided written notification of this intent is provided to the Conference Benefits Manager. The clergy person will be responsible for 100% of the applicable monthly premium until the attainment of age 62. At the attainment of age 62, the monthly premium will be adjusted according to the retirement rules in place at the time of retirement. Monthly premiums will then be calculated at the applicable percentages as defined in Report B Section VII C and D.
 - 3. All retired clergy, spouses and surviving dependents must enroll in Medicare part A and part B when first eligible.
 - 4. Effective August 1, 1992, Pastors who discontinued ¶314.1, or Provisional Members ¶327.6, as well as Conference Members who are retired involuntarily, ¶357 who are granted Honorable Location, ¶358; who withdraw to unite with another denomination,

¶360.1; who surrender the ordained ministerial office ¶360.2; who withdraw under complaints or charges, ¶360.3; and Conference Members who are placed on Administrative Location, ¶359 are ineligible to receive retirement health or life insurance benefits when payments from Wespath Benefits and Investments begin. [Paragraphs noted are from *The Book of Discipline*, 2016]

B. Retirement after July 1, 2009

(Eligibility policies can be found in Report B, Section VI B.)

Clergy under appointment as of June 30, 2009

1. Post retirement insurance plan eligibility for clergy who are licensed, commissioned, or ordained under NC Episcopal appointment to a NC Conference responsible appointment (i.e., eligible for enrollment in the Conference Insurance Plan) as of June 30, 2009 will be determined using years of NC pension credit/pension eligibility accrued through June 30, 2009. Effective July 1, 2009, accrual of future year's credit toward post-retirement benefits will be determined by months of enrollment in the Conference insurance plan.
2. Clergy with less than 180 months in the plan (over the course of career) will have access to the NC Conference Insurance Plan and contribute the full cost of the applicable coverage of the plan as shown below.
3. The retiree may only cover dependents that are covered on the last day of enrollment.
4. Funding will be based on the chart printed below:

Years of NC Pension Credit/Years in NC Insurance Plan	Individual Contribution	Board of Pension's Contribution
1-14	100%	0%
15-19	60%	40%
20-24	50%	50%
25-29	40%	60%
30-34	30%	70%
35-39	20%	80%
40 or more	10%	90%

C. Newly appointed Clergy (licensed, commissioned or ordained receiving first time appointment) effective July 1, 2009

(Subject to plan changes effective 1/1/2014, section VI.H)

1. Post retirement insurance plan eligibility for clergy newly licensed, commissioned or ordained effective July 1, 2009, under Episcopal appointment to a NC Conference responsible appointment (i.e. eligible for enrollment in the Conference Insurance plan) will be based on total months enrolled in the Conference Insurance Plan with a minimum of 180 months total enrollment
2. Participants who do not meet the 180 months minimum will have access to the plan with

no funding from the Conference Board of Pension as shown below. The participant will be responsible for 100% of the applicable premiums.

3. Credited enrollment in the insurance plan, once earned, will not be reduced or terminated due to breaks in enrollment.
4. Funding will be based on the following:

Years in NC Insurance Plan	Individual Contribution	Board of Pension's Contribution
1-14	100%	0%
15-19	60%	40%
20-24	50%	50%
25-29	40%	60%
30-34	30%	70%
35-39	20%	80%
40 or more	10%	90%

D. Effective January 1, 2014 retirees and covered spouses age 65 or older will be required to obtain their Medicare secondary coverage through the open market with the help of a Conference designated vendor. Funding for the purchase of coverage will be established through the use of a Health Reimbursement Account (HRA) based on the applicable retirement rules listed above. Retiring clergy and spouses under age 65 will remain in the Conference active plan until their attainment of the Medicare eligibility age or their request to be removed from coverage. The recommended maximum HRA amount for ~~2021~~ **2022** is ~~\$3,941~~ **\$4,059** with a 3% future increase assumption.

E. Life Insurance - A clergy person must have been covered under the conference active life insurance plan in order to retain life insurance benefits after retirement. The Board of Pension does not provide life insurance for dependents of retired clergy.

F. Clergy Couples Insurance

1. When one member of a clergy couple retires, medical and life insurance will be paid for the retiree according to the schedules and rules previously listed.
2. Funding of health insurance will be provided for the spouse of the retired clergy partner according to the rules and schedules previously listed.
3. Each member of a clergy couple would receive credit for the years they were covered under the plan.

G. Surviving Spouses

Surviving spouses of active participants:

1. Must be enrolled in the health insurance plan at the time of the participant's death in order to receive health insurance benefits under the current health insurance plan.
2. The Conference Board of Pension will pay the health insurance premiums for surviving spouses and eligible dependents for up to six months following the death of the active

clergy person.

3. Premiums thereafter will be determined by the retirement rules in place on the date of death.
4. When surviving spouses are employed and provided health insurance by their employer, the plan of the Board of Pension will be the secondary carrier.
5. If the surviving spouse remarries, the conference health insurance will terminate. Future benefits under the conference health insurance plan are waived.

Surviving spouses of retired participants:

1. Surviving spouses of retired clergy must be enrolled in the conference HRA plan at the time of the retired clergy's death in order to receive health insurance funding under the current conference HRA plan.
2. Surviving spouses currently enrolled who married the clergy person after the clergy person's retirement, can receive funding for Conference sponsored health benefits. The Board of Pension will grant a flat rate of \$150 monthly towards the funding of the Health Reimbursement Account (HRA) for the surviving spouse.
3. Surviving spouses of retired clergy who married the clergy person prior to the clergy person's retirement are subject to the funding schedule applicable prior to the death of the clergy person.
4. Retired clergy persons may not add new dependents to the health insurance funding plan.

VIII. Intent

The North Carolina Annual Conference established health, dental, and life insurance plans with the intent of providing coverage for the active pastors. However, the Annual Conference reserves the right to terminate the health, dental, and life contracts, in whole or in part, at any time. The Annual Conference, at any time or from time to time, may amend any or all of the provisions of the health or life plans without the consent of the individual participants.

IX. Special Provisions

The North Carolina Annual Conference Board of Pension is hereby authorized, at its discretion, to arrange with Wespath Benefits and Investments for active participation in the CRSP and/or CPP by persons who are eligible under special rules but not automatically included as active participants. (CRSP Plan Document Section B3 and CPP Plan Document Section 3.)

X. Conclusion

Our constant aim is to provide our retired families with their needs for an adequate income to purchase essentials for living as well as to insure adequate care in case of illness. To these ends our recommendations are directed, and their satisfaction is found in the acceptance of the North Carolina Conference and its membership.

Report C – Housing Exclusion Allowance (For Income Tax Purposes Only)

Resolutions Relating to Rental/Housing Allowances for Retired, Disabled, or Former Clergy-persons of the North Carolina Conference

The North Carolina Conference (the “Conference”) adopts the following resolutions relating to rental/housing allowances for active, retired, terminated or disabled clergypersons of the Conference:

WHEREAS, the religious denomination known as The United Methodist Church (the “Church”), of which this Conference is a part, has in the past functioned and continues to function through ministers of the gospel (within the meaning of Internal Revenue Code section 107) who were or are duly ordained, commissioned, or licensed ministers of the Church (“Clergypersons”);

WHEREAS, the practice of the Church and of this Conference was and is to provide active Clergypersons with a parsonage or a rental/housing allowance as part of their gross compensation;

WHEREAS, pensions or other amounts paid to active, retired, terminated and disabled Clergypersons are considered to be deferred compensation and are paid to active, retired, terminated and disabled Clergypersons in consideration of previous active service; and

WHEREAS, the Internal Revenue Service has recognized the Conference (or its predecessors) as an appropriate organization to designate a rental/housing allowance for Clergypersons who are or were members of this Conference and are eligible to receive such deferred compensation;

NOW, THEREFORE, BE IT RESOLVED:

1. THAT an amount equal to 100% of the pension, severance or disability payments received from plans authorized under The Book of Discipline of The United Methodist Church (the “Discipline”), which includes all such payments from Wespeth Benefits and Investments (“Wespeth”), any amounts received from the Minister’s Transition Fund (MTF) and including amounts received in this respect from the Duke Endowment, during the year **2021** and **2022** by each active, retired, terminated or disabled Clergyperson who is or was a member of the Conference, or its predecessors, be and hereby is designated as a rental/housing allowance for each such Clergyperson; and
2. THAT the pension, severance or disability payments to which this rental/housing allowance designation applies will be any pension, severance or disability payments from plans, annuities, or funds authorized under the Discipline, including such payments from Wespeth and from a commercial annuity company that provides an annuity arising from benefits accrued under a Wespeth plan, annuity, or fund authorized under the Discipline, that result from any service a Clergyperson rendered to this Conference or that an active, a retired, a terminated or a disabled Clergyperson of this Conference rendered to any local church, annual conference of the Church, general agency of the Church, other institution of the Church, former denomination that is now a part of the Church, or any other employer that employed the Clergyperson to perform services related to the ministry of the Church, or its predecessors, and that elected to make contributions to, or accrue a benefit under, such a plan, annuity, or fund for such an active, a retired, a terminated or a disabled Clergyperson’s pension, severance, or disability plan benefit as part of his or her gross compensation.

NOTE: The rental/housing allowance that may be excluded from a Clergy person's gross income in any year for federal (and, in most cases, state) income tax purposes is limited under Internal Revenue Code section 107(2) and regulations thereunder to the least of: (1) the amount of the rental/housing allowance designated by the Clergy person's employer or other appropriate body of the Church (such as this Conference in the foregoing resolutions) for such year; (2) the amount actually expended by the Clergy person to rent or provide a home in such year; or (3) the fair rental value of the home, including furnishings and appurtenances (such as a garage), plus the cost of utilities in such year. Each clergy person or former clergy person is urged to consult with his or her own tax advisor to determine what deferred compensation is eligible to be claimed as a housing allowance exclusion.

Please Note: There is no place on your 1040 Tax Form to list this Housing Exclusion. Wespath Benefits and Investments has provided a sample statement to be used: "I received \$_____ from Wespath Benefits and Investments, Incorporated in Missouri; and/or from a commercial annuity company that provides an annuity arising from benefits accrued under a Wespath plan, annuity, or fund authorized under the Discipline and \$_____ from the Duke Endowment and \$_____ from the Ministers' Transition Fund (total \$_____) as reported on the attached 1099 - R's. I did not include that amount on Line 16b because \$_____ * has been excluded under provisions of IRC Section 107 of the Internal Revenue Code as a rental allowance exclusion. As a retired clergy person, I am entitled to take this rental allowance exclusion." (*In this blank put the least of the 3 amounts on your Housing Exclusion Worksheet.)

Attach this note to your 1099-R forms.

— Sheila Ahler, Chairperson

Trustees, Board of

The Board of Trustees of the Annual Conference works to fulfill responsibilities outlined in paragraphs 2512-2516 of the 2016 Book of Discipline, as well as the new paragraph 2553 approved at the special session of General Conference 2019. The following report provides details of primary responsibilities and activities of the Trustees since the 2020 Annual Conference.

The United Methodist Building

The United Methodist Building was completed in 2010 and has had only relatively minor maintenance issues since that time. Anticipated capital improvements over the next few years include carpet replacement, painting, and potential overhaul or replacement of HVAC units due to normal wear and tear. Funding for capital improvements will be paid from capital reserves held in investment funds in the United Methodist Foundation.

Closed Churches

- Ahoskie (Ahoskie) – Beacon District – merging with Murfreesboro UMC June 2021
- Bethel (Burlington) – Corridor District – property sale pending June 2021
- Crossroads W. Campus (Fayetteville) – Gateway District – church closed July 2020
- Leah's Chapel (Louisburg) – Heritage District – church closing June 2021
- Mighty Wind (Kill Devil Hills) – Beacon District – merged with Kitty Hawk UMC January 2021
- Spring Lake (Spring Lake) – Gateway District – church closing June 2021
- St. James (Pembroke) – Gateway District – church closed and property sold January 2021
- Wesley Heights (Fayetteville) – Gateway District – church closing June 2021

The Board of Trustees continues to receive local church properties as they are closed in compliance with the *Book of Discipline*. The Trustees are working in partnership with Church Transformation Ministries on the evaluation and recommendation for redevelopment or disposal of closed church properties. Church Transformation Ministries expects to increase the number of churches with which the ministry works in the coming years. Redevelopment work happens in partnership with other ministries in active local churches. The United Methodist Real Estate Foundation or other property management and realty companies assist the Trustees in the marketing and sale of closed church properties as needed. Proceeds of closed church sales will be held by the Trustees in an investment account using earnings to help sustain the ongoing efforts of Church Transformation Ministries, New Faith Communities, and the Trustees' work with closed church properties such as cemeteries. Conference Trustees may receive recommendations from district superintendents and/or District Boards of Trustees regarding the use of the proceeds from the sale of closed church properties and other assets. The Conference Trustees will evaluate recommendations and make disbursements as approved by the Board in accordance with provisions of the *Book of Discipline*.

Conference Parsonages and Property

The Board of Trustees provides funding for Conference executive clergy staff positions with housing allowances in lieu of parsonages. Funding to pay the clergy staff housing allowances is provided through the Conference budget. In 2013, investments from prior conference parsonage sales were added to the funding generated through district parsonage sales to furnish housing allowances to district superintendents. Funding needed for district superintendent housing allowances is to be generated from earnings on the investment of the sale proceeds from conference and district parsonages. The investment in the United Methodist Foundation from conference and district parsonage sale proceeds total \$5,615,860 as of December 31, 2020.

Following the sale of the Episcopal Residence in April 2020, net proceeds of the sale were added to capital funds being held for capital repairs to the property and were invested with the United Methodist Foundation. Earnings on the investment will be used to provide the Episcopal housing allowance in the future. The investment in the Episcopal Housing Fund had a market value of \$1,105,592 as of December 31, 2020.

Frederick and Closs Peace Wardlaw Bequest

The Conference Trustees oversee the remaining assets of the Wardlaw bequest, given with the stated preference of providing a retreat or renewal location for clergy of the Conference. Retreat centers have been constructed in partnership with the NC Camp & Retreat Ministries at Camp Don Lee and Camp Chestnut Ridge. Funds remaining from the Wardlaw bequest are being held for potential maintenance needs for the retreat centers and have a value of \$110,769 as of December 31, 2020.

Property Insurance

The *Book of Discipline* provides that one of the responsibilities of local church Trustees is to review insurance annually in order to ensure that the church, its properties and its personnel are properly protected against risks. In evaluating these levels of protection, the Conference Trustees recommend the levels of coverage approved by the General Council on Finance and Administration*. In general, the recommendation includes the following types and levels of coverage as guidelines for property and casualty insurance coverage:

- Building and business personal property insurance at full replacement cost,
- General liability coverage at \$1,000,000,
- Physical abuse and sexual misconduct liability coverage at \$1,000,000,
- Pastoral professional liability coverage at \$1,000,000,
- Employee dishonesty and crime coverage at levels adequate to cover assets held by the church – each church needs to evaluate this coverage independently,
- Directors and Officers liability coverage at \$1,000,000,
- Umbrella policy coverage at \$1,000,000, and
- Workers' Compensation coverage at \$1,000,000 for all employees whether or not the church meets the minimum requirements under North Carolina law.

*Details of the GCFA recommendation can be found at:
<https://www.gcfa.org/services/legal-services/minimum-insurance-requirements/>

Property insurance for the NC Annual Conference property is insured through the denominational insurance provider, United Methodist Insurance (UMI). In addition to conference insurance coverage, UMI provides coverage options at competitive costs for local churches that meet all of the recommended coverage levels provided above.

Mission Endowment

The 2016 Book of Discipline gives the responsibility to receive and administer restricted donations for the annual conference in paragraph 2512.3.a. to the Annual Conference Board of Trustees. The North Carolina Annual Conference has established a permanently restricted asset fund with the goal of endowing in perpetuity funding for new mission endeavors within the North Carolina Conference. In September 2020, a request was received to permanently name the Mission Endowment for Home Missioner and former Conference Lay Leader, Gary Wayne Locklear, who had just recently passed in the COVID-19 pandemic. Gary Wayne Locklear embodied the spirit of service and mission intended by the Mission Endowment. The Board of Trustees approved renaming the Mission Endowment to the Gary Wayne Locklear Mission Endowment in appreciation for Gary's lifetime of service and witness. The balance of the Mission Endowment as of December 31, 2020, was \$1,586,225. Applications are being received for 2021 ministry investments through the Mission Endowment and will be announced during or just following Annual Conference 2021.

Local Church Disaffiliation Agreement Update

As required by the legislation approved by the 2019 Special Session of the General Conference of The United Methodist Church, the Board of Trustees has developed a process of disaffiliation for any churches in the NC Conference that express an interest in doing so under the provisions of the Book of Discipline paragraph 2553. The legislation approved by General Conference required the Board of Trustees to confer with the Cabinet and a variety of other officers of the conference. Many elements must be included in the process, such as a standard disaffiliation agreement, calculation of Conference and local church pension liabilities based on market factors, and additional terms to be included in all agreements. The consultation has been completed and the Board of Trustees approved a standard disaffiliation agreement in June 2020. Requests for discussions of the disaffiliation process should be directed to the District Superintendent of the local church and Church Transformation Ministries. All requests will be coordinated through Church Transformation Ministries in consultation with the Bishop, Cabinet, and Board of Trustees.

The Conference Board of Trustees seeks to be faithful stewards of the assets of the North Carolina Conference. All financial activities and assets held by the Conference Board of Trustees are included in the audit of financial records of the Conference. Full reports of this activity are available from the Conference Treasurer's Office. We will continue to manage property of the Conference to the best of our ability with thanksgiving to God and in compliance with the *Book of Discipline*.

— Respectfully submitted, David Peele, President

