

# COMMITTEE ON GOALS, OBJECTIVES AND STRATEGIES

## FINANCE

January 24, 2005

### THE ISSUE

Therefore, my beloved brothers and sisters, be steadfast, immovable, always abounding in the work of the Lord, knowing that in the Lord your labor is not in vain. Now concerning the contribution for the saints... (1 Corinthians 15:58-16:1)

The work of the Lord and the contributions of and for the saints are inseparable.

### DATA

The Trustees of Presbytery are stewards of considerable resources amounting to between \$8-9 million and some real estate. Some of this money belongs to churches of the Presbytery and is managed on their behalf. The asset pool has remained relatively constant, with no new funds being added recently.

To the Presbytery in general, gathered at a regular meeting, the budget is a lengthy, detailed and confusing document. Arguably it gets little attention and less comprehension from those who have it presented to them for a vote. Steps might be taken to provide an easily understood presentation of the budget.

Virtually every aspect of the Presbytery's mission requires financial support from the congregations and from the Presbytery's own reserves and investments. Approximately 25% of annual funding for the budget comes from the Trustees. Some of this is built into the budget; in recent years, additional funds have been paid at the year's end to cover a shortfall.

It is a fact of life among the mainline churches that membership has declined, leaving fewer persons to support the work of the middle and higher governing bodies. Moreover, many of the congregations operate in older buildings that require a large percentage of the church's resources to keep them from falling into disrepair. This uses resources that cannot be used to grow Session programs or to support Presbytery mission.

### DISCUSSION

The current management of the Presbytery's endowment is complicated by the restricted funds, that is, those belonging to individual churches plus others. The task would be simpler if Presbytery discontinued this practice.

The recent practice of asking the Trustees to provide money at the close of the year to cover a shortfall seems a precarious way to do business. Greater fiscal discipline would obviate this need and perhaps make it feasible for the Trustees to make a larger contribution to the annual budget at the beginning of the year.

The church is faced with the passing away of a generation of people who have given sacrificially and generously. It is sometimes said that it takes several new, young families joining a church to replace the giving of one of these mature members who passes on. In addition, Baby Boomers and their children often exhibit a mistrust of institutions and a desire to direct giving to causes of which they approve or in which they can be personally involved.

One answer to the loss of members is the development of new churches. Baltimore Presbytery has a good record of establishing new congregations. They are, however, very expensive undertakings. Great care

must be taken to see that they are located wisely and that they become strong and self-supporting within comparatively short periods of time. Those who plan new churches and those who raise money for them must have effective communication with each other.

## **GOAL**

**That Baltimore Presbytery discipline its financial life in such a way that there will reliably be enough money every year to carry on the work of Jesus Christ through the Presbytery's mission.**

## **STRATEGIES**

The annual budget should be approved by the Presbytery Council rather than the entire Presbytery, and amended by them if necessary in mid-year.

Personal communication between Presbytery mission agencies and the congregations should be maximized so that members have a personal interest in these ministries.

Acquire the best Fund Management program to help in managing the Presbytery's assets.

The Trustees should discontinue the management of investments on behalf of congregations. The moneys heretofore managed by the Trustees should be returned to the churches for their own management.

It should be Presbytery policy that the Trustees will not fund shortfalls in the annual budget.

The Trustees should give consideration to investing part of the endowment in funds that accomplish humanitarian or philanthropic good.

The Trustees should consider making loans not just on buildings, land and building repairs, but on missional projects that show promise for growing the church.

An ongoing conversation should be initiated within the Presbytery about ways and means to increase the principal in the Presbytery's endowment.

Submitted by the Finance Task Force

Rev. Tim Stern  
Mr. Loren Western  
Rev. John Kazanjian  
Rev. James Kirk  
Rev. Ken Ironside