

# PRESBYTERY OF THE JAMES

## STATED MEETING – February 18, 2023

Mission Council – 2023 Proposed Budget  
Frequently Asked Questions (FAQ)

**NOTE – Other comments will be made verbally at the Presbytery meeting, 2/18/23.**

### **Who is responsible for drafting the annual financial budget for the Presbytery?**

The Mission Council is responsible for the drafting of and presenting a budget for approval to the presbytery. In preparing a draft, the Council is supported by the Lead Presbyter, the Presbyter's Finance & Accounting Consultant, the Moderator, and the Moderators of the Mission and Service Team (MAST) and the Leadership Connection Team (LCT). Budgets are prepared and presented for each calendar year.

### **When did the current staffing model of the Presbytery come into play?**

In February 2021, the Strategic Planning Team, a select committee of the Presbytery, presented its plan for restructuring the staff leadership of the Presbytery. This model envisioned a division of the staff responsibilities (held at the time by a single General Presbyter / Stated Clerk) into three presbyters with specific focus on many aspects of the life of the presbytery and our member congregations. The presbytery overwhelmingly approved and adopted the new Strategic Plan.

### **When did the new 3-presbyter model become active?**

The three presbyters were called by the presbytery at two called meetings in May and August 2022. The former General Presbyter / Stated Clerk (Fred Holbrook) retired at the end of June 2022. The Lead Presbyter for Vision and Collaboration (Flo Barbee- Watkins) began her work in late June 2022. The Presbyter for Relational Care (Leigh Anne Ring) began her work in mid-August 2022. The Presbyter for Congregational Life (Barbara Chalfant) began her work in early September 2022.

### **What other changes came out of the adoption of the Strategic Plan?**

With the adoption of the Strategic Plan, the role of the Stated Clerk (a mandated role by the *Book of Order*) was separated from that of the General or Lead Presbyter. With Rev. Holbrook's retirement, the Presbytery elected an Interim Stated Clerk (Marilyn Johns) in June 2022, and elected a Stated Clerk (Steve Hicks) in October 2022. As a separate staff position, it is now separately compensated.

### **Why are some of the accumulated reserves / funds of the Presbytery used in this budget?**

In June 2021, the Mission Council proposed that a specific fund be used to support the direct ministries of the presbytery. This proposal was made in response to an increasing need to acknowledge that our own ministries and other expenses needed to be supplemented by the use of fund balances, accumulated over many years. The Mission Council's proposal limited both the fund to be used to the Church and Ministries Development Fund (renamed with the proposal) and specified those items that the fund would support, all of which are direct costs of the presbytery's ministries. The motion was approved by the Presbytery. Comments were made at the meeting that the presbytery needed to invest in its own future by using these funds.

Specific amounts in the budgets for 2021 and 2022 were supported by this Fund, once approval was received.

**How did this fund get its large balance?**

This fund's predecessor funds built up over many, many years of presbytery activity. One of the largest recent credits was for the sale of the prior Presbytery office property. While virtually all of the funds were granted out to various ministries and needs of the presbytery, the earnings on the funds (invested prior to disbursement) were substantial and built up the fund's balance.

With the sad and unfortunate dissolution of several churches in the recent years, the proceeds from the sale of any property might be credited here, if there is no designation made for other use.

**What costs are covered by the use of the Church and Ministries Development Fund?**

Costs which are considered to be direct ministries are

- all employment costs of the three presbyters;
- two ministries of the Commission on Ministry;
- immigrant and 'New Worshipping' communities (MAST);
- campus ministries (under LCT);
- Community of Ministry & Worship (MAST);
- Small Church ministry (LCT);
- Other LCT ministries;
- 10% of the Camp Hanover Covenant amount, and
- Support for technology assistance for congregations.

**What costs are NOT covered by the use of the Church and Ministries Development Fund?**

Any cost that does not directly assist our congregations or POJ-sponsored ministries, such as

- The per capita remittances to the Synod and General Assembly;
- Employment costs of the Stated Clerk and other staff members;
- Office operations;
- Presbytery operations;
- 90% of the Camp Hanover Covenant amount;
- Committee on Preparation for Ministry; and
- Commissions' and Committees' administrative and other expenses.

**Are there other income items credited to or expense items charged to the Church and Ministries Development Fund?**

Yes. Because the monies in the fund are held in a professionally-managed investment account, dividends, interest, gains, and losses are posted to this fund.

**How much money is in the fund at 12/31/2022?**

At 12/31/2022, the preliminary balance in the Church and Ministries Development Fund is a little over \$4,200,000.

Related to that, the value of the Presbytery's cash balance and investment portfolio at 12/31/22 is over \$5,200,000.

**Is the Presbytery going to run out of money?**

No, the Mission Council does not believe this will happen.

While the 2023 budget proposes the use of a large amount of the Fund, the Mission Council is very much aware of the challenge in front of us – to figure out a way forward through and out of all of the budgetary concerns that are arising. We will be watching, reviewing, questioning, planning during all of 2023. It is possible that hard and difficult choices will need to be made to maintain our strong financial footing in future years.