

The Diocesan Budget Frequently Asked Questions:

Terms:

Diocesan Council – members are elected by diocesan convention to serve a three year term. They are like a board of directors and are responsible for diocesan finances. They meet quarterly (usually January, March, July, and October).

Finance Department – members with a three year term appointed by the bishop. This group is a subcommittee of Diocesan Council. They meet via conference call three times per year and have one meeting in person to discuss the budget and to look at all of the church audits.

▪ What is the process for creating the budget?

Typically, the process begins in the spring. The Canon for Finance & Administration sends out a budget request form to all committee chairs. They are due to the diocesan office in mid April or mid May (depending on when the Diocesan Council meets).

Because convention is in July this year, everything started earlier since we had to have a final budget posted for convention by May 26.

The Canon for Finance & Administration sends a first draft to the Finance Department. Finance members meet and review the budget items line by line and determine how much will be available to fund programs and meetings.

Each year we invite the committee chairs to meet with Diocesan Council. This year, one committee chair attended the meeting. Diocesan Council reviews the committee requests and the budget in detail. The budget you have before you comes from Diocesan Council.

Council realizes that the new bishop may have some items she wants to include in the 2020 budget. If that is the case, they will meet with her and implement those changes. We have built into the 2020 budget some reserve funds for this purpose since we did not have a bishop for most of 2019.

▪ What are the parts of the budget?

Our budget has two parts that are funded through assessments and investment draws and one part (Camp Marshall) that is funded through fees and rental income, assistance from the diocese, and endowment draws. Only the summer staff is funded through the camp budget. The other two camp staff – Site Manager and Camp Director are both funded by the diocesan budget.

The administrative budget is primarily staff and meeting expense. This budget is funded through assessments. For 2020 this budget includes some funds we set aside for the 2020 budget since we did not have a bishop for most of 2019. We will be meeting with the new bishop and more changes may be made to the budget once she shares her plans for 2020 with Council.

The program and meeting budget funds: meetings, youth program, Commission on Ministry, ecumenical, and the Episcopal Church (TEC) - "National Church" payment. This budget is funded by assessments and typically has been funded by investment draws as well. For the 2020 budget, we have just included assessment income.

The camp budget is funded from camp fees, rental income from outside groups using the camp and assistance from the diocese. The assistance from the diocese has been increased for 2020 since it had not been changed in many years and there was a change in the site manager's costs so we felt we could use those funds to help with camp expenses.

Assessments: What are they and how are they calculated?

The assessment is the amount due from the churches each month. All churches are canonically required to pay assessment.

The assessment is based on 19% of the operating income from the parochial reports. We have used a three year average so the 2020 assessment is based on the operating income from 2016-2018.

▪ What is the budget hearing and what can I expect to learn?

Each year, Finance and Council members are present for the budget hearing which is typically held on Friday afternoon from 4:00 to 5:00 prior to the opening of convention. This is a time to ask questions or to get clarification on the budget. The timing of the meeting this year will depend on how long it takes for the election of our new bishop.

As a delegate, you'll receive notification that the budget is available on the website. There is also a line by line description of each budget line item. You can always call the Treasurer or Canon for Finance & Administration to discuss budget questions prior to convention, 800-247-1391, ext. 101.

The questions vary each year, but we begin with the Diocesan Treasurer explaining any changes that are in the proposed budget and then opening it up for discussion.

You can expect to find out if the assessment percentage has changed and if there are other major changes to the budget. There are no changes to the percentage or process this year.

There is sometimes discussion about the raises given to the staff (if there are raises given). There were no raises given for 2018 or 2019. For the 2020 budget, there is a 2.4% raise given based on the 2017/2018 average for Social Security increases.

Investment questions also might come up at the budget meeting. The diocesan investments are managed by RBC Wealth Management in Great Falls. There are a number of churches who have funds invested as well, but they are all accounted for separately.

According to the diocesan canons, the budget is, “received and enacted” by the Diocesan Convention (Section 7). We hope this document will help delegates to understand the process and to ask questions ahead of time in order to fully understand the budget.