

# District Assembly Finance Committee



***We submit the following report and recommend for 2020-2021 that:***

1. all churches conform to the Manual (129.23) and the District conforms to the Manual (205.25) in the auditing of the financial records.
2. the District Advisory Board be authorized to administer all District and Home Mission funds.
3. the District Advisory Board, in consultation with the NMI President, NYI President, and Sunday School Discipleship Ministries Chairperson, set the amount allocated for travel and per diem allowance for General Convention and Assembly Delegates.
4. the local church Shares for Others are to be paid in 12 monthly or 52 weekly installments, beginning in March, with quarterly progress reports to the church boards from the district treasurer's records.
5. the **Global Church 10% Funding the Mission Plan** be adopted to fund Global Shares for Others.

A. the payment of the Global Church funding plan be determined by either a weekly or monthly payment schedule based on the following calculation (*example*):

<b>Total Raised All Purposes (RAP)</b>	<u>\$ 1,000.00</u>
<b>Minus</b> WEF & Approved Missions Giving	- <u>\$ 80.00</u>
<b>Equals</b> <u>Adjusted RAP</u> for % Calculation	= <u>\$ 920.00</u>

B. using the Adjusted RAP (\$920.00), the following percentages (total 10%) apply as follows:

- 1) World Evangelism Fund be 5.5% of the Adjusted RAP (*example = \$50.60*)
- 2) Pension & Benefits Fund be 2.25% of the Adjusted RAP (*example = \$20.70*)
- 3) Education Fund be 2.25% of the Adjusted RAP (*example = \$20.70*)

C. Payments sent to:

Send 7.75% (WEF and P&B) = \$71.30 to **General Treasurer**

Send 2.25% (Education/PLNU) = \$20.70 to **District Treasurer** (*along with #6c below*)

6. the **Sacramento District 4% Funding the Mission Plan** be adopted to fund District Shares for Others

A. the payment of the Sacramento District funding plan be determined by either a weekly or monthly payment schedule based on the following calculation (*example*):

<b>Total Raised All Purposes (RAP)</b>	<u>\$ 1,000.00</u>
<b>Minus</b> WEF & Approved Missions Giving	- <u>\$ 80.00</u>
<b>Equals</b> <u>Adjusted RAP</u> for % Calculation	= <u>\$ 920.00</u>

B. **District Administration Fund** be 4% of the Adjusted RAP. (*example: 4% of \$920.00 = \$36.80*)

C. Payments sent to: Send 4% (Dist. Administration) = \$36.80 to **District Treasurer**

D. the **District Administration Fund** (4% of the Adjusted RAP) will be applied as follows:

- 1) District Administration / Home Missions Fund be 3.55% of the Adjusted RAP.
- 2) Sunday School/Discipleship Ministries Int'l (SDMI) Fund be .16% of the Adjusted RAP.
- 3) Nazarene Youth International (NYI) Fund be .15% of the Adjusted RAP.
- 4) Nazarene Mission International (NMI) Fund be .14% of the Adjusted RAP.

**7. the District Administration Fund be properly divided as follows:**

A. Salaries and Wages	\$ 174,998.00	
Employee Benefits	<u>95,368.00</u>	
		<b>270,366.00</b>
B. Maintenance and Insurance		
1) Insurance & Worker's Comp	17,000.00	
2) District Office & Condo Property Taxes	4,330.00	
3) Custodial	6,000.00	
4) Yard Care & Pest Control	5,000.00	
5) Property Maintenance/Improvements	2,500.00	
6) Elevator Maintenance/License	<u>1,760.00</u>	
		<b>36,590.00</b>
C. Utilities		
1) Gas & Electric	7,500.00	
2) Telephone/Internet	4,500.00	
3) Sewer	950.00	
4) Water	1,515.00	
5) Garbage	1,995.00	
6) Alarm System Monitoring	<u>3,595.00</u>	
		<b>20,055.00</b>
D. Office Expenses		
1) Stationary/Supplies/Software	7,150.00	
2) Postage	1,280.00	
3) Office Equipment/ Hardware/Repairs	21,000.00	
4) CPA Review/Consulting	5,500.00	
5) Web Hosting /Web Design	1,200.00	
6) Loomis Chamber of Commerce Membership	<u>225.00</u>	
		<b>36,355.00</b>
E. District Activities		
1) District Assembly Expenses	32,000.00	
2) District Secretary Expenses	250.00	
3) Pastoral Team Retreat – District Portion	45,500.00	
4) Family Camp - District Portion	45,000.00	
5) Continuing Education/Resources	3,600.00	
6) P&B Local Church Contribution	5,300.00	
7) Pastoral Care & Wellness Fund	20,000.00	
8) Mail Chimp/Promotion	740.00	
9) General Assembly – Annual District Portion	3,750.00	
10) Gifts/Benevolences	10,000.00	
11) Condo Expenses	11,700.00	
12) Checking Account Fees	3,900.00	
13) Pastoral Team Retreat Discount	1,700.00	
		<b>183,440.00</b>

<b>F. Business and Professional Expenses</b>		
1) D.S. Automobile Replacement	4,000.00	
2) D.S. Automobile Maint./Reg./Ins.	5,000.00	
3) D.S. Expense Reimbursement	8,350.00	
4) D.S. Meetings/Conferences/Conventions	6,000.00	
5) Zone Pastor's/District Meetings	3,000.00	
6) DAB/Dist. Boards Expense Reimbursement	19,000.00	
7) District Admin. Expenses	300.00	
8) District Secretary - Stipend	<u>1,500.00</u>	
		<b>47,150.00</b>
<b>G. SDMI, NYI &amp; NMI Budgets (*Detail provided below in #9)</b>		<b>84,800.00</b>
<b>H. Service Accounts</b>		
1) District Staff Seminar	1,000.00	
2) Angels Camp Expense	579.00	
3) SDIM – English	16,000.00	
4) SDIM – Spanish	8,000.00	
5) Yerington Expenses	2,500.00	
		<b>28,079.00</b>
<b>District Administration Total</b>		<b>\$713,425.00</b>

<b>8. <u>the District Home Missions Fund Expenses be properly divided as follows:</u></b>		
A. LIFELINE – Assessment/Coaching/Coordinator Exp.	1,000.00	
B. LIFELINE – Loans	12,000.00	
C. LIFELINE - Grants	<u>250,000.00</u>	
<b>District Home Missions Administration Total</b>		<b>\$263,000.00</b>

*(\*District SDMI, NYI & NMI Budgets Detail from Item G above)*

<b>9. <u>the District Sunday School/Discipleship Ministries International (SDMI) Funds be divided as follows:</u></b>		
<b>A. ADMINISTRATION</b>		
1) Administration Expenses	1,000.00	
Children's Ministries	1,000.00	
2) Camps Board	16,000.00	
3) General Convention Delegates	3,000.00	
4) Recovery	1,000.00	
5) Discipleship Conferences & Coaching	5,000.00	
6) Honorarium	1,500.00	
7) Women's Ministries	500.00	
8) Quizzing	1,500.00	
9) District Director's Leadership Training	1,500.00	
10) Contingency Fund	<u>500.00</u>	
<b>SDMI Ministries Budget Total</b>		<b>\$32,500.00</b>

**10. the District Nazarene Youth International (NYI) Ministries Funds be divided as follows:**

**A. NYI BUDGET EXPENSES**

1) NYI Leadership Conference	2,000.00
2) The Reunion	1,000.00
3) Elevate - PLNU	1,500.00
4) General NYI Convention	2,500.00
5) Jr. High Camp	2,500.00
6) Sr. High Camp	2,500.00
7) NYI Retreat	3,000.00
8) Church Resources	500.00
9) NYC	4,000.00
10) District Meetings	2,500.00
11) Zone Meetings	3,000.00
12) SWF Share	1,300.00
13) Youth Pastor's Meetings	500.00
14) Promotion Materials	250.00
15) Field Meetings	1,750.00
16) Media	<u>500.00</u>

**NYI Ministries Budget Total**

**\$29,300.00**

---

**11. the District Nazarene Missions International (NMI) Ministries Funds be divided as follows:**

**A. NMI BUDGET EXPENSES**

1) Office Expenses	500.00
2) Conventions	10,800.00
3) Other Meetings & Conferences	2,000.00
4) Council & Committee Meetings	2,200.00
5) President's Expenses	500.00
6) Global NMI Convention	4,000.00
7) Cash L.I.N.K.S. (Benevolence for Missionaries)	1,800.00
8) Christmas Cash	700.00
9) Contingency Fund	<u>500.00</u>

**NMI Budget Total**

**\$23,000.00**

**District SDMI, NYI, & NMI Budgets Total**

**\$84,800.00**

**12. Social Security and Income Taxes for 2020-2021 be computed accordingly:**

**A. Wages & Salaries – the following rates for the fiscal year 2020-21 are applicable:**

- 1) employee withholding – OASDI = 6.2%; Medicare = 1.45% (7.65% total)
- 2) employer match – OASDI = 6.2%; Medicare = 1.45% (7.65% total)
- 3) total FICA/SECA contribution = 15.3%

\*All churches shall be in compliance with State and Federal reporting and income tax withholding laws. All lay and ministerial employee wages earned will be reported on W2's as wages, Social Security wages, Medicare wages, and state/local wages as applicable.

\* For more information, see [www.pbusa.org](http://www.pbusa.org) /Resources/Compensation & Tax Memos

## B. Benefits

1) **Lay employees** are covered by the Federal Insurance Contributions Act (FICA) which covers Old-Age, Survivors, and Disability Insurance (OASDI) and Medicare contributions. Churches must withhold from each employee's gross pay amount a total of 7.65% (6.2% for OASDI and 1.45% for Medicare) plus applicable Federal and State Income Tax. The church matches the 6.2% and 1.45%, for a total of 15.3%. These amounts must be set aside (until the end of the month or quarter), depending on church federal deposit requirements, and remitted to the U.S. Treasury, using Form 941 for reporting purposes. In California, State Personal Income Tax (PIT) is remitted to the State of California Employment Development Department (EDD) on a timely basis.

2) **Ministerial employees** are covered by the Self-Employment Contributions Act (SECA). As self-employed persons, ministers are responsible for ensuring they are in compliance with SECA by making quarterly remittances for social security. The local church normally pays the OASDI amount to the pastor as a supplemental amount at the end of each quarter. Churches calculate the SECA amount as follows: ministers quarterly salary total + ministers quarterly housing expense total + ministers quarterly utilities expense total + the OASDI amount = the base amount. Multiply the base amount by 15.3% to arrive at the quarterly OASDI amount. The supplemental amounts paid to the minister as OASDI must be included in the W-2 as part of total wages at the end of the year.

## 13. Church Insurance be provided with the following considerations:

### A. Fire Insurance

#### 1) Church Building and Equipment

- a) All risk of direct physical loss with Buildings and Personal Property Blanketed with the Agreed Amount Endorsement where possible, otherwise, Fire & Lighting, Extended Coverage with Vandalism and Malicious Mischief or as required by a lender.
- b) 100 percent of replacement cost, writing replacement cost endorsement where possible, otherwise 100 percent of actual cash value (replacement cost less depreciation).

#### 2) Dwellings / Parsonage

- a) All risk of direct physical loss with Agreed Amount Endorsement, where possible, otherwise Fire & Lighting, Extended Coverage, with Vandalism and Malicious Mischief, or as required by a lender.
- b) 100 percent of replacement cost, writing replacement cost endorsement where possible, otherwise, 100 percent of actual cash value (replacement cost less depreciation).

B. Liability

1) Limits

- a) 1 Million Each Occurrence for Bodily Injury, Personal Injury and Property Damage
- b) 3 Million Annual Aggregate

2) Coverage

- a) Premises and Operations
- b) Products & Completed Operations Liability
- c) Pastoral Counseling Liability including Lay Counseling, if applicable
- d) Broad form General Liability
- e) Non-owned and Hired Automobile Liability
- f) Cyber & Media Liability
- g) Religious Freedom Liability
- h) Sexual Misconduct Liability, Minimum Limits of \$250,000.00 each occurrence, \$500,000.00 annual aggregate with higher limits when available
- i) Directors and Officers liability
- j) Employment Practices Liability
- k) Employee Benefits Liability, if applicable
- l) Medical Payments \$15,000.00 Limit

C. Worker's Compensation - Required by law in the States of California and Nevada. Every church on the Sacramento District must see that this is a part of their insurance program.

D. Business Auto for Owned Vehicles, if applicable

E. Accident Medical Insurance for Volunteers involved in new Construction or Church owned & operated Preschool/Daycare Centers.

F. All churches should include the Sacramento District as a "named insured" on their property policies.

G. We encourage every church on the Sacramento District to have a current policy manual in place. Resources such as the **Church Law and Tax Report** (<http://www.churchlawandtax.com>) and insurance company audits should be used to make certain that each local church is in compliance with Federal and State law. Careful attention should also be given to the current direction of case law in defining policies for the local church.

**14. Local Church Finance be managed with the following considerations:**

A. each church be encouraged to use the Nazarene Treasurer's Report system, or equivalent calculating system, and that the pastor receives a report of the total raised each week.

B. the local church establish an operating budget for local, District, and Global interests. (*Manual* 32.2, 130, 136.2, 153, 516.9, 516.13). Please send a copy of the budget to the District Superintendent.

- 1) This budget is to be reviewed monthly by the Church Board. WEF, P&B, District and Education Shares for Others are to be a priority item.

- 2) If there is a deficit in the income necessary to meet the total monthly budget, the board should seek ways and means to care for any emergency deficit each month. The pastor should monitor the local budget and complete a quarterly review in consultation with District leadership to resolve indicated financial problems.
  - 3) In the planning of the local budget, items such as social security reimbursement, health insurance, auto reimbursement, housing allowance, utilities, and other benefits should be listed separately from the stipulated cash salary of the pastor.
- C. each local church conduct an annual review of financial procedures and practices including:
- 1) the review of financial reporting procedures should include but not be limited to:
    - a) monthly bank reconciliations done timely.
    - b) monthly financial reports done timely and reviewed by the church board monthly.
    - c) deposits on bank statements should equal income on financial reports.
    - d) all expense items should be reviewed with the church budget and the larger differences should be examined and explained.
  - 2) the review of church offering practices should confirm the following:
    - a) all offerings should be counted and recorded by at least two people signing the report.
    - b) offerings should be held in a secure place until deposited at the bank.
    - c) a rotation of people counting and recording is recommended.
- D. the hiring and renewing of paid assistants shall occur only when all Shares for Others (*District, Global, and Education*) and financial obligations were paid in the previous year and are current in the year requested. (**Manual** 159, 211.13).
- E. the District continues to give full support to the annual PLNU grant-in-aid program for students from a Sacramento District local church attending PLNU as follows:
- 1) **General Grant** - that an amount of **\$2,800.00** shall be allocated from the District Education Fund for each eligible, full-time, undergraduate student.
  - 2) **Matching Grant** - that we encourage local churches to participate in the PLNU Matching Grant program in which the church contributes **\$250.00** per student per year, and the university in turn, matches the amount, for a total of **\$500.00**.
- F. churches receive an annual offering for Nazarene Bible College & Nazarene Theological Seminary
- G. remuneration for pulpit supply and evangelists should include: an honorarium; full care for travel expenses; housing, and meals. For evangelists, if applicable, pay an amount at least equal to the pastor's weekly salary, including housing and benefits, and a love offering. If requested by ministerial evangelists, designate a portion of the compensation as 1) housing allowance, and 2) a preferred retirement fund.
- H. the District Advisory Board annually bring recommendations on the District Superintendent and District office staff's financial packages to the District Finance Committee.

**15. District Finance Committee procedures be established with the following considerations:**

- A. a District Assembly Finance Committee be elected and meet prior to the District Assembly.
- B. the District Superintendent, District Treasurer, and District Assembly Finance Committee Chairman be authorized to receive requests for adjustments in Shares for Others giving due to reporting errors determined to be justifiable, and make necessary adjustments.

- C. a report shall be distributed showing the payments of Shares for Others and other obligations for the current assembly year.
- D. a report of local church Shares for Others giving be received for the previous church year.
- E. two members of the District Finance Committee be appointed annually to act as an Audit Sub-Committee to review all District Superintendent and District Office personnel credit card statements.

*Committee Members:*

*Laypersons:* Ken Meneely, Jack Rea

*Ministers:* Micah Moreno, Joe Sturgeon

*Ex-officio:* Steve Scott – *District Superintendent*, Mike Havens – *District Treasurer/Chair*



## ***Funding the Mission – “Shares For Others” Payment Instructions***

District and Global Shares for Others – Sacramento District Church of the Nazarene

### **1. DISTRICT SHARES FOR OTHERS - REMITTANCE INSTRUCTIONS**

Please include a District “Shares for Others” Remittance Form with each payment. Any other District payments, such as **LIFELINE**, should be sent with a separate check. Indicate whether this remittance is based upon total giving for **Week #** and **Month**, or **Month** only.

#### Calculating District Shares for Others:

- a. **Line 1a**, Enter **Total Raised All Purposes (RAP)** amount.
- b. **Line 1b**, Subtract (-) any WEF & Approved Missions giving.
- c. **Line 1c**, is the Adjusted RAP to determine the 4% for District Administration Shares.
- d. **Line 2**, Enter 4% of the Adjusted RAP amount.  
This amount is payment for: District *Administration/ Discipleship Ministries/NYI /NMI Funds*
- e. **Line 3**, Enter 2.25% of the Adjusted RAP amount. (*Determined by calculation in 2.c. below*).  
This amount is payment for: *Education Fund (PLNU)*
- f. **Total Shares Remittance** – This is the total amount of **Line 2 + Line 3**.
- g. **Line 4**, If a **LIFELINE** payment is being made, enter the amount on **Line 4**.  
Make a separate check for this payment.

**Please send and make all District Shares for Others payable to:**  
Mike Havens, District Treasurer, 6235 S. Walnut St, Loomis, CA 95650

---

<p><b>Questions?</b> Contact Mike Havens:  916-652-1193 x 5 mhavens@sacnaz.org</p>
--

### **2. GLOBAL CHURCH SHARES FOR OTHERS - REMITTANCE INSTRUCTIONS**

#### Calculating Global “Shares for Others”:

- a. Take the most recent total of **Raised All Purposes (RAP)** amount
- b. Subtract any **WEF** and approved **Missions** giving per most recent **weekly** or **monthly** payment.
- c. The resulting Adjusted **Raised All Purposes** amount is used to calculate the **10%** Shares.

The **10%** distribution is:

- 5.5%** - **World Evangelism Fund** (sent to the *General* Treasurer)
- 2.25%** - **Pensions & Benefits Fund** (sent to the *General* Treasurer)
- 2.25%** - **Education/PLNU Fund** (sent to the *District* Treasurer)

(See instructions above in 1.e. to send **Education/PLNU Fund**.)

**Please send and make all Global Church Shares for Others payable to:**  
General Treasurer, P.O. Box 843116, Kansas City, MO 64184  
On-line payments may be made at <http://web.nazarene.org>.

(See next page for the Worksheet for Calculating “Funding the Mission” Shares/Allocations)

# Worksheet for Calculating "Funding the Mission" Shares/Allocations

*Sacramento District Church of the Nazarene*

**Step 1:** Determine the total amount of monies raised for the local church

Through regular tithes & offerings, love offerings, building/capital campaigns, and all local offerings

**Step 2:** Determine the total amount of monies raised for World Evangelism Fund (WEF)

WEF offerings include Faith Promise & Nazarene Missions giving (Offerings at Easter, Thanksgiving, etc.)

**Step 3:** Determine the total amount of "Approved Mission Specials" (10% Giving)

10% Giving includes Alabaster, Nazarene Compassionate Ministries, Deputation, LINKS, World Mission Radio, etc.

**Step 4:** Determine the Adjusted "Raised for all Purposes"(RAP)

Subtract lines 2 and 3 from line 1

**Step 5:** Determine the actual amounts for District and Global Allocations

Multiply the Adjusted "Raised for all Purposes" (in Step 4) times the following percentages:

DISTRICT Shares for Others/Home Missions/ALLOCATIONS:

**Total District:** 4%

GLOBAL Shares for Others/ALLOCATIONS:

WEF & Approved 10% Giving	5.50%
Pensions & Benefits	2.25%
Education (PLNU)	2.25%
<b>Total Global:</b>	<b>10%</b>

**EXAMPLE**

Step 1	Raised for all purposes in the local church		\$ 10,000.00	
Step 2	Raised for WEF	(-)	\$ 1,000.00	
Step 3	Raised for 10% Approved Mission Specials	(-)	\$ 500.00	
Step 4	Adjusted Raised for all purposes (RAP)	=	\$ 8,500.00	
Step 5	Allocate: District & Home Missions	x 4.00%	\$ 340.00	
	PLNU	x 2.25%	\$ 191.25	
	<b>Total District</b>	<b>=</b>	<b>\$ 531.25</b>	<b>Send to District Treasurer</b>
	WEF	x 5.5%	\$ 1,000.00	(5.5% = \$467.50 vs actual = \$1,000.00)
	P&B	x 2.25%	\$ 191.25	
	10% Approved Missions Specials	+ actual	\$ 500.00	
	<b>Total Global</b>	<b>=</b>	<b>\$ 1,691.25</b>	<b>Send to General Treasurer</b>

# District & Global Shares for Others

How is local church giving a resource for District and Global Church Ministries?



2020

## 1. Local Church Ministry & Resources

- a. A summer camp ministry for children and youth is subsidized annually.
- b. The annual Pastoral Team Retreat is subsidized by the district at \$45,500.00 each year.
- c. The annual Family Camp is directed and subsidized by the district at \$45,000.00 each year.
- d. A Board of Ministerial Studies and Board of Ministerial Credentials meet each year to grant and renew district licenses for ministers. These boards operate throughout the complete process of ordination for elders and deacons, including evaluation of transcripts, and personal exam of all candidates for license renewal and ordination.
- e. The Sacramento District Institute of Ministry is subsidized to provide qualified instructors for the educational training of licensed ministers.
- f. Continuing education events for pastoral staff are subsidized by the district.
- g. Local churches can apply for a **LIFELINE** grant, a missional plan through which new churches and life changing ministries are created on the Sacramento District. **LIFELINE** is established through:
  - 1) 23% of every dollar contributed by local churches to district "shares for others" is committed to assisting local churches through **LIFELINE** (approximately \$100,000.00-125,000.00/year).
  - 2) Approximately \$10,000.00-\$12,000.00 a year is pledged by churches and individuals above and beyond district "shares for others."
  - 3) Approximately \$125,000.00-\$250,000.00 is granted each year to **LIFELINE** ministries through an investment fund created from district assets over many years.
- h. Pastors & Associates receive annual subscriptions to "**Growth Points Newsletter**" & "**Outreach Magazine**"
- i. A North Lake Tahoe condominium is maintained and provided for pastoral staff at a significantly reduced cost for family vacation and personal retreat.
- j. A reserve fund is maintained for General Assembly delegate expense for those who represent the district every four years (Global Conventions for SDMI, NMI, NYI, and the General Assembly).

## District & Global Shares for Others (cont'd)

### **2. District Ministry & Resources (6235 S. Walnut Street, Loomis, CA – stop in & see us!)**

- a. The operational expense of a district office, with a full time office manager, a full time district administrator, a part-time office assistant, and a full time district superintendent.
- b. The provision and operation of a conference area for various district board/committee meetings, and leadership retreats for local church boards and ministries.
- c. The provision of a private study office for personal retreat at the district office for pastors and associates; equipped with computer/printer, wireless access, phone line, and lending library.
- d. The supervision and resourcing of the pastoral selection process for a local church.
- e. The supervision and resourcing of the church/pastoral review process every 2 or 4 years.
- f. The organization and resourcing of annual conventions and district assembly.
- g. Publications, promotional materials, and a district web site to resource the local church.
- h. The resourcing of the local church for issues related to local church development, LIFELINE proposals, conflict resolution, and numerous other ministry concerns.
- i. **\$2,800.00** a year per student from a Sacramento District Nazarene Church is awarded each year in the form of a student grant for those attending Point Loma Nazarene University, San Diego.

*Please note: The annual participation by local churches varies with regard to the amount of Shares for Others received, which impacts the annual district budgeting process. The District Office property is paid for and incurs no significant expense for which the local church is responsible. The District Office receives lease payments from tenants which offset costs for the maintenance/care of the facility.*

### **3. Global Ministry Center, Church of the Nazarene / Lenexa, Kansas**



- a. The **World Evangelism Fund** (WEF) supports the Global Ministry Center, as well as missionaries and various global ministries in 163 world areas.
- b. **Pensions & Benefits USA**, establishes retirement resources for full time credentialed ministers in the Church of the Nazarene.

*\*See next page for Local, District and Global Ministries - Dollar Profile*