

**Budget and Finance  
For the Mission of The Episcopal Church  
In the Diocese of New Jersey**

**Report of the Treasurer to the 225<sup>th</sup> Diocesan Convention**

*To: Clergy, Lay Deputies and Alternates to the 225<sup>th</sup> Convention of the Diocese of New Jersey*

*From: Reginald Whitman, Treasurer*

*The Budget and Finances for the Mission of The Episcopal Church in the Diocese of New Jersey –  
Report to the 225<sup>th</sup> Diocesan Convention*

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Dear Friends,

This memorandum accompanies the Revised Preliminary Diocesan Budget for Fiscal Year (FY) 2009 and the Proposed Preliminary Diocesan Budget for FY 2010, supporting the mission and ministry of the Diocese of New Jersey for the next two years, which I am submitting for your consideration on behalf of Bishop Councill, the Diocesan Council, the Finance and Budget Committee and the financial offices of the Diocese.

***The 2009 Budget***

Congregational Fair Share pledges are projected to be approximately 12% or \$359,000 less than in FY 2008. 83% of pledges received are at 100% of the asking, above or equal to FY 2008. 17% of pledges received were reduced, compared to last year, including five of the top ten parishes when measured by parish income. 50 parishes (31%) have not yet filed a pledge, for which \$358,000 i.e., their FY 2008 Fair Share giving, is estimated to be their Fair Share Pledge for FY 2009.

Trust income is projected to be down by about 8.3% or \$57,000 compared to FY 2008 actual. Bishop Romero's compensation will be supported entirely by donated restricted funds. Those financial needs which exceed the normal income are being funded by working surpluses from prior years in the amount of \$400,000 and potentially and to a lesser extent, from growth monies in the Harriet Proctor Matthews (HPM) Fund by an amount up to \$120,000, but only if necessary. If we use HPM Fund growth monies, we intend to repay the Fund, as reflected in the 2010 Preliminary Budget. After considering the above, total income for budgeting purposes is down approximately 3% from FY 2008 to FY 2009.

Primary consideration has been given to funding the priorities enunciated by Bishop Councill:

- The staff should be kept intact and compensated in accordance with mandated COLA increases.

## **Financials: Exhibit I**

- Trinity Cathedral commitment must be maintained at the same level as last year.
- The Episcopal Church asking to be 100% funded.
- Diocesan program elements must be respected and funded as completely as possible.
- Commitments to retired clergy, widows/widowers, and orphans are to be honored in full.
- Our missionary zeal should be continued and our Millennium Development Goal obligations should be met.

Key elements of the expense budget include:

- Funding the Board of Missions asking (line 10) budgeted in full.
- The Episcopal Church asking (line 20) is funded 100%.
- Trinity Cathedral (line 40) is funded at 2008 level, even though needs are much higher.
- The Right Onward Visioning process (line 60) is funded to enable an exciting year of activity.
- Diocesan programs will continue, with some cutbacks in several areas.
- Local program ministry grants are reduced to \$10,000 (line 120 & 121).
- Second alternate deputies to General Convention (line 412) will not be funded.
- The diocesan staff is treated as per the Bishop's request (lines 600 – 694).
- The only new senior staff position added since 2004, Director of Communications, is reduced to 1/3<sup>rd</sup> time in 2009 (line 660). This is necessary in order to contain expenses and is agreeable to the Communications Director.
- The Assistant Bishop (line 610) is to be funded entirely by designated funds in 2009, leaving a balance that would fund less than one-half of the position in 2010.
- All retired clergy and widow/widower funding (line 730 & 731) is intact.

### ***The Preliminary 2010 Budget***

The preliminary FY 2010 budget includes the revenue that would be available if every congregation is able to commit to the full amount of their pledge for 2010. As in the past this approach allows us to hold the budget up as a vision of the kind of mission and ministry that we can accomplish together if the resources are available to support it. Available working surplus would not need to be used.

The preliminary FY 2010 budget supports all of the diocesan program allocation and other needs submitted for FY 2010, including increases in many instances. The 2010 preliminary budget includes the repayment of any 2009 withdrawals that may have been made from the HPM Fund's growth monies (line 702). The following increases and new allocations could be supported, if congregations pledge the full Fair Share amount.

- Trinity Cathedral a 1/3<sup>rd</sup> increase (line 40).
- Local Ministry Grants increased funding (line 120-121).
- Multicultural Ministry Development (line 206).
- Director of Communications at 100% (line 660).

- Addition to administrative staff (line 680).
- Capital campaign funding allocation (line 712a).

***In Conclusion***

The current economic crisis may not be overcome in one year/one budget. We therefore propose to use a portion of the available working surpluses from prior years and some of the HPM Fund's growth monies in order to afford the Bishop and diocesan leaders the time to think and pray and plan and act to re-structure our Diocese in a way that more realistically matches our resources. These are rainy days for which we have saved "Rainy Day" funds. On the other hand, we must not and we will not exhaust all of our funds, so that they remain to be used for mission by future generations.