NCYM Townhall Forum background

NCYM's financial situation is not sustainable. I hope that this package will serve to provide relevant facts and figures to help guide this discussion in order to be accurate, factual, and productive to help direct NCYM finances to be representative of our collective priorities to fulfill our corporate goal of promoting Christ to a lost world, specifically being a light to our communities that we serve in North Carolina. Please help us find the best way forward, through the Spirit's leading.

Numerous factors have led to a detoriation of our finances, but I will attempt to highlight some relevant facts over the last 5 years or so. Our recognized membership has declined 1,241 – about 13% cumulative or about 2.5% per year. Despite modest increases in Askings per member, our collected Askings have declined about 10% during that period – about 2% per year. Unpaid Askings have contributed to this challenge. Over $700,000 (~13%) of Askings during this period were not collected, for various reasons. Our annual budgeting process recognized some (~6%) of this challenge but not all. This shortfall in funding has been met in numerous ways. Reductions in our program ministries and staff office budgets have been a difficult but necessary sacrifice. Use of debt (line of credit) has helped to meet cash crunches that inevitably occur. Some investments (from previous surpluses and unallocated donations) have also been liquidated to meet these shortfalls in funding.

Other challenges during this period include: significant increases in medical and pension costs for pastors and staff, lower trust fund income (stock market decline), significant recession, MOWA Choctaw repairs, and Christian outreach funding shortfall.

In preparation for 2013, Stewardship/Finance and Executive met on September 22, 2012 and came up with 3 budget scenarios that we would like feedback on.

Scenario 1) Increase Askings $3 per member (2.6%), increase medical contribution from meetings to $375 per month per participant (25% increase), add insurance for all participants on the Life and LTD plan (this includes all pastors working full time, even if they aren't on the group health plan), cuts to expenses (e.g. significant change in FUM funding) including pastors retirement contribution, unpaid Askings budgeted at 16% (actual unpaid for the last few years).

Scenario 2) The meeting pays 100% of medical contributions, all meetings pay 100% of Life and LTD insurance for full time pastors, reduce Askings to $100 per member, unpaid Askings budgeted at 16%.

Scenario 3) similar to scenario 2) but Askings would be in two tiers: the first tier would be for meetings with a pastor under 65 on the health care plan; Askings @

$100 per member. Tier 2 would be for meetings that do not have a pastor under 65 on the health care plan; Askings @ $108 per member.

Note that all plans have added the following: meetings will be asked to contribute their pastor's share of life insurance and disability insurance independent of their participation in the health insurance plan.

While I do not welcome these challenges, I recognize both the inherent threat to our ministries and the opportunity to reorganize our priorities to "keep the main thing, the main thing." May the Lord lead you in providing guidance as to the best way forward.

Please do not hesitate to give me a call with any questions. My number is 704-491-2649.

Sincerely

Jimmy Spaulding
Stewardship/Finance chair

Questions to Consider when looking at Budget Options 2 & 3

Reduced Askings and100% of the insurance cost on the meeting:

1. What happens when a pastor decides to leave a meeting, or go to another meeting?

2. Will asking a meeting to pay 100% of the insurance discourage some meetings from seeking a pastor on the group plan?

3. Askings would decrease, but enough to pick up 100% of the insurance?

4. Does this formula allow meetings to better plan their budgets?

5. Will this be a bookkeeping nightmare for the meeting and the Yearly Meeting?

6. How does this affect a meeting with multiple pastors but only one is on the plan – they get the full benefit of lower Askings?

7. Will a pastor over 65 get the reduced Askings price; how does this affect that meeting?

8. Who would be responsible for the medical deductible – the meeting or the yearly meeting? Is it time to stop this benefit?

9. Will pastors be encouraged to drop the yearly meeting group plan in favor of a lower cost plan? If we lose pastors on the group plan, the premiums will rise.

	A	B	C	D	E	F
1	**N C YEARLY MEETING OF FRIENDS**					**PROPOSED BUDGET OPTIONS FOR 2013**
2		**2,012**	**2,013**	**2,013**	**2,013**	**Notes**
3		**Budget**	**Option 1**	**Option 2**	**Option 3**	
4	**Part I-A Administrative Expenses**					
5	Salaries-8 full time -2 QL, 6 YM office plus part time	310,000	305,000	305,000	305,000	**2/3 financial manager salary pd by T/F**
6	Social Security	12,000	14,000	14,000	14,000	
7	Staff Travel	25,000	28,000	28,000	28,000	
8	Office Expense	6,000	7,000	7,000	7,000	
9	Minutes & Report Booklets	3,100	1,000	1,000	1,000	
10	Utilities	17,000	18,500	18,500	18,500	
11	Property & Workers/Comp Insurance	7,500	7,800	7,800	7,800	
12	Ministers' Group Insurance - under 65	283,000	294,320	294,320	294,320	
13	Life, LTD, spouse life -ministers under 65	17,000	19,000	19,000	19,000	
14	Ministers' benefits - over 65 -health, life, ltd, etc	45,000	42,000	42,000	42,000	
15	Staff/Other Group Insurance	48,000	50,000	50,000	50,000	
16	Ministers' Retirement	107,358	81,351	135,000	135,000	
17	Equip Purchase/Upkeep	19,000	20,000	20,000	20,000	
18	Office Maintenance & Cleaning	5,000	5,500	5,500	5,500	
19	Expense for Holding Yearly Meeting	6,500	6,500	6,500	6,500	
20	Audit	9,000	10,000	10,000	10,000	
21	Contribution for Preservation of Records	6,000	3,000	3,000	3,000	
22	Special Initiatives	0	5,000	5,000	5,000	
23	Quaker Lake Operating Exp	115,800	120,800	120,800	120,800	**QL Camp program contributes $25,000 (see line 106)**
24	Mid Year Gathering	0	0	0	0	
25	Interest Expense on line of credit	0	10,000	10,000	10,000	
26	**Total Part I-A**	**1,042,258**	**1,048,771**	**1,102,420**	**1,102,420**	
27	**Part I-B**					
28	FUM Contribution	50,000	25,000	25,000	25,000	**unrestricted - general funds**
29	Samburu Friends Mission	5,000	0	0	0	**restricted**
30	Turkana Friends Mission	5,000	0	0	0	**restricted**
31	Friends Theological College	5,000	0	0	0	**restricted**
32	Belize Friends Boys School	5,000	0	0	0	**restricted**
33	Joyce Ajlouny, FUM Field Staff -Ramallah	5,000	0	0	0	**restricted**
34	FUM Board Travel	1,000	1,200	1,200	1,200	
35	**Total Part 1 -B**	**76,000**	**26,200**	**26,200**	**26,200**	

	A	B	C	D	E	F
36						
37		**2,012**	**2,013**	**2,013**	**2,013**	**PROPOSED BUDGET OPTIONS FOR 2013**
38		**Budget**	**Option 1**	**Option 2**	**Option 3**	
39						
40						
41	**Part I-C-Affiliated Organizations**					
42	FEMAP	100	100	100	100	
43	FCNL, Washington	100	100	100	100	
44	William Penn House	100	100	100	100	
45	Friends Hms-Quaker Assist	100	100	100	100	
46	FWCC, Philadelphia	100	100	100	100	
47	Friends Center @ Guilford College	100	100	100	100	
48	Right Sharing of World Res.	100	100	100	100	
49	NC Council of Churches	100	100	100	100	
50	Quaker Earthcare Witness	100	100	100	100	
51	**Total Part I-C**	**900**	**900**	**900**	**900**	
52	**Total Part I - A, B, and C**	**1,119,158**	**1,075,871**	**1,129,520**	**1,129,520**	
53	**N C YEARLY MEETING OF FRIENDS**					
54	**Part II-A-Committees funded by Askings**					
55	Comm on Care of Records	6,500	6,800	6,800	6,800	
56	Christian Education Comm	9,500	9,500	9,500	9,500	
57	FCNL, local committee	500	500	500	500	
58	FWCC, local committee	1,200	0	0	0	
59	M & C Executive Comm	100	150	150	150	
60	Literature Committee	350	250	250	250	
61	Nominating Committee	300	350	350	350	
62	Pastoral Care Committee	3,000	2,500	2,500	2,500	
63	Peace & Social Issues *** see note	500	1,000	1,000	1,000	**designated contributions will carry over**
64	Publications Board	145	75	75	75	**funded by TF and book sales**
65	Recording Committee	5,000	2,250	2,250	2,250	
66	Spiritual Life Commission	1,000	750	750	750	
67	Stewardship-Finance Comm	200	175	175	175	
68	Young Adult Committee	6,000	7,200	7,200	7,200	**partially funded by program fees**
69	Young Friends Actv Comm	30,000	35,000	35,000	35,000	**partially funded by program fees**
70	MOWA Choctaw	30,000	30,000	30,000	30,000	
71	Intern Program	35,000	35,000	35,000	35,000	**partially funded by committees and sites**
72	**Total Part II-A**	**129,295**	**131,500**	**131,500**	**131,500**	

	A	B	C	D	E	F
73						
74		2,012	2,013	2,013	2,013	PROPOSED BUDGET OPTIONS FOR 2013
75		Budget	Option 1	Option 2	Option 3	
76						
77	**Part II-B-Committees funded by Trust Funds/Contribtuions**					
78	Benefits & Insurance	0	0	0	0	**pension plan funded by Trustees of Trust Funds**
79	Christian Vocations-General	0	0	0	0	**funded by TF and loan repayments**
80	Christian Vocations-Barker	0	0	0	0	**funded by TF and loan repayments**
81	Church Extension & Church Startup	0	0	0	0	**funded by TF and contributions**
82	Creative Aging Committee	0	0	0	0	**funded through program fees**
83	Evangelism Committee	0	0	0	0	**funded through TF and event fees**
84	Friends Disaster Service	0	0	0	0	**funded by contributions**
85	Missions-General	0	0	0	0	**funded by contributions and trust funds**
86	Missions-Mexico	0	0	0	0	**funded by contributions and trust funds**
87	Missions-Designated	0	0	0	0	**in and out**
88	Music Committee	0	0	0	0	**funded by contributions**
89	Pastor-Mtg Rel Comm	0	0	0	0	**funded by trust funds**
90	Quaker Lake-Camp	0	0	0	0	**funded by camper fees and TF**
91	Quaker Lake-Development	0	0	0	0	**funded by contributions and investment income**
92	Cemetery Fund	0	0	0	0	**funded by TF and contributions**
93	Jamaica VBS	0	0	0	0	**funded by committees and contributions**
94	Mexico Task Force	0	0	0	0	**funded by contributions**
95	Share the Blessing II	0	0	0	0	**funded by pledges**
96	**Total Part II-B**	**0**	**0**	**0**	**0**	
97	**Total Part II**	**129,295**	**131,500**	**131,500**	**131,500**	
98						
99	**Total Budget (Part I and II)**	**1,248,453**	**1,207,371**	**1,261,020**	**1,261,020**	
100						

	A	B	C	D	E	F
101						
102	**Income Sources**	**2,012**	**2,013**	**2,013**	**2,013**	**PROPOSED BUDGET OPTIONS FOR 2013**
103		**Budget**	**Option 1**	**Option 2**	**Option 3**	**Notes**
104	Proportionate share per mbr,					
105	2012 - $115/member	938,975				**Askings based on 8165 members for 2012**
106	less unpaid Askings - (8.765%)	-82,303				
107	Trust Fund Income	40,781	40,414	40,414	40,414	
108	Earnings on Unapp Fnds	32,000	32,000	32,000	32,000	
109	Miscellaneous Income	10,000	5,000	5,000	5,000	
110	Q. L. camp program	25,000	25,000	25,000	25,000	**reduces QL operating funds requested on line 21**
111	Income from Investments	40,000	36,000	36,000	36,000	
112	Unallocated income on investments	100,000	100,000	100,000	100,000	
113	Insurance Contribution from Meetings @ $300/pastor	144,000				
114	**2013 - $118/ member**		**947,068**			**Askings based on 8026 members for 2013**
115	**less unpaid Askings - 16%**		**-151,531**			**actual unpaid percentage for the last several years**
116	**Insurance Contribution from Meetings**		**148,500**			**$375 per pastors on the group health plan under 65 - based on current enrollment**
117	**Life, LTD, Spouse life**		**19,000**			**pastors under 65- additional cost to meeting around $35/ month per participant - all pastors under 65 even if they are not on the group health plan**
118	**Insurance Contribution from Meetings**		**9,600**			**$100 per pastors over 65 - based on current enrollment**
119	**2013 - $100/ member**			**802,600**		**Askings based on 8026 members for 2013**
120	**less unpaid Askings - 16%**			**-128,416**		**actual unpaid percentage for the last several years**
121	**Insurance Contribution from Meetings**			**294,320**		**100% cost to meeting for pastors on the group health plan under 65 -based on current enrollment**
122	**Life, LTD, Spouse life**			**19,000**		**pastors under 65- additional cost to meeting around $35/ month per participant - all pastors under 65 even if they are not on the group health plan**
123	**Insurance Contribution from Meetings**			**42,000**		**100% per pastors over 65 - based on current enrollment**
124	**2013 - $100/ member**				**358,800**	**based on 3588 members for 2013 - with a pastor under 65 on the group health plan - currently 26 meetings**
125	**2013 - $108/ member**				**479,304**	**based on 4438 members for 2013 - pastors not on group plan - 47 meetings**
126	**less unpaid Askings - 16%**				**-134,097**	
127	**Insurance Contribution from Meetings**				**294,320**	**100% cost to meeting for pastors on the group health plan under 65 -based on current enrollment**
128	**Life, LTD, Spouse life**				**19,000**	**pastors under 65- additional cost to meeting around $35/ month per participant - all pastors under 65 even if they are not on the group health plan**
129	**Insurance Contribution from Meetings**				**9,600**	**pastors over 65 - based on current enrollment**
130						
131	Total Income	1,248,453	**1,211,051**	**1,267,918**	**1,265,341**	
132						
133	Difference Budget vs. Income	0	-3,680	-6,898	-4,321	