

## Section IV:

# Legislation and Reports

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## Candler School of Theology

For more than 100 years, Candler School of Theology at Emory University has prepared real people to make a real difference in the real world. Since our founding in 1914, more than 10,000 students have graduated from Candler, where they have been shaped as thoughtful, principled, and courageous leaders dedicated to transforming the world in the name of Jesus Christ.

This is especially important to note amid the current uncertainty in our denomination. It is an honor and a privilege for Candler to be one of 13 official seminaries of The United Methodist Church. Yet true to the Methodist tradition of ecumenical openness, Candler has enthusiastically welcomed the entire Wesleyan family to our community for generations. Faculty, staff, and students from the AME Church, the AMEZ Church, the CME Church, Free Methodists, Nazarenes, and others have worked, worshiped, learned, and prayed alongside United Methodists, and have been a vital part of shaping Candler and our mission. This diversity has been a wonderful gift and a rich blessing. As we move forward from the Special Session of General Conference, we will continue to invite and welcome wholeheartedly those from all expressions of the Wesleyan tradition. Indeed, we will continue to welcome all those who follow Jesus Christ.

Candler is also privileged to be one of seven graduate professional schools of Emory University in Atlanta. With the resources of a top-tier research institution and the reach of a global city, our students benefit from a rich academic and hands-on learning environment: The General Board of Global Ministries is in Atlanta, as are numerous public health, international development, and social service organizations. Candler's intentional involvement with our surrounding community has contributed to our inclusion on a list of "Seminaries that Change the World" for six years running. In short, there is no better place to prepare for ministry that engages our major denominational priorities: developing leaders, starting and growing churches, ministry with the poor, and improving global health.

In order to keep pace with the needs of the church and the world, Candler offers 16 degrees: six single degrees and ten dual degrees pairing theology with bioethics, business, international development, law, public health, and social work. Our Doctor of Ministry degree is 90 percent online, so students can remain in their places of ministry and immediately apply to their context what they learn in class. Our Teaching Parish program allows eligible United Methodist students to serve as pastors in local churches while they're enrolled—they earn a salary as they earn course credit and pastoral experience, plus they are mentored by an experienced United Methodist elder.

Candler's student body continues to reflect the diversity and breadth of the Christian faithful, with an enrollment of 453, reflecting 51 percent women, 39 percent people of color (U.S.), and a median age of 27 among MDivs. Students represent 44 denominations, with half coming from the Methodist family.

Candler has a deep commitment to alleviating student debt and promoting financial literacy. In 2018-2019, we awarded \$5.8 million in Candler scholarships, with 100 percent of MDiv students receiving aid. Plus, our comprehensive "Faith & Finance" program teaches money management skills that serve our students now and will continue to serve them—and the churches they lead—well into the future.

Candler draws considerable strength and inspiration from its relationship with The United Methodist Church. Our ability to fulfill our mission of educating faithful and creative leaders for the church's ministries throughout the world depends upon your prayers, partnership, and support. Thank you for the countless ways you advance this vital ministry in the life of our denomination. Visit us in person or online at [candler.emory.edu](http://candler.emory.edu) to see firsthand how Candler prepares real people to make a real difference in the real world.

—Jan Love

Mary Lee Hardin Willard Dean and Professor of Christianity and World Politics  
Candler School of Theology

## Clergy Care Grants

Financial aid is available to both clergy and diaconal ministers and their families, as described in the section below entitled, “Eligibility for Financial Grants”. The financial grants, of up to \$400 per family per calendar year, are provided to help cover one-half of the co pay cost of counseling sessions. Ministers under the NC Conference health insurance program should review the Health Care Benefits for outpatient psychiatric care. The coordination of insurance benefits and Clergy Care Grants should not exceed 100% of fees charged.

## Marriage and Family Enrichment

The Committee on Clergy Care encourages participation in marriage and family enrichment events, including those focusing on the needs of single, as well as married ministers. Grants up to \$100 per individual, or \$200 per family or couple, per calendar year, are available. A schedule and/or outline of the events, leaders’ names and credentials and verification of participation should accompany a letter of application for the grant.

## Eligibility for Financial Grants

Persons who qualify for financial grants:

1. Clergy who are members of the NC Annual Conference whose status is active and serving within the boundaries of the Conference, or any person, regardless of conference relationship, who is serving a local church of the NC Annual Conference, or a dependent.
2. Diaconal ministers and or candidates who are serving a local church and are members of the NC Conference.

Conference clergy and diaconal ministers and their families are eligible for grants. A family is defined as dependents of the minister living in a minister’s home or parsonage, including spouse, children, parents and grandparents. Ministers’ children through the age of 22, whether attending college or living at home, are eligible to receive financial grants.

## Counselors and Therapists Who Qualify for Financial Grants

Only counselors and therapists who meet the following criteria qualify to receive grants from the Committee on Clergy Care:

- Psychiatrist:* American Medical Association (AMA) Board Certification, North Carolina License
- Psychologist (Clinical):* Licensed Practicing Psychologist LPP and/or HSP-P), North Carolina License
- Pastoral Counselor:* Member, Fellow or Diplomate of the American Association of Pastoral Counselors, Inc. (AAPC)
- Counselor:* Clinical Member of the American Association of Marriage and Family Therapists (AAMFT), North Carolina Certified Marriage and Family Therapists, North Carolina Licensed Professional Counselors (LPC)
- Social Worker:* Member Association of Certified Social Workers (ACSW).

## Application Procedure

The Counselor or therapist, at the request of the qualifying client who is receiving the counseling, is to make application for a grant to the Office of Ministerial Relations in the following manner:

1. <https://nccumc.org/ministerial-relations/files/ClergyCareForm.pdf> or via email to [heidi.seifert@nccumc.org](mailto:heidi.seifert@nccumc.org) or USPS mail to the Office of Ministerial Relations, 700 Waterfield Ridge Place, Garner, NC 27529, or by calling either 919-779-6115 or 800-849-4433, ext 244.
2. Once the application and instructions for a Clergy Care Grant are received by the counselor/therapist, and a determination is made that the client qualifies, the application should be completed and returned to the Office of Ministerial Relations for processing. To protect the confidentiality of the client, the client's name and social security number shall never appear on the application. When more than one member of the client's family is involved in counseling, all family members shall be assigned the same case number.
3. The counselor/therapist will receive the financial aid grant on behalf of the client to apply to the client's account or to refund to the client if the account has already been paid. Clients should request from the therapist a statement showing the amount of financial assistance received.
4. The deadline for submitting grant applications is in late December of the calendar year in which the services were provided.

In 2018, the Committee on Pastoral Care granted \$12,933.98 for counseling sessions. This represents 576 sessions with counselors and therapists during the calendar year. Grants processed in 2018 totaled 88, representing sessions for 412 clergy, 118 spouses, 29 children, 4 family and 13 couples. Of the 88 grants, 11 received the maximum of \$400 in assistance and 10 received at least half to two-thirds of the maximum grant.

## Clergy Medical Leave, Joint Commission on

The Joint Committee on Clergy Medical Leave acts as the advocate for those pastors in the North Carolina Conference who are forced by physical or emotional medical and disabling conditions to seek temporary or permanent relief from their appointment. The committee is given the responsibility to study the problems of clergy medical leave within the Conference, to provide a continuing personal ministry to those clergy on medical leave, and to make recommendations to the appropriate agencies of the Conference for each pastor or deacon seeking Clergy Medical Leave, including the source of their disability income. The Joint Committee on Clergy Medical Leave routinely studies the utilization of medical leave benefits in our annual conference and how our utilization compares to denominational and jurisdictional averages. The committee will continue to monitor resource levels needed to fund medical leave benefits as one part of efforts to ensure the long-term sustainability of our support for clergy on medical leave.

Persons interested in discovering more about the process of being granted Clergy Medical Leave can contact a district superintendent or the chair of the Joint Committee on Clergy Medical Leave.

The following recommendations are presented to the 2019 session of the North Carolina Annual Conference:

## I. General Policies

- A. The Joint Committee on Clergy Medical Leave, through the Conference Treasurer's Office, will make available upon request the necessary forms for any full-time or three-quarter time pastor or deacon to make application for Clergy Medical Leave. In all cases the applications must be completed by the pastor or deacon, chair of the Joint Committee on Clergy Medical Leave, Conference benefits officer, and the district superintendent before the request for Clergy Medical Leave can be acted upon. Whenever possible medical leave requests are to be submitted ninety (90) days prior to Annual Conference except in life-threatening situations after that date, or when the disabling condition occurs after that date. Requests presented before May 15 will be included in the Committee's report to the Annual Conference.
- B. Definition of Disability: For the first 24 months, an active participant will be considered disabled for the purposes of the Comprehensive Protection Plan or UMLifeOptions as of the date the Administrator determines, on the basis of medical evidence, that such active participant was unable to perform the usual and customary duties of his/her employment by reason of bodily injury, disease, or behavioral illness or disorder that will presumably last for at least six continuous months, exclusive of any incapacity resulting from service in the armed forces of any country, warfare, intentionally self-inflicted injury, or participation in any criminal or unlawful act.
- C. Definition of Clergy: Clergy in The United Methodist Church are individuals who serve as commissioned ministers, deacons, elders, and local pastors under appointment of a bishop (full and part-time), who hold membership in an annual conference, and who are commissioned, ordained, or licensed.
- D. A pastor or deacon seeking to be on Clergy Medical Leave secures a disability claim kit from the Conference Treasurer's Office. The applicant completes Form A, completes the applicant's portion of Form C, and submits these forms to the Conference Treasurer's Office for completion. Liberty Mutual reviews the claim and recommends a determination to Wespath Benefits and Investments (Wespath) who retains the authority to approve or deny a claim.
- E. We recommend that pastors applying for Clergy Medical Leave be approved only when Wespath grants their request for medical leave benefits through the Comprehensive Protection Plan.
- F. The Annual Conference and Conference Board of Pension (effective January 1, 2007) will fund pension contributions for the Clergy Retirement Security Program Defined Benefit Plan in the required annual payment for normal cost as defined by the plan document and Wespath for all pastors receiving medical leave benefits from the Comprehensive Protection Plan.
- G. The Comprehensive Protection Plan (effective January 1, 2007) will fund contributions for the Comprehensive Protection Plan and the Clergy Retirement Security Program Defined Contribution Plan, which is 3% of plan compensation as defined by the plan document and Wespath, for all pastors receiving medical leave benefits from the Comprehensive Protection Plan.
- H. Health Insurance and Life Insurance benefits are subject to the policies outlined in Section III below.
- I. Pastors on Clergy Medical Leave are required to file for Social Security benefits within 60 days

of the effective date of approved Clergy Medical Leave. Failure to do so will result in decreased benefits. Participation in Medicare Part A and B is required at the earliest possible date in order to receive the best health insurance benefits. Participants who choose not to participate in Medicare Part B at that date will receive the same contribution towards the health insurance premium as if they were retired. Refer to Section III regarding benefits.

- J. A lump sum grant of \$5,000 is recommended to be made at the beginning of Clergy Medical Leave. This grant will be available only one time in a pastor's years of service.
- K. The Joint Committee on Clergy Medical Leave will review the progress of each pastor or deacon on Clergy Medical Leave at least annually. This review will include both recommendations from the pastor's physician and district superintendent as well as opportunities for continuing fellowship with the pastor to develop further possibilities of assistance in his/her disabling circumstances.
- L. We recommend the following pastors to be continued on Clergy Medical Leave:
  1. Danny Allen, First (Washington) CC, Beacon District
  2. Vernon Brown, Verona (Jacksonville) CC, Sound District
  3. John M. Crowe, (St. Luke Goldsboro) CC, Capital District
  4. Eldrick Davis, Harry Hosier (Fayetteville) CC, Gateway District
  5. Penny Dollar Farmer, Bayboro (Bayboro) CC, Sound District
  6. James Scott Finicum, West End (West End) CC, Fairway District
  7. David William Girod, First (Elon) CC, Corridor District
  8. Ronda Lee-Torres, Pinehurst (Pinehurst) CC, Fairway District
  9. Hector Manuel Millan, Avent Ferry (Raleigh) CC, Capital District
  10. Charles Moseley, Oriental (Oriental) CC, Sound District
  11. Cynthia D. Powell, Front Street (Burlington) CC, Corridor District
  12. Benjamin Sims, Warren's Grove (Roxboro) CC, Corridor District
  13. William W Snoterly, Jr, Wakefield (Raleigh) CC, Heritage District
  14. Clinton William Spence, Calvary (Durham) CC, Corridor District
  15. Bobby P. Tyson, Jr., First UMC (Williamston) CC, Harbor District
  16. David C. Wade, Pine Valley (Wilmington) CC, Harbor District
  17. Debra Starling Watson, South Mills CC, Beacon District
  18. Charles Scott Wilson-Parsons, Seaside (Sunset Beach) CC, Harbor District
  19. Terry Hobbs, Westwood (Goldsboro) CC, Capital District
  20. Michael David Gira, North Raleigh CC, Capital District
- M. We recommend the following pastors to be placed on Clergy Medical Leave for the first time:
  - Charles Scott Wilson-Parsons, Effective October 1, 2018
  - Terry Hobbs, Effective April 1, 2019
  - Michael David Gira, Effective June 1, 2019
  - Marty Cauley, Effective July 1, 2019
  - Al Hocutt, Effective July 1, 2019

N. Who have been placed on Clergy Medical Leave since the last Annual Conference?

Charles Scott Wilson-Parsons, Effective October 1, 2018

Terry Hobbs, Effective April 1, 2019

Michael David Gira, Effective July 1, 2019

Marty Cauley, Effective July 1, 2019

O. Who have had their Clergy Medical Leave terminated since the last conference session?

P. Who are to be removed from Clergy Medical Leave at this Annual Conference?

Carolyn Lucas

Q. We recommend that pastors and congregations in the communities in which our disabled pastors reside seek to establish a supportive relationship with those on Clergy Medical Leave to maintain good fellowship and provide for pastoral opportunities.

## II. Clergy Medical Leave Benefits

Wespath:

- A. 70% of plan compensation not to exceed 200% of the DAC (2019 DAC = \$71,361) as income from CPP. The current range of payments to NC participants is \$29,474.38 to \$81,803.11 annually (with a 3% annual increase). Payments are coordinated with Social Security Disability benefits when applicable.
- B. Benefits afforded active clergy such as pension accrual and the death benefit under CPP.
- C. A one-time lump distribution of up to 35% of MPP funds.

NC Conference:

- D. Grant of \$5,000 to help with the transition from active ministry to Clergy Medical Leave.
- E. Insurance benefits through the NC Conference insurance plans (provided the participant was enrolled in the applicable insurance plan prior to the granting of Clergy Medical Leave). Life insurance is paid in full by the Joint Committee on Clergy Medical Leave.
- F. Moving expenses paid as outlined in the Itinerant Clergy Moving Expense Report (page 200 of the 2018 Journal).

The Duke Endowment:

- G. Duke Endowment annual grant (subject to the guidelines and availability as defined by The Duke Endowment)

## III. Clergy Medical Leave Policies Related to Benefits

- A. Clergy Medical Leave participants will have 60 days from the approved date of Clergy Medical Leave in which to file for Social Security benefits. Proof of filing must be submitted to the Conference Benefits Coordinator. Participants who fail to provide proof of filing within 60 days will be charged 100% of the applicable monthly insurance rate until notification is received by the Benefits Coordinator.

- B. Insurance Coverage – Participants approved for Clergy Medical Leave must be covered under the Conference life and/or health insurance plan immediately preceding the approval date of Clergy Medical Leave in order to have life and/or health insurance coverage after the appointment of Clergy Medical Leave.
- C. Life Insurance –
- i. The life insurance premiums are paid by the Joint Committee on Clergy Medical Leave.
  - ii. Current participants on Clergy Medical Leave who are enrolled in the life insurance are covered as follows: \$25,000 life coverage, \$10,000 on eligible dependents.
  - iii. Supplemental life insurance premiums are the responsibility of the individual.
- D. Health Insurance –
1. Effective January 1, 2020, clergy on Clergy Medical Leave (current and future) and their dependents will be required to pay personal premiums according to the following tiered schedule:
    - i. If the participant's CPP disability income per Wespath records is 125% but less than 150% of Conference Full-Time Minimum Salary, the participant's personal premium will be one-half (1/2) of the Base Coverage personal portion for the participant's selected level of medical coverage.
    - ii. If the participant's CPP disability income per Wespath records is equal to or above 150% of Conference Full Time Minimum Salary, the participant's personal premium will be 100% of the Base Coverage personal portion for the participant's selected level of medical coverage.
    - iii. Additional personal premiums will apply if the participant chooses the Buy-Up Plan or dental coverage (rates published in the Insurance Report Section VIII).
    - iv. This schedule applies until the clergyperson reaches Medicare eligibility due to age. (see D.5. below).
  2. Participation in Medicare Part A and Part B is required at the earliest possible date in order to receive the best health insurance benefits. Participants who choose not to participate in Medicare Part B at that date will receive the same contribution toward the health insurance premium as if they were retired.
  3. If the participant is enrolled in Medicare (part A and/or B) due to disability, the Conference health insurance will coordinate benefits with Medicare as primary, the Conference plan as secondary. Family members (with no other coverage) will be covered as primary by the Conference health insurance plan.
  4. Upon reaching Medicare eligibility due to age and eligibility to retire, clergy receiving CPP benefits and their dependents will receive the same contribution toward the health and life insurance premium as if they were retired.
  5. The termination policy defined in the Insurance Committee report Section III.16 will be applicable.



## Conference Historian, Report of

During the past conference year, I have assisted more than twenty persons researching Methodist preachers in North Carolina. I have also worked with fifteen churches on their local church history. With the Conference Secretary, I have written memoirs of deceased pastors and spouses when none have been supplied by families for inclusion in the Journal. I have worked with the Rev. Jim Pyatt, Historian of the Western North Carolina Conference, on a project of compiling lists and brief histories of churches with historical significance. For many years I have worked on updating and publishing a comprehensive history of Methodism in North Carolina. The manuscript has been completed and is being reviewed for publication at this time.

—*William C. Simpson, Jr., Conference Historian*

## Conference Relations, Committee on

The Committee on Conference Relations has as its primary responsibility the assisting of any clergy who seek to change or terminate their relationship with the Annual Conference. Changes in conference relationship may occur in any of the following ways: 1) discontinuation, 2) leave of absence, 3) retirement, 4) sabbatical leave, 5) maternity/paternity leave, 6) family leave, 7) termination of conference relationship (surrender of credentials) and 8) honorable location.

The Committee on Conference Relations meets with the person who is seeking a change in conference relationship upon the request of that person, or upon request of the Cabinet or the Board of Ordained Ministry. The committee attempts to determine what is appropriate in each case by posing questions, offering counsel and providing support. The committee then discusses the request and acts upon it by making a recommendation to the Board of Ordained Ministry.

The Book of Discipline (635.1d) provides specific guidelines applying to each of the categories of conference membership. All those persons in the various categories of conference membership (other than the effective relationship) should remember to familiarize themselves with, and adhere to, the disciplinary guidelines which apply to that category. The Committee on Conference Relations issues a yearly reminder of these guidelines through a letter approved by the Board of Ordained Ministry at its annual meeting. Following the appropriate guidelines is particularly important for clergy on leave of absence; for these persons, exercise of any ministerial function is restricted to the Charge Conference in which their membership is held. The Conference Relations Committee would take this opportunity to reiterate that pastors on leave of absence cannot perform weddings, conduct funerals, or administer the sacraments outside the bounds (both geographical and membership bounds) of that charge conference.

—*Rev. Marshall R. Old, Chairperson*

## Continuing Education, Committee on

The Continuing Education Committee of the Board of Ordained Ministry has the responsibility of developing continuing education programs that will enable ministers to fulfill the Disciplinary requirements. According to the *Book of Discipline*, “Clergy shall be expected to continue their education and spiritual growth throughout their careers, including carefully developed personal programs of study

*augmented periodically by involvement in organized educational and spiritual growth activities.” The Discipline further states that, “In most cases the ordained ministers’ continuing education and spiritual growth program should allow for such leaves at least one week each year and at least one month during one year of each quadrennium. Such leaves shall not be considered as part of the ministers’ vacations and shall be planned in consultation with their charges or other agencies to which they are appointed as well as the bishop, district superintendent, and Annual Conference Continuing Education Committee.”*

In providing the resources to enable pastors to meet the minimum requirement of *The Discipline*, the Committee on Continuing Education has edited a brochure that applies to all clergy and diaconal ministers of the NC Annual Conference. The brochure contains information defining Continuing Education, the role of the local church, and how the pastor’s continuing education can be financed. The brochure is printed as part of this report.

### **Continuing Education for Ministry in the NC Annual Conference:**

*Rationale:* A prime expectation of every minister of the NC Annual Conference is professional growth. In recent years, one of the major avenues through which such growth occurred has been continuing education. In *The Book of Discipline* it states, “There are professional responsibilities that elders are expected to fulfill and that represent a fundamental part of their accountability and a primary basis for their continued eligibility for annual appointment. Growth in vocational competence and effectiveness through continuing formation is expected of conference members.”

*Definition:* Continuing education is defined as an organized structured program of formal study under competent leadership with clearly defined goals and objectives. Here the key words are “organized,” “competent leadership,” and “clearly defined goals and objectives.” By this definition certain activities, though worthwhile, are not considered “continuing education”; e.g., degree programs, recreational programs, course of study programs, promotional meetings, worship services, entertainments, undirected reading, and study travel (except for limited lecture, seminar, or workshop time), and the like.

### **The Conference Program:**

The Conference Board of Ordained Ministry, through the Committee on Continuing Education, performs three functions: 1) it sets minimum continuing education standards for ministry; 2) it establishes guidelines for continuing education; and 3) it seeks to insure their availability.

1. **Minimum Standards:** The NC Conference has established as a minimum standard one Continuing Education Unit (CEU) to be earned by each minister from an approved continuing education program each year. One CEU is defined as ten contact hours of participation in an approved continuing education program.
2. **Guidelines for Continuing Education Programs:** CEUs will be approved for those persons sponsored by organizations which are accredited by a) a regional educational agency (such as the Southern Association of Colleges and Schools), b) a professional accrediting agency (such as the American Medical Association), or c) the Council on the Continuing Education Unit. It should also be noted that only those programs which relate directly to ministerial growth and development will be approved.
3. **Ensuring their Availability:** Efforts by the Board of Ordained Ministry to ensure the availability of continuing education programs include encouraging conference-related

and other colleges within the Conference bounds to offer courses for ministers, providing supplementary financial aid for ministers, publicizing approved programs, and identifying specific subject areas for needed programs.

**Role of the Local Church:** In addition to the minister, the local church has a significant stake in the success of continuing education programs. The local church, therefore, has an important role to play in continuing education.

### **The Pastor-Parish Relations Committee of the Local Church:**

1. Confers with the pastor and the district superintendent in the development of a continuing education program that will enhance the total ministry of the church.
2. Provides study leaves at least one week each year and at least one month during one year of each quadrennium. Such study leaves are not to be considered vacation time.
3. Recommends to the church's Finance Committee budgetary funds to be applied toward the minister's continuing education program. In providing funds for continuing education programs, the Pastor-Parish Relations Committee should insure that only those programs which meet both the definitions and specific guidelines above are funded.

### **Financial Aid to Clergy:**

Funding for continuing education is the combined responsibility of the participant, the congregation, the sponsoring institution, and the Annual Conference. Conference funds for continuing education are derived as a portion of conference apportionments. Thus, it is not possible (nor is it desirable) for the conference to assume a major responsibility. Continuing education can be expensive. For this reason, *local churches are encouraged to provide a minimum of \$300.00 annually for each clergy and diaconal ministers' continuing education.*

All persons under Episcopal appointment to charges, conference staff positions, Conference Evangelists, retired supply, and Extension Ministries appointed to conference-related agencies and institutions are eligible for grants from the Conference funds provided:

1. The program meets the definitions and Conference guidelines described above.
2. The applicant has documented his or her efforts to secure funding from other sources, including local church, Duke Endowment, and personal resources.
3. The application for a grant is filed on the appropriate form which furnishes complete information about the event and bears the signatures of the applicant, the Pastor-Parish chairperson, and district superintendent.

### **Continuing Education Grant Guidelines:**

1. The maximum grant to an individual applicant over one conference year is \$300.00
2. Grants are available for ordained, commissioned, licensed and diaconal ministers who receive less than the CAC (Conference Average Compensation), which includes salary and utilities, or less. *Pastors serving rural churches are eligible for an additional \$500.00 grant annually, providing funding is available.*

3. Applicants must use all funds designated by their local congregation or employing organization prior to requesting Conference grants.
4. Grants for District Continuing Education Seminars shall be limited to \$100.00, based upon the availability of funds, regardless of the number of CEUs involved and within the limits outlined in numbers 1, 2, and 3.
5. Grants for Clinical Pastoral Education (CPE) can be given when the CPE program offers the required CEU credits. No more than \$300.00 per CPE unit will be granted in any given year. Grants for CPE are given only for non-degree programs.
6. Holy Land Trips: A grant according to the current policy may be made once in a pastor's career, providing funding is available.

### **Monitoring Continuing Education Units:**

1. The district superintendent, in annual consultation, may suggest to the clergy or diaconal minister the area of continuing education he or she should take to facilitate his or her professional growth. The pastor's annual Continuing Education Report will be given to the district superintendent at the annual consultation or other appropriate time.
2. Clergy shall have the responsibility for securing from the institution granting Continuing Education credit a record of earned credit and providing a copy of this record to the Office of Ministerial Relations.
3. It is the responsibility of each participant to determine, in consultation with the Committee on Continuing Education, if a proposed program meets the criteria prior to participation and funding.

—*Committee on Continuing Education*

## **Disciple Bible Outreach Ministries of NC, Inc.**

In America, there are 2,200,000 people in prison. In North Carolina alone, more than 37,000 inmates live in state prison facilities. If you include those on probation and post-release parole this number climbs to more than 133,000! This does not even include federal inmates and juvenile offenders. It is said that the criminal justice system in NC affects one out of every 4 persons in our state and that number continues to grow.

Disciple Bible Outreach Ministries of NC, Inc. (DBOM) was founded in 1999 to minister to those in prison and provide a Christian response to need. DBOM recruits, trains, and sends local church volunteers to prisons, jails, and youth development centers to teach God's word. Thousands of NC inmates participate annually. DBOM's model of ministry has gone national with affiliates operational in Virginia, Tennessee, Louisiana, Illinois and Texas.

None of this would be possible without you. A primary source of DBOM's funding comes from the annual special offering taken in August. In 2019, the offering will be received on August 25. Offering envelopes are being provided to each charge. DBOM is always seeking new volunteers and new ways to minister. If you or someone you know would like to join the DBOM prison leadership team, please contact the office.

DBOM would love to hear from you!

Thank you for your support, and please pray for DBOM's ministry in both prison and pew!

—Mark Hicks, Executive Director DBOM of NC / President, DBOM National

Members from the NCC: Phillip Hoffman, Jeff Maidment, Jimmie Modlin, Bettye Poole, Colin Snider, Gray Southern  
Exoffico: Steve Taylor and Wally Mills

Disciple Bible Outreach Ministries | PO Box 358, Oak Island, NC 28465  
mhicksdbom@gmail.com | www.disciplebibleoutreach.org | 336-689-1443

**Ministering in Prisons and Pews ~ Offering God's grace to a world in need**

## Equitable Compensation, Commission on

The *Book of Discipline* mandates that “there shall be in each annual conference a commission on equitable compensation” (§ 625), whose purpose is “to support full time clergy serving as pastors in the charges of the annual conference” (§625.2). Four broad areas of responsibility are outlined in §625.2, which are: “(a) recommending conference standards for pastoral support; (b) administering funds to be used in base compensation supplementation; and (c) providing counsel and advisory material on pastoral support to district superintendents and committees on pastor-parish relations”; and (d) submitting an arrearage policy to be adopted by the annual conference.

The Commission seeks equity and fairness for both pastors and local churches. Why should this commission be so concerned about equity and fairness? Our prayerful consideration of scriptural and historical foundations are found in the following:

- a. Jesus says, “the laborer deserves to be paid,” (Luke 10:7) and Paul reminds us “Let the elders who rule well be considered worthy of compensation, especially those who labor in preaching and teaching; for the scripture says, “You shall not muzzle an ox while it is treading out the grain,” (1 Timothy 5:17,18).
- b. Wesley was concerned that clergy have responsibility not to be “in debt so as to embarrass you in your work” (§330.5.d.18), which implies that the Church has a responsibility that it neither lead its clergy into positions of embarrassing indebtedness, nor leave them there.
- c. The Great Commission to “go into all the world preaching, teaching and baptizing” brings with it a cost. Systems of clergy support which foster the use of the right pastor in the right place hold up the hope of seeing the Great Commission bear its promised fruit.
- d. The Commission on Equitable Compensation embraces the Great Commandment to “love our neighbors as we love ourselves” by desiring for each pastor what our members’ desire for themselves – compensation adequate to free persons for the work of pastoral ministry.

Through our prayers, working and considering together as both laity and clergy from across The North Carolina Annual Conference, we make the following recommendations. We believe these recommendations will help us move toward fairness for both local churches and pastors as together we support ordained ministry in The North Carolina Annual Conference.

The Commission on Equitable Compensation’s mandate and mission is to ensure justice and fairness in salaries of active full time pastors of our local congregations. While, for many years, we have been recommending a single minimum salary for all full time pastors serving, we have found that many

congregations look at the “minimum salary recommendation” as “the amount we have to pay the pastor.” Clarification of “minimum compensation” may benefit the mission and ministry of the local congregations.

The definition of “minimum” is not the ceiling, or maximum, amount of “the pastor’s salary;” rather, it is the floor, or minimum, of what a full time pastor is to be paid. No full time pastor may be paid less than the minimum compensation. We recommend that each congregation review its ability to sustain its pastor independently and only use the minimum salary as just that, a minimum, and prayerfully discern the appropriate level of compensation for its called leader. As Jesus said, “Where your treasure is, there is your heart.” When the congregation’s treasure and heart are in the health and effectiveness of both local congregation and pastor, God is glorified!

For the year 2019, the average full-time salary and non-vouchered cash allowance for all clergy under appointment to a local church in the North Carolina Conference increased by 3.00%. The CPI (Urban South) for the last twelve months ending December 2018 showed an increase of 2.2%. The Commission currently recommends a 2.5% (\$1,137) increase in minimum salary for the year 2020.

**I. Recommended Schedule of Minimum Compensation for 2020:**

**A. Salary Schedule**

We recommend that the *student minimum salary* be based on 65% of the minimum salary of full time pastors.

PASTORS UNDER FULL TIME APPOINTMENT (Full Connection, Associate, Provisional, Local Pastor)	2019	2020
Salary .....	\$45,490	\$46,627
STUDENT PASTORS (Local Pastors or Conference Members)		
Salary .....	\$29,569	\$30,308

**B. Utilities Expense**

It is expected that each local charge would provide for utilities expense for parsonages. Utilities have been defined in guidance from the Internal Revenue Service to be electricity, heat, water/sewer, trash pick-up, local telephone, cable and internet access expenses. In order to increase accountability surrounding utility payments and to help ease transitions during appointment changes, the local church shall pay utilities directly to the utilities companies instead of through unvouchered allowances to the pastors.

**C. Travel Expense**

Although travel is reimbursed by the local charge as an item of pastoral expense, it is expected that each local charge would provide at least \$4,000 for travel expense. The Commission encourages each charge to establish a plan to reimburse the pastor for all legitimate business mileage at the current rate established by the IRS. Where such a plan is established for reimbursement of business mileage, equitable compensation support shall not be affected by payment of travel expenses. However, where a reimbursement plan is not implemented and a travel allowance is given, any travel allowance in excess of \$4,000 will result in a reduction of equitable compensation support.

#### D. Pension Program

Charges receiving Equitable Compensation Funds support are responsible for paying the total amount required for the Clergy Pension Plan and the Comprehensive Protection Plan (CPP) based on the pastor's cash base compensation (including funds from the Equitable Compensation Fund, Duke Endowment, and any other sources), and housing (percentage of cash base compensation designated by Wespath Benefits and Investments or housing allowance, if provided in lieu of a parsonage).

#### E. Vacation Recommendation

Vacation and time off is defined as annual leave and weekly time off "which is completely distinct from any other occasions in which the pastor is out of the parish" (1988 NC Annual Conference Journal, page 373) such as Continuing Education events, Bishop's Day Apart, Order of Elders, Deacons, Local Pastors, Annual Conference, and Convocation/Pastor's School.

##### Rationale:

In recent times, focus on clergy health has highlighted the necessity of following the mandate of God's Commandment to "remember the Sabbath by keeping it holy" (Exodus 20:8) and, like our Lord Jesus, to take time apart for rest and relaxation. This mandate and example are beneficial to not only the pastor, but also the larger faith community/local church. Many pastors in full time ministry do not take time away increasing the likelihood of burnout, compromising their health, and reducing their effectiveness in ministry. Right stewardship of time, finances, physical health, relationships with family and colleagues is necessary for effective ministry in the parish. These personal areas often suffer with the lack of a weekly personal day, a weekly Sabbath Day, and an annual vacation time apart. Our Conference Board of Ordained Ministry found in 1988, "Our experience as an Annual Conference with clergy burnout shows that rest and recreation are an indispensable element of a whole and complete ministry." (1988 North Carolina Annual Conference Journal, page 373).

##### Recommendations to local congregations:

1. That clergy members of the Annual Conference (*Book of Discipline* 2016 ¶602.1) under appointment to local congregations shall receive one full month of vacation per calendar year. Vacation time shall include four (4) Sundays per year and shall be negotiated between the pastor and S/PPR Committee and may be taken in either segments adding up to one full month or as a whole.
2. Clergy members of the Annual Conference (*Book of Discipline* 2016 ¶602.1) under full time appointment should receive at least one personal day off per week. Changes to a set personal day off should be allowed due to unforeseen circumstances that may arise. This time should be carefully respected and guarded by the district superintendent and the congregation.
3. We encourage annual discussions between pastor/s and the S/PPR Committee where they are appointed concerning provisions for *Continuing Education and Spiritual Growth* and *Sabbatical Leave*, found in paragraph 351 of the 2016 *Book of Discipline*.

## II. Principles Governing Eligibility for Equitable Compensation Funds:

The clergy's base compensation is the responsibility of the charge; therefore, each charge of The North Carolina Annual Conference should be so arranged as to be able to assume full salary support. The Commission urges each charge receiving Equitable Compensation Funds, its pastor, and the district superintendent responsible for that charge, to administer the affairs of that charge to the end that it may move as rapidly as possible toward total self-support. To enable the Annual Conference, the Commission and the district superintendents to carry on their cooperative efforts in understanding, in harmony, and for the greatest good for all concerned, the following principles and procedures are set forth:

- A. **Base Compensation:** That portion of a pastor's compensation which is paid directly to the pastor as cash compensation, contributions authorized by the pastor to either a tax-paid pension program or a tax-deferred program (such as a 403(b) plan), payments to assist the pastor with the personal share of Social Security taxes, and some other kinds of cash compensation, such as bonuses, payments to private investment programs, and the like. Base compensation would not include other items included in total compensation, such as utilities and other housing-related allowances, accountable reimbursements for professional expenses (such as continuing education, books, and the like), and the cost of benefits such as life or health insurance.
- B. Any Equitable Compensation Fund supplement will be terminated immediately upon information that the pastor has taken full time, secular employment. The supplement may be reinstated at the time the charge's appointed pastor returns to full time or student status. Exceptions to this provision will be permitted only by the approval of the executive committee of the Commission on Equitable Compensation upon the recommendation of the district superintendent of the pastor seeking to be employed outside their ministerial responsibilities for emergency reasons.
- C. **Disbursement of funds from Conference Treasurer's Office:** Equitable Compensation Funds are to be sent to charges that have applied for their use to provide their pastor with the minimum base compensation established by the Annual Conference. The monthly base compensation supplement checks sent by the Conference Treasurer's office are to be deposited by the charge treasurer into the charge/church bank account. *Checks shall not be endorsed nor cashed by the pastor.*
- D. **Application for funds:** Churches or charges applying for Equitable Compensation Funds shall submit a request on the appropriate form which can be found online. The pastor, administrative council, and the district superintendent shall carefully review the request. The application form must have the signatures of the pastor and recording secretary of the charge conference, affixed to it, and receive the approval of the charge conference. Applications received that are not completed in full are not eligible for consideration by the Commission until such time that they have been completed and resubmitted.

### **Application Deadlines for Full time Pastoral Compensation Supplement:**

1. Completed applications for the January – December calendar year are to be received by November 1 of the previous year.
2. Completed applications for the July – June appointment cycle are to be received by November 1 of the previous year.



3. The application deadline for those grants limited to superintendent/cabinet initiated applications for the immediate appointment year, providing funds are available, is May 15.

**Application Deadlines for Mission-Based Supplement:**

1. Completed applications for the July – June appointment cycle are to be received by November 1 of the previous year.
2. The application deadline for those grants limited to superintendent/cabinet initiated applications for the immediate appointment year, providing funds are to be received by May 15.
3. The Commission on Equitable Compensation will not fund any charge that is also receiving funds from The Emerging Church Salary Fund. The Commission on Equitable Compensation is in consultation and study with other Conference boards and agencies to seek ways to more adequately provide for the temporal needs of our pastors and churches.
4. Consideration may be given to make funds available for the deacon when the primary appointment is to a local church. (*Book of Discipline* 2016 ¶625.4)

### III. Policies Governing Use of Equitable Compensation Funds

- A. Charges must be so arranged that no more than one third (1/3) of the base compensation will come from the Equitable Compensation Fund on the first application of the charge.
  1. Charges seeking more than one third (1/3) supplement shall provide specific information with their application, indicating the reasons for their inability to meet these guidelines. Information shall be made available to the Commission on Equitable Compensation and the district superintendent regarding the terms of Equitable Compensation support, giving the date of its inception and the present amount of support being received by the respective charges.
  2. When the division of a charge is desired, Equitable Compensation funds will be used only upon the recommendation of the Bishop and the approval of the cabinet. In the division of a charge in which one church seeks to become a station, it is recommended that such a church shall assume total responsibility for base compensation and its proportionate share of all apportionments.
    - a. The remainder of the charge in such a division assumes full pastoral support and proportionate share of all apportionments. In no case will the Commission on Equitable Compensation provide more than one third (1/3) of the base compensation required for such a division.
    - b. When there is a division of a charge forming one or more student appointments, each newly created charge shall pay initially two thirds (2/3) of the pastoral support established by the division.
  3. It is expected that each church receiving Equitable Compensation support will pay 100% of its financial responsibilities including apportionments, insurance, and pension benefits, etc.
- B. **Annual Reduction and Length of Time for Support:**
  1. Each charge which is receiving, or shall hereafter receive, Equitable Compensation Fund,

is expected to reduce this aid by at least twenty-five percent (25%) of the original grant each year.

2. Commission on Equitable Compensation grants shall be made annually, renewable for each year, up to five years for mission or charge-support grants, and three years for grants based on the *Book of Discipline* paragraph 213.
3. At the beginning of the second and subsequent years of receiving grant renewal applications, an evaluation of the charge's progress toward reaching its own goals will be made by members of the commission following a site-visit and consultation with the charge's pastor, its leadership, and the district superintendent.

#### C. Supplementals to Base Compensation:

1. **Merit Grant Supplemental to Base Compensation:** Each full time pastor, associate member, or member in full connection of The North Carolina Annual Conference, serving full time, and who, in the opinion of the cabinet and in consultation with the Commission on Equitable Compensation is rendering unusually effective service, may apply for a one-time grant in the amount of \$400, when such clergy person's salary is equal to the Conference minimum base compensation.
2. **Supplemental Compensation for Years of Service:** Elders and Deacons who have served continuously as pastors in charge in the North Carolina Annual Conference, at conference established minimum salary, for five years or more, in the sixth year, may apply for this supplemental grant of up to \$400. With each annual application, the grant may increase incrementally by up to \$400 per year until the lifetime maximum of \$6,000 has been reached. No single year supplement may exceed \$2,000. Special attention shall be given to ethnic pastors serving ethnic ministries (*Book of Discipline* 2016 ¶625.6). Receipt of this supplemental compensation may be subject to income taxation and will be reported as applicable.
3. **Extraordinary Grants:** These policies do not restrict the Commission on Equitable Compensation, upon the recommendation of the cabinet, from making additional grants in extraordinary circumstances.

## IV. Compensation and Benefits Arrearage Policy

- A. In the event that a local church treasurer becomes aware that the church will be unable to provide to the pastor full payment of a regularly scheduled payroll or housing allowance installment, or to remit to the Conference Treasurer full payment for regular direct billed benefit payments such as pension and health care, the church treasurer shall immediately notify both verbally (within 24 hours) and in writing (within 3 days) the Pastor, the Lay Leader, and the Chairs of S/PPRC, Finance, Trustees, and the Administrative/Church Council of the impending arrearage. Upon receipt of such notice, the Chair of S/PPRC and/or the Pastor shall immediately (within 3 days) notify the District Superintendent of the impending arrearage. It is the pastor's responsibility to keep copies of all such written notifications, and to provide additional written confirmation to the District Superintendent when an arrearage has taken place. Failure to document salary or benefit arrearages may result in a loss of compensation and/or forfeiture of pension and benefits.

- B. Upon receipt of notice of a pending arrearage, the Chair of S/PPRC shall immediately (within 24 hours) call a meeting of the Pastor, Lay Leader, and Chairs of Finance, Trustees, and the Administrative/Church Council to discuss the financial situation and seek remedies to prevent an arrearage from occurring. Such remedies might include:
- a. Drawing from invested funds
  - b. An emergency appeal for special giving from the congregation
  - c. Emergency grants from the District or Conference

According to the *Book of Discipline* ¶ 624, such remedies cannot include a reduction in the Pastor's compensation until the beginning of the next Conference year.

- C. If, after consultation among the Lay Leader and Chairs of S/PPRC, Finance, Trustees, and the Administrative/Church Council, it becomes apparent that the church may be facing a long term financial crisis, the Chair of S/PPRC shall notify in writing the Pastor and District Superintendent that:
- a. An Equitable Compensation Subsidy Grant may be necessary to maintain compensation for the remainder of the Conference year and/or
  - b. A change in pastoral compensation or appointment may be necessary at the beginning of the following Conference year.
- D. If the local church becomes delinquent in the pastor's compensation (i.e. more than 30 days delinquent), then the District Superintendent shall notify the Commission on Equitable Compensation (CEC), which on its own initiative may do any or all of the following, but not limited to:
- a. Sending a representative from CEC to meet with the local church and pastor to seek resolution of the issue.
  - b. Developing with the local church a payment plan so that the pastor receives full payment of compensation by the end of the conference year.

The District Superintendent shall be invited to participate in this process.

- E. If the local church is already receiving a subsidy grant from the Commission on Equitable Compensation, the Commission may also:
- a. Determine if all subsidy grant funds allocated to the church were used to pay the pastor's salary
  - b. Examine the original subsidy grant application to determine if the amount requested to meet minimum compensation was reduced
  - c. Require an outside audit of all church funds in compliance with GCFA guidelines ([www.gcfa.org](http://www.gcfa.org))
  - d. Notify the District Superintendent of its findings and recommendations in writing
- F. If a local church becomes delinquent in the payment of the pastor's direct billed pension and benefits (i.e. more than 30 days delinquent), then the Conference Benefits Team shall notify the District Superintendent. If the church makes application for salary support, the status of

payment of benefits will be reported to the Commission on Equitable Compensation. The Conference Benefits Team and District Superintendent shall develop a written payment plan with the local church so that the Conference receives full payment of pension and benefits by the end of the conference year.

- G. It is the responsibility of the pastor to provide evidence of an arrearage by providing documentation such as: Treasurer's Reports, Charge Conference reports of adopted salary and compensation, check stubs, W-2 forms, and a Certification of Payment Form (sample provided by Treasurer's Office staff) signed by the Pastor, S/PPRC Chair, Trustee Chair, Treasurer, and Administrative/Church Council Chair.
- H. The statute of limitations for filing a claim for funds from the Annual Conference (i.e., notification to the District Superintendent of the arrearage) for any salary arrearage is one year from the date of the initial arrearage. Once an appointment ends the Pastor no longer has claim on the local church for compensation funds (§ 342.4).
- I. An Administrative Complaint may be filed against a pastor who fails to report an arrearage according to the time lines established in this policy.
- V.** The Commission reports that 18 charges received grants for mission and compensation assistance for a total of \$157,411 in the year 2018. The Commission has awarded grants for the calendar year 2019 for 13 charges for a total of \$151,202.
- VI.** The Commission reports that **no** pastors were awarded the Years of Service supplemental compensation for the appointment year 2018.

— *Johnnie Wright, Chairperson*

# Finance and Administration, Council on

## I. Conference Budget to be Raised January 1, 2030 to December 31, 2020

Row #	Ministry Teams	Requested Request 2017 Raised 2018 for 2019	Actual Raised 2018 for 2019	Shortfall for 2019	Requested Request 2018 Raised 2019 for 2020	Requested Request 2019 Raised 2020 for 2021	Increase (Decrease)	-22.85% % Increase (Decrease)	% of Total Apport
1	** World Service	\$2,057,968	\$1,884,292	\$173,676	\$2,010,493	\$2,043,849	\$33,356	1.66%	12.57%
	<b>Outreach Ministry Team</b>								
2	Restorative Justice & Mercy Ministries	12,000	10,987	1,013	12,000	11,000	(1,000)	-8.33%	0.07%
3	Disciple Bible Outreach Ministries	28,000	25,637	2,363	-	-	-	0.00%	0.00%
4	Disaster Readiness & Response	28,000	25,637	2,363	36,800	36,800	-	0.00%	0.23%
5	Methodist Home for Children	170,000	155,653	14,347	-	-	-	0.00%	0.00%
6	Methodist Retirement Homes	30,000	27,468	2,532	-	-	-	0.00%	0.00%
7	Golden Cross Fund	15,050	13,780	1,270	-	-	-	0.00%	0.00%
8	Missions & Outreach	500,000	457,804	42,196	743,000	743,000	-	0.00%	4.57%
9	Refugee & Immigration	28,000	25,637	2,363	28,500	24,000	(4,500)	-15.79%	0.15%
10	Health Ministries	-	-	-	-	7,300	7,300	0.00%	0.04%
11	Creation Care Ministries	-	-	-	-	17,400	17,400	0.00%	0.11%
12	Board of Institutions	500	458	42	500	500	-	0.00%	0.00%
	<b>Subtotal - Outreach Ministry Team</b>	<b>\$811,550</b>	<b>\$743,062</b>	<b>\$68,488</b>	<b>\$820,800</b>	<b>\$840,000</b>	<b>\$19,200</b>	<b>2.34%</b>	<b>5.16%</b>
	<b>Christian Formation Team</b>								
13	Evangelism	\$18,000	\$16,481	\$1,519	\$18,000	\$18,000	\$0	0.00%	0.11%
14	Church & Society	10,000	9,156	844	20,000	20,000	-	0.00%	0.12%
15	Faith Formation	5,000	4,578	422	113,650	110,000	(3,650)	0.00%	0.00%
16	Worship	5,000	4,578	422	6,600	6,600	-	0.00%	0.04%
17	Higher Education & Campus Ministries	6,720	6,153	567	7,500	8,500	1,000	13.33%	0.05%
18	College Chaplaincy Support	264,000	241,720	22,280	264,000	264,000	-	0.00%	1.62%
19	Campus Ministry	496,960	455,020	41,940	496,960	558,349	61,389	12.35%	3.43%
20	Youth Ministry	65,000	59,515	5,485	-	-	-	0.00%	0.00%
21	Young Adults	5,000	4,578	422	-	-	-	0.00%	0.00%
22	Children's Ministries	5,000	4,578	422	-	-	-	0.00%	0.00%
23	Older Adults	5,000	4,578	422	-	-	-	0.00%	0.00%
24	Safe Sanctuaries	5,500	5,036	464	6,070	3,500	(2,570)	-42.34%	0.02%
25	Camp & Retreat Ministries Inc.	275,000	251,792	23,208	275,000	275,000	-	0.00%	1.69%
26	Emerging Church Support	959,000	878,068	80,932	959,000	959,000	-	0.00%	5.90%
27	New Faith Communities: Sal & Ben	260,000	238,058	21,942	359,619	295,732	(63,887)	-17.77%	1.82%
28	New Faith Communities Office	75,000	68,671	6,329	75,000	75,000	-	0.00%	0.46%
29	Ministries with Differently Abled People	5,500	5,036	464	5,500	5,000	(500)	-9.09%	0.03%
30	Financial Discipleship Team	8,000	7,325	675	6,500	6,500	-	0.00%	0.04%
	<b>Subtotal - Christian Formation Team</b>	<b>\$2,473,680</b>	<b>\$2,264,921</b>	<b>\$208,759</b>	<b>\$2,613,399</b>	<b>\$2,605,181</b>	<b>(\$8,218)</b>	<b>-0.31%</b>	<b>16.02%</b>
	<b>Leadership Team</b>								
31	Multicultural Ministries Team	\$18,000	\$16,481	\$1,519	\$20,000	\$19,000	(\$1,000)	-5.00%	0.12%
32	Multicultural Ministries Grants	50,000	45,780	4,220	60,000	60,000	-	0.00%	0.37%
33	Multicultural Ministries Program	133,000	121,776	11,224	122,700	119,650	(3,050)	-2.49%	0.74%
34	** Ministerial Education Fund	695,086	636,426	58,660	679,051	690,317	11,266	1.66%	4.24%
35	Board of Ordained / Diaconal Ministry	441,695	404,419	37,276	361,695	361,695	-	0.00%	2.22%
36	Laity	29,500	27,010	2,490	30,500	30,500	-	0.00%	0.19%
37	District: DS Sal & Ben	1,180,000	1,080,417	99,583	1,215,400	1,235,000	19,600	1.61%	7.59%
38	District: ADS Sal & Ben	746,300	683,318	62,982	768,700	748,700	(20,000)	-2.60%	4.60%
39	DS/ADS Offices	240,544	220,244	20,300	245,360	250,267	4,907	2.00%	1.54%
40	District Centralized Support: Sal & Ben	231,500	211,963	19,537	238,500	245,655	7,155	3.00%	1.51%
41	District Centralized Support: Office	20,000	18,312	1,688	20,600	21,218	618	3.00%	0.13%
42	DS & ADS: Travel	130,000	119,029	10,971	130,000	130,000	-	0.00%	0.80%
43	Cabinet Meeting Expenses	43,500	39,829	3,671	43,500	43,500	-	0.00%	0.27%
44	Ministerial Relations Office: Sal & Ben	366,500	335,570	30,930	465,874	465,874	-	0.00%	2.86%
45	Ministerial Relations Office	22,820	20,894	1,926	22,820	22,820	-	0.00%	0.14%
46	Christian Unity	7,000	6,409	591	12,000	13,000	1,000	8.33%	0.08%
47	NC Council of Churches	25,000	22,890	2,110	25,000	25,000	-	0.00%	0.15%
48	Office of the Bishop	36,000	32,962	3,038	39,000	39,000	-	0.00%	0.24%
49	Effective Ministry Program	30,000	27,468	2,532	30,000	30,000	-	0.00%	0.18%
50	Center for Leadership Excellence	74,990	68,661	6,329	71,290	71,290	-	0.00%	0.44%
51	Nominations	1,000	916	84	1,000	1,000	-	0.00%	0.01%
52	Comm. on the Status/Role of Women (COSROW)	5,000	4,578	422	6,000	7,750	1,750	29.17%	0.05%
53	Conflict Transformation	83,070	76,060	7,010	15,425	8,125	(7,300)	-47.33%	0.05%
	<b>Subtotal - Leadership Team</b>	<b>\$4,610,505</b>	<b>\$4,221,414</b>	<b>\$389,091</b>	<b>\$4,624,415</b>	<b>\$4,639,361</b>	<b>\$14,946</b>	<b>0.32%</b>	<b>28.52%</b>

## II. a. 2018 Actual Operation Budget

Row #	Ministry Teams	Actual Raised in 2017	Total Approved Supplement	Operating Budget for 2018	Actual Expenditures 2018	2018 Remaining Balance
1	** World Service	\$1,831,831		\$2,057,968	\$2,057,968	
	<b><u>Outreach Ministry Team</u></b>					
2	Restorative Justice & Mercy Ministries	\$10,996	-	\$11,052	\$11,003	\$49
3	Disciple Bible Outreach Ministries	27,489	-	27,489	27,489	-
4	Disaster Readiness & Response	28,497	3,128	31,625	31,625	-
5	Methodist Home for Children	175,930	-	175,930	175,930	-
6	Methodist Retirement Homes	54,978	1	54,979	54,979	1
7	Golden Cross Fund	13,790	-	13,790	13,790	-
8	Missions & Outreach	493,887	45,113	539,000	484,999	54,001
9	Refugee & Immigration	21,762	-	22,608	17,636	4,972
10	Board of Institutions	458	-	504	-	504
	<b>Subtotal - Outreach Ministry Team</b>	<b>\$827,787</b>	<b>\$48,242</b>	<b>\$876,977</b>	<b>\$817,452</b>	<b>\$59,527</b>
	<b><u>Christian Formation Team</u></b>					
11	Evangelism	\$36,652	\$0	\$40,317	\$15,940	\$24,377
12	Church & Society	12,828	-	14,111	11,766	2,345
13	Faith Formation	10,537	-	11,591	8,389	3,202
14	Worship	4,215	-	4,636	1,788	2,848
15	Higher Education & Campus Ministries	6,158	-	6,774	4,873	1,901
16	College Chaplaincy Support	241,904	22,096	264,000	264,000	-
17	Campus Ministry	440,705	62,568	503,273	503,273	-
18	Youth Ministry	64,141	-	64,141	64,141	-
19	Young Adults	7,330	-	7,873	-	7,873
20	Children's Ministries	8,430	-	9,273	-	9,273
21	Older Adults	5,498	-	6,048	3,302	2,746
22	Safe Sanctuaries	8,100	-	8,910	600	8,310
23	Camp & Retreat Ministries Inc.	251,983	23,017	275,000	275,000	-
24	Emerging Church Support	878,734	80,266	959,000	944,427	14,573
25	New Faith Communities: Sal & Ben	250,609	67,891	318,500	317,508	992
26	New Faith Communities Office	68,723	6,277	75,000	64,086	10,914
27	Ministries with Differently Abled People	5,040	-	5,544	500	5,044
28	Financial Discipleship Team	10,079	-	11,087	599	10,488
	<b>Subtotal - Christian Formation Team</b>	<b>\$2,311,665</b>	<b>\$262,116</b>	<b>\$2,585,078</b>	<b>\$2,480,193</b>	<b>\$104,886</b>
	<b><u>Leadership Team</u></b>					
29	Multicultural Ministries Team	\$19,471	\$0	\$21,418	\$8,610	\$12,808
30	Multicultural Ministries Grants	54,978	-	55,437	47,749	7,688
31	Multicultural Ministries Program	94,810	-	104,291	91,042	13,249
32	** Ministerial Education Fund	618,707	43,995	695,086	680,422	-
33	Board of Ordained / Diaconal Ministry	404,726	-	442,136	394,713	47,423
34	Laité	31,612	-	34,773	26,097	8,676
35	District: DS Sal & Ben	1,072,074	87,926	1,160,000	1,147,829	12,171
36	District: ADS Sal & Ben	663,861	37,491	701,352	674,765	26,587
37	DS/ADS Offices	216,086	-	230,578	217,791	12,787
38	District Centralized Support: Sal & Ben	205,939	17,369	223,308	222,834	474
39	District Centralized Support: Office	17,410	-	19,151	12,182	6,969
40	DS & ADS: Travel	126,450	-	139,095	89,588	49,507
41	Cabinet Meeting Expenses	41,234	-	45,357	23,995	21,362
42	Ministerial Relations Office: Sal & Ben	335,825	-	369,407	294,103	75,305
43	Ministerial Relations Office	20,910	-	21,563	15,250	6,313
44	Christian Unity	6,414	-	7,055	6,962	93
45	NC Council of Churches	22,908	-	22,908	22,908	-
46	Office of the Bishop	35,003	2,931	38,042	37,831	211
47	Effective Ministry Program	45,815	-	50,105	50,105	-
48	Center for Leadership Excellence	54,062	29,938	84,000	54,720	29,280
49	Nominations	916	-	1,008	39	969

## II. b. 2019 Actual Operation Budget

Row #	Ministry Teams	Carry Over from 2018	Actual Raised in 2018	Total Approved Supplement	Operating Budget for 2019	19 Budget/ 18 Budget % Change	19 Budget/ 18 Actual % Change	% of Total
1	** World Service		\$1,884,292		\$2,010,493	-2.31%	-2.31%	9.69%
	<u>Outreach Ministry Team</u>							
2	Restorative Justice & Mercy Ministries	\$49	\$10,987	-	\$11,036	-0.14%	0.30%	0.05%
3	Disciple Bible Outreach Ministries	-	25,637	-	25,637	-6.74%	-6.74%	0.12%
4	Disaster Readiness & Response	-	25,637	2,363	28,000	-11.46%	-11.46%	0.13%
5	Methodist Home for Children	-	155,653	-	155,653	-11.53%	-11.53%	0.75%
6	Methodist Retirement Homes	-	27,468	-	27,468	-50.04%	-50.04%	0.13%
7	Golden Cross Fund	-	13,780	-	13,780	-0.07%	-0.07%	0.07%
8	Missions & Outreach	8,888	457,804	42,196	508,888	-5.59%	4.93%	2.45%
9	Refugee & Immigration	2,564	25,637	-	28,201	24.74%	59.90%	0.14%
10	Board of Institutions	46	458	-	504	0.00%	0.00%	0.00%
	<b>Subtotal - Outreach Ministry Team</b>	<b>\$11,547</b>	<b>\$743,062</b>	<b>\$44,559</b>	<b>\$799,167</b>	<b>-8.87%</b>	<b>-2.24%</b>	<b>3.85%</b>
	<u>Christian Formation Team</u>							
11	Evangelism	\$21,648	\$16,481	\$0	\$38,129	-5.43%	139.20%	0.18%
12	Church & Society	916	9,156	-	10,072	-28.62%	-14.40%	0.05%
13	Faith Formation	458	4,578	-	5,036	-56.55%	-39.97%	0.02%
14	Worship	458	4,578	-	5,036	8.63%	181.73%	0.02%
15	Higher Education & Campus Ministries	615	6,153	-	6,768	-0.09%	38.88%	0.03%
16	College Chaplaincy Support	-	241,720	22,280	264,000	0.00%	0.00%	1.27%
17	Campus Ministry	-	455,020	99,805	554,825	10.24%	10.24%	2.67%
18	Youth Ministry	-	59,515	-	59,515	-7.21%	-7.21%	0.29%
19	Young Adults	458	4,578	-	5,036	-36.03%	0.00%	0.02%
20	Children's Ministries	458	4,578	-	5,036	-45.69%	0.00%	0.02%
21	Older Adults	458	4,578	-	5,036	-16.73%	52.50%	0.02%
22	Safe Sanctuaries	504	5,036	-	5,540	-37.82%	822.76%	0.03%
23	Camp & Retreat Ministries Inc.	-	251,792	23,208	275,000	0.00%	0.00%	1.33%
24	Emerging Church Support	-	878,068	80,932	959,000	0.00%	1.54%	4.62%
25	New Faith Communities: Sal & Ben	-	238,058	95,081	333,139	4.60%	4.92%	1.61%
26	New Faith Communities Office	4,637	68,671	-	73,308	-2.26%	14.39%	0.35%
27	Ministries with Differently Abled People	504	5,036	-	5,540	-0.07%	1006.96%	0.03%
28	Financial Discipleship Team	732	7,325	-	8,057	-27.33%	1245.25%	0.04%
	<b>Subtotal - Christian Formation Team</b>	<b>\$31,846</b>	<b>\$2,264,921</b>	<b>\$321,305</b>	<b>\$2,618,073</b>	<b>1.28%</b>	<b>5.56%</b>	<b>12.62%</b>
	<u>Leadership Team</u>							
29	Multicultural Ministries Team	\$1,648	\$16,481	\$0	\$18,129	-15.36%	110.56%	0.09%
30	Multicultural Ministries Grants	4,578	45,780	-	50,358	-9.16%	5.46%	0.24%
31	Multicultural Ministries Program	12,178	121,776	-	133,954	28.44%	47.13%	0.65%
32	** Ministerial Education Fund	-	636,426	-	679,051	-2.31%	-0.20%	3.27%
33	Board of Ordained / Diaconal Ministry	40,442	404,419	-	444,861	0.62%	12.71%	2.14%
34	Laity	2,701	27,010	-	29,711	-14.56%	13.85%	0.14%
35	District: DS Sal & Ben	-	1,080,417	99,583	1,180,000	1.72%	2.80%	5.69%
36	District: ADS Sal & Ben	-	683,318	62,982	746,300	6.41%	10.60%	3.60%
37	DS/ADS Offices	12,789	220,244	-	233,033	1.06%	7.00%	1.12%
38	District Centralized Support: Sal & Ben	-	211,963	19,537	231,500	3.67%	3.89%	1.12%
39	District Centralized Support: Office	1,831	18,312	-	20,143	5.18%	65.35%	0.10%
40	DS & ADS: Travel	11,903	119,029	-	130,932	-5.87%	46.15%	0.63%
41	Cabinet Meeting Expenses	3,983	39,829	-	43,812	-3.41%	82.59%	0.21%
42	Ministerial Relations Office: Sal & Ben	33,557	335,570	-	369,127	-0.08%	25.51%	1.78%
43	Ministerial Relations Office	2,089	20,894	-	22,983	6.59%	50.71%	0.11%
44	Christian Unity	93	6,409	-	6,502	-7.84%	-6.61%	0.03%
45	NC Council of Churches	-	22,890	-	22,890	-0.08%	-0.08%	0.11%
46	Office of the Bishop	-	32,962	-	32,962	-13.35%	-12.87%	0.16%
47	Effective Ministry Program	-	27,468	-	27,468	-45.18%	-45.18%	0.13%
48	Center for Leadership Excellence	-	68,661	-	68,661	-18.26%	25.48%	0.33%
49	Nominations	92	916	-	1,008	0.00%	2460.98%	0.00%
50	Comm. on the Status/Role of Women (COSROW)	292	4,578	-	4,870	-3.37%	2.57%	0.02%
51	Conflict Transformation	7,606	76,060	-	83,666	-	280.43%	0.40%

## II. c. Contingency Reserve Fund

	<u>2018</u>
<b>Income</b>	
Interest Income on Checking	\$57,702
Interest on CD Investments	\$18,021
Interest on UMF Investments	\$393,312
Net Reclaim Last Year	\$670,161
Other Receipts (Return of supplement)	\$33,531
Post Audit Receipts from prior year	\$81,619
<b>TOTAL INCOME</b>	<u>\$1,254,346</u>
<b>Distributions</b>	
Current Year Budget Supplements	\$330,374
Current Year Non-Budget Supplements	\$52,658
Subsequent Year Budget Supplements	\$818,897
Subsequent Year Non-Budget Supplements	\$1,209,000
Interest / Service Charges Paid	\$63,440
Audit Adjustments (Reclaimed)	\$327
<b>TOTAL DISTRIBUTIONS</b>	<u>\$2,474,697</u>
<b>Change in net assets (TOT. INCOME — TOT. DISTRIBUTIONS)</b>	<u>(\$1,220,351)</u>



**II. c. Contingency Reserve Fund – detail****Current Year Budget Supplements:**

General Church Apportionments	\$	305,410
SEJ Apportionment	\$	2,651
Campus Ministry	\$	22,313
	\$	<u>330,374</u>

**Current Year Non-Budget Supplements:**

Camp & Retreat Ministries, Inc.	\$	32,658
NACM - Lumbee Days	\$	20,000
	\$	<u>52,658</u>

**Subsequent Year Budget Supplements:**

Salary & Benefit Lines Shortfall	\$	606,287
Office Lines Shortfall	\$	66,606
New Faith Communities: Salary/Benefits	\$	73,139
Campus Ministry: Sal/Benefits	\$	57,865
Information Management: Salary/Benefits	\$	15,000
	\$	<u>818,897</u>

**Subsequent Year Non-Budget Supplements:**

Disaster Ministries: Strategic Executive Leadership	\$	209,000
Disaster Ministries: Church Facility Repair Fund	\$	250,000
Disaster Ministries: Church Apportionment Assistance Fund	\$	250,000
Disaster Ministries: Home Repair Youth Matching Fund	\$	500,000
	\$	<u>1,209,000</u>

### III. FINANCIAL POLICIES

The United Methodist Church is a connectional church, and all local churches participate in the mission and service giving of the larger church. The outreach and mission giving opportunities of the Connection are distributed to the churches of the NC Conference by means of a formula based on the financial performance in each local church. Every effort is made to develop a computation which is shared with fairness by all. Church leaders are encouraged to interpret the work of the Connection so that each congregation understands these funds to be a necessary extension of the ministry and mission of the church beyond its local organization.

#### A. APPORTIONMENTS:

1. The funds to be apportioned are:
  - World Service and Connectional Ministries
  - Episcopal Fund
  - Interdenominational Cooperation Fund
  - Black College Fund
  - Africa University Fund
2. Formula: The Apportionments for each year shall be based on the average of the total monies disbursed by each church in the four years immediately previous to the apportionment year less the approved exclusions each year, or on the most recent year less the approved exclusions, whichever is lower. The change in unadjusted apportionments from the previous year shall not increase in excess of 15%. The exclusions are: Payments on World Service and Connectional Ministries, Past Service Liability, Episcopal Fund, and all other apportionments; principal and interest on indebtedness; buildings and improvements; 50% of property insurance; local benevolences paid directly by the local church; General and Conference Advance Specials; IMPACT10; up to \$4,500 for travel paid by a charge for each pastor; United Methodist Student Day; Human Relations Day; Peace and Justice Sunday; Native American Awareness Sunday; UMCOR Sunday (formerly One Great Hour of Sharing); World Communion Sunday; UMW Funds sent to district or conference treasurer; housing allowance paid in lieu of furnished parsonage to a minister serving under Episcopal appointment in a charge of the Conference; offerings taken for disasters as designated by the Disaster Readiness and Response Committee and the Resident Bishop.
3. Effective July 1, 2004, new faith communities shall be assigned an apportionment beginning in the apportionment year in which the church is chartered (Year A in the following table), or five years from inception date (designated leader begins ministry), whichever is sooner. New faith communities considered under this formula include new churches, multi-site locations, and relaunched churches sponsored by the New Faith Communities Office. The new and projected charter dates for all new churches shall be reported annually by the New Faith Communities Office to the Treasurer's Office immediately following Annual Conference. The amount to be apportioned shall be a percentage of the apportionment as computed on the standard formula described in III.A.2 above. Because this formula results in a lower apportionment for a longer period than earlier new church formulas, no adjustment will be allowed to the apportionment computed as shown in the following table:

Year	Percent	Base Year Net Disbursement Formula	Maximum % Change
A	0%	None	None
B	60%	$=(4A)/4$	None
C	65%	$=((3A)+B)/4$	None
D	70%	$=((2A)+B+C)/4$	None
E	75%	$=(A+B+C+D)/4$	None
F	80%	$=(B+C+D+E)/4$	None
G	85%	$=(C+D+E+F)/4$	None
H	90%	$=(D+E+F+G)/4$	None
I	95%	$=(E+F+G+H)/4$	None
J	100%	$=(F+G+H+I)/4$	None

4. Apportionments to the churches shall be made by the Council on Finance and Administration (CFA) based on the current formula. Each cause shall be paid proportionately out of the income from funds received up to the amount fixed by the Annual Conference. In the event receipts shall fall short, all items shall be paid pro-rata. The CFA is authorized to make supplementary appropriations between sessions of the Annual Conference, if funds are available, for emergency or unforeseen needs. Such supplementary appropriations shall be made only from available undesignated funds. In the light of possible unforeseen and emergency need beyond available resources within the Annual Conference, the CFA is authorized to adjust the pro-rata distribution by up to 10% at its discretion and is authorized to use such funds to make supplementary appropriations according to this provision. General Church apportionments will be paid in full as collected to general agencies and will not be subject to adjusted pro-rata distributions. All supplementary appropriations made under these provisions shall be reported in the Conference Journal for purposes of information.
  5. Apportionments will be delivered from the Treasurer's Office to the district superintendents by July 19, 2019.
  6. The percentage payout rate for local churches shall be based upon payment of all apportioned items as listed in Section III.A.1. above.
- B. The following special offerings shall be taken in each local church and remitted to the Conference Treasurer as separate items. They are not to be included in the Apportionments. General Church special offerings include United Methodist Student Day, Human Relations Day, Peace with Justice Sunday, Native American Awareness Sunday, UMCOR Sunday (formerly One Great Hour of Sharing), and World Communion Sunday. Annual Conference approved special offerings include Project AGAPE Mission to Armenia, Methodist Home for Children, Mother's Day Offering for the Methodist Retirement Homes, Golden Cross Sunday, and Disciple Bible Outreach Ministries.
  - C. No Conference agency's budget shall incorporate funds to be appropriated to a non-conference agency, without specific approval of CFA. All funds granted to a non-conference agency must be spent consistent with the Social Principles of The United Methodist Church.
  - D. No transfer of funds shall be made from one line item in the Conference Budget to another.
  - E. All General Church Funds (World Service, Episcopal, Ministerial Education, Black College,

Africa University, Interdenominational Cooperation, General Administration), Jurisdictional Conference, and Methodist Building Operations and Capital Maintenance Funds will be raised and paid out in the same year. All other funds will be raised and paid out in the subsequent year on a schedule determined by the CFA.

- F. Investment Policy: The investment of the funds of the conference shall be such that funds available for mission are maximized in a manner consistent with the preservation of capital and with the Social Principles of The United Methodist Church. Investments are with the United Methodist Foundation, Inc. (local), the United Methodist Church Foundation (national), Wespath Benefits and Investments, area banks, and with specific minority-owned financial institutions within the bounds of the NC Conference. Investments of funds reserved for use in the next budget year shall be invested 50% fixed income investments and 50% equity investments
- G. Monies paid by the churches shall be reported to the statistician by the pastors at the end of the year on the Table II, Financial Report. The Table I, Table II and Table III reports for 2019 shall be due to the statistician no later than January 31, 2020.
- H. The Council may enact its own bylaws governing meetings, quorum, and other matters of procedure as authorized in the 2016 Discipline, Para. 612.5.b.
- I. The Council shall maintain a central treasury for all Conference agencies as authorized by Para. 613.12 of the 2016 Discipline, and the 1953 session of the Annual Conference. Annual Conference boards and agencies, including those separately incorporated, are required to maintain their funds on deposit in the central treasury unless exempted by the Annual Conference or the Discipline. Exemptions are granted to the Methodist Home for Children, the Methodist Retirement Homes, the Colleges, the United Methodist Foundation, Inc., Board of Missions, Inc., Asbury Homes, and North Carolina United Methodist Camp and Retreat Ministries, Inc.
- J. All new programs or entities which would not be funded by an existing approved budget shall be referred to the CFA for review of budget needs and supplemental funds available prior to approval by Annual Conference. If the item is approved, the next year's budget shall be amended to include the necessary funds based on the CFA recommendation.
- K. Contracts executed by commissions, boards, or agencies which obligate the Annual Conference must: 1) be created for periods of no more than 12 months, 2) not involve expenditures exceeding \$50,000 in the aggregate and 3) not include a guarantee by the Conference of debt incurred by a separately incorporated entity. All contracts that exceed a 12-month period and/or \$50,000 must be authorized by the Council on Finance and Administration. Should authorization be needed between meetings of CFA, it can be given by two signatures from the Executive Director of Connectional Ministries, the president of CFA, or the Conference.

#### **IV. ITINERANT CLERGY MOVING EXPENSE**

*Effective Date – June 1, 2019*

The Itinerant Clergy Moving Expense Committee met to study moving expense needs and policies. The Committee makes the following recommendations.

##### **A. Eligibility**

1. Pastors of local churches continuing under appointment to local churches within the

Conference, moving to or from extension ministries, district superintendents, ministerial assistants to district superintendents and Conference ministerial staff whose salaries are paid from the Conference Treasurer's Office.

2. Pastors in section A.1. who become Conference Evangelists upon moving from an appointment to new residence. Their moving expense to return to any of the above categories will also be paid.
  3. Pastors in section A.1 who retire from serving appointment or who assume approved medical leave or return into active service from approved medical leave.
  4. Widows or widowers of those identified in section A.1. upon moving from place of appointment to new residence.
  5. Pastors moving into an appointment in the North Carolina Conference under section A.1.
  6. Interim Supply pastors
  7. Pastors being appointed to leave of absence are entitled to moving expense for one leave of absence.
  8. Pastors who are called to active military duty will be entitled to moving expense at the time of call up, if need be, and at the time of return, if need be, if not covered by the military, with substantiation of the military orders.
  9. Persons moving who are not defined above will not be eligible to make claim.
- B. Payment of Claims
1. All reimbursements must be substantiated with paid receipts for actual moving expenses. All reimbursements must be for expenses which are deductible for income tax purposes according to Internal Revenue code, Section 217, non-taxable fringe benefits. Payment will be granted to all who are eligible to make claims as follows:
    - a. Active itinerant clergy in section A.1., A.2., A.5., A.6., A.7. and A.8. (except retiring clergy, widows, widowers, and clergy couples) will receive reimbursement of costs up to \$2,250.00 with submission of paid receipts for actual moving expense.
    - b. Retiring itinerant clergy, widows or widowers will receive reimbursement of costs up to \$3,500.00 with submission of paid receipts for actual moving expenses. The retirement amount may be granted upon request when taking medical leave in lieu of receiving the retirement benefit at retirement.
    - c. Itinerant clergy couples will receive reimbursement of costs up to \$2,600.00 with submission of paid receipts for actual moving expenses. If only one member of the clergy couple is re-appointed, section B.1.a. will apply.
  2. Travel: Mileage is reimbursed at the standard IRS rate for moving expense deductions. This rate may be paid per mile per vehicle for a single trip to move each vehicle to the new residence. If a vehicle is used to move household goods, i.e., in lieu of a moving company, additional trips may be reimbursed as necessary. The per trip mileage will be computed from appointment to appointment, or from the Conference boundary to the appointment, or from the appointment to the residence/Conference boundary (in case of retirement), whichever is

less. Either the mileage as described above or actual out of pocket expenses for gas, oil, etc. may be reimbursed from the Conference boundary.

### 3. Reporting and Payment Requirements

- a. Effective January 1, 2018, all moving expense reimbursements are taxable to the recipient. The Conference Treasurer's Office will reimburse moving expenses directly to the pastor. Moving expense reimbursements will be reported on the employee's W-2 for employees of the Conference and on a 1099-MISC for pastors not paid through the Conference Treasurer's Office. Any required benefit computations or payments due for the moving expense reimbursement will be completed by the Conference Treasurer's Office and funded through the Itinerant Clergy Moving Expense annual budget.
  - b. The Conference Treasurer will make this payment upon receiving the Itinerant Clergy Moving Expense Requisition form signed by the person receiving reimbursement and verified by the District Office, along with appropriate receipts to substantiate the expenses.
  - c. The pastor should send the completed document, "So You're Moving" checklist to the District Office. This will fulfill the 2016 Discipline, Paragraph 2533.4, which states "The chairperson of the board of trustees or the chairperson of the parsonage committee, if one exists, the chairperson of the committee on pastor-parish relations, and the pastor shall make an annual review of the church-owned parsonage to ensure proper maintenance."
  - d. Moving expense funds will be withheld by the Conference Treasurer if the district superintendent determines that the parsonage was inadequately cleaned or was damaged beyond normal wear and tear. If an inspection by the district superintendent and the pastor-parish relations committee or the parsonage committee reveals monetary needs for cleaning or repairs, or for having the fuel tank filled, the remaining balance of the moving expense due said pastor shall be made payable to the respective district to pay for needed cleaning or repairs. If the district superintendent or the moving pastor is NOT in agreement with said pastor-parish relations committee or the parsonage committee, the superintendent may request the arbitration committee of the clergy living committee, or other committee of the Board of Ordained Ministry assigned these duties, to inspect the parsonage involved and give an impartial recommendation.
4. The Conference Treasurer will make an advance payment up to \$600.00 to eligible itinerant clergy to cover the expense of deposit and fees for moving expenses prior to their move, upon verification by the District Office. Those receiving an advance must substantiate their expenditures, and any money that is left over shall be refunded to the Conference Treasurer. All advance payments shall be reported as required as taxable income on the W-2 for conference employees and 1099-MISC for pastors not paid through the Conference Treasurer's Office.
  5. No additional claim can be made against a local church, district or the Conference for payment of moving expenses.
  6. Reimbursable expenses include the cost of boarding and moving domestic animals, the moving of recreational vehicles, moving household and personal goods, travel as defined in B.2., lodging, packing, crating, in-transit storage and insurance, labor costs, and any other expense necessary to physically move household items. Labor costs paid to individuals

currently residing in the moving household, or those moving their own personal belongings are not reimbursable. Other expenses which are not reimbursable include meals, purchase of household items, or any other item not reasonable or necessary for the move.

7. The request for moving expense reimbursement must be received in the Treasurer's Office no later than four months following the date of the move.
8. The Moving Expense Committee will consider and have final authority over any questionable or disallowed claim or special claim beyond allowances set in the approved plan.

## **V. LOCAL CHURCH FINANCE MINIMUM STANDARDS**

Serving as a financial officer or in a financially related position within a local church requires that we serve with fiduciary responsibility over the financial matters of the church. This fiduciary responsibility means that we stand in service to perform our duties with the trust and confidence that we act for the benefit of the church and not for the benefit or convenience of ourselves. As we serve with these responsibilities in local churches, we are guided to provide the most effective and most efficient ways to safeguard the assets entrusted to our care. One of the ways we safeguard the assets is to put procedures in place that have been proven to minimize risks by preventing and detecting error, deterring fraud and protecting innocent staff and volunteers. The following guidelines have been developed in order to assist those with financial responsibilities in local churches to identify and implement basic internal control procedures. These guidelines are intended to aid in the prevention or deterrence of fraudulent behavior and are not accusations that fraudulent activities are being performed. These guidelines provide protection for those in a position of controlling financial activity from being accused of fraud. Part of the fulfillment of our calling to be good stewards of the Lord's funds is having effective procedures in place to safeguard those funds. These minimum standards should be increased for churches with higher volumes of transactions but should not be compromised for lower volumes of transactions. All local churches are expected to meet these minimum standards.

### **A. Receipts and Disbursements**

1. Treasurer and Financial Secretary should not be the same person and should not be in the same immediate family residing in the same household
2. Counting team (at least two unrelated persons) should count offerings and document totals – not treasurer and not financial secretary
3. Offerings should be deposited the same or next business day
4. Offering count details should be given to financial secretary for recording
5. Offering totals should be given to the treasurer or financial secretary to record deposit
6. The Financial Secretary's deposit log should be compared to the bank statement to verify deposits (by bank reconciliation reviewer)
7. At least two persons should be listed as authorized signatures on all accounts. This should also be the case for setting up electronic payments (or EFTs). For EFTs, one of those individuals should be a Trustee or a member of the Finance Committee (other than the Secretary or Treasurer).
8. The Treasurer is authorized to make electronic payments of bills. The Treasurer shall maintain

support for every electronic payment just as with the support for paper checks.

9. Financial policy and authority guidelines should be written and approved by the Finance Committee (there is a template available on the Conference Treasurer's Office website).
10. Invoices should be required for all payments from all accounts
11. Someone other than the treasurer (with authority by Finance Committee) should approve invoices for payment
12. Typically, the Treasurer should make payments only after the invoice is approved. A policy may be implemented where routine, budgeted expenses (i.e., rent/mortgage, electric bill, etc.) may be paid without recurring approval; non-routine expenses must be approved prior to payment.

#### B. Reporting and Review

1. All accounts should be reconciled monthly
2. Someone other than treasurer should review bank reconciliation at least semiannually – including bank statements, invoices, checks written, and financial reports
3. The Treasurer should make detailed report of budget and designated fund activities to the Finance Committee at least quarterly
4. There must be an annual evaluation of financial records – at least in as much detail as the Local Church Audit Guide (completed no later than August 1 for preceding year, with the results of the audit being reported at Charge Conference) – including ALL accounts of the church (except UMW may be under separate evaluation or audit) – ALL accounts includes the general fund, building funds, designated accounts, cemetery funds, discretionary funds, Sunday school accounts, etc.
5. An external annual audit of ALL accounts should be done at least every three years for churches with total annual disbursements of more than \$500,000 per year (completed by August 1 for preceding year). An annual evaluation should be performed during the interim years.
6. While a full audit is optimal, the term 'external audit' could mean a review by a CPA firm or other qualified individual (one with an accounting degree and accounting experience) that is independent of the church's Finance Committee or church council.
7. An external annual audit of ALL accounts should be done every year for churches with total annual disbursements of more than \$1,000,000 per year (completed by August 1 for preceding year). The term 'external audit' in this recommendation refers to an audit by an independent CPA or firm—not a member of the church. An opinion is given on the financial statements—both balance sheet and income statement.
8. An individual CPA may participate in an audit, however, s/he must be a member of a church audit team performing an audit; thereby, a member of an audit team reporting to the church's finance committee.

#### C. Tax Reporting Requirements

1. W-2s must be issued for employees, including pastors, and 1099s issued for non-employee compensation by January 31 for preceding year (federal law requirement)



2. Payroll tax forms and deposits done as required for payroll amount (federal law requirement) – payroll reporting should be completed for the IRS and SSA by appropriate due date for filing method
3. Housing allowance or exclusions approved annually at charge conference and kept on file (federal law requirement)

#### D. Other General Requirements

1. Prepare list of all church property for insurance purposes – include item description, serial number and value
2. Prepare list of safety deposit box contents – update authority as needed – access should be allowed by two unrelated people
3. Computer records are backed up and password protected for security
4. Ideally, four individuals are required for regular financial procedures: financial secretary, treasurer, person to review and approve invoices and person to review bank reconciliations. It is possible for this to be accomplished with 3 individuals if proper segregation is achieved.

## VI. APPROVAL TO SOLICIT FUNDS

Any organization designated as a Conference Advance Special may ask local churches to consider opportunities for giving. It shall be at the discretion of the local church as to whether, when and how these opportunities will be presented to the membership. Solicitation or private campaign may not be taken directly into local churches of the Conference through solicitation in classes or other groups or by the use of membership lists (either partial or in entirety).

Approval is given to the requests of the following agencies and programs for the privilege of soliciting funds under these policies throughout the District or Conference.

- A. Christmas Offering for District programs and/or projects.
- B. The Commission on Congregational Development for the promotion of the Church Extension, IMPACT10, and the John Wesley Endowment for Congregational Development.
- C. The Board of Directors for Camp and Retreat Ministries, Inc. to solicit from church groups and individuals, materials and money for specific projects for the three camps of the North Carolina Conference.
- D. Methodist Retirement Homes, Incorporated; Methodist Home for Children; Louisburg College; Methodist University; North Carolina Wesleyan College; and Asbury Homes for the privilege of private solicitation and receipt of such funds as may be directed thereto.
- E. The United Methodist Foundation, Incorporated, as provided in its charter.
- F. The Disaster Response Committee upon joint decision of the committee and the Resident Bishop to respond to disasters within the bounds of the NC Annual Conference.

The CFA continues to recommend that 100% “Missional Service Giving” be the on-going priority. The Council also recommends that stewardship continue to be a missional focus, Conference priority.

## VII. DISTRICT SUPERINTENDENTS' SALARY

The Council on Finance and Administration recommends that the formula for computing the annual salary for the district superintendents be the average of the top 25 pastors' salaries in the Conference for the previous year, no less than the salary of the previous year. Salary is defined as cash salary plus nonvouchered allowances. We recommend the 2020 salary for district superintendents be set at \$112,766.

## VIII. ORGANIZATION and PROCEDURE *(presented for information only)*

- A. The audit for 2018 will be by Crosslin & Associates, Nashville, Tennessee.
- B. The president, vice-president, secretary, and treasurer of the CFA shall serve as the executive committee of the Council. In addition to these individuals, at-large members of the executive committee include chairpersons of the CFA sub-committees.
- C. The Conference Treasurer will include in the monthly financial reports, for any given month, all monies received in the office by the 5th day of the following month, except when the 5th day falls on a weekend or holiday the report will include the funds received the following workday.
- D. The Treasurer may approve minor over-expenditures of a budget line item up to \$5,000 or 5% of the line item, whichever is less. A request for such over-expenditure shall be submitted in writing in advance and shall state the reason for the request. The over-expenditure will be reported to CFA and will be listed in the Conference Journal.
- E. Any Conference or non-conference agency which receives financial support from Conference funds or from any authorized conference-wide appeal in excess of \$5,000 shall submit, with any budget request, an annual detailed audited budget report of all receipts, disbursements and assets. A statement in effect that "All funds granted have been spent consistent with the Social Principles of The United Methodist Church" will be furnished to CFA upon submission of the audit. Such reports received shall remain on file in the Treasurer's Office until reported to CFA. An agency may be exempted (for just cause) from this reporting requirement by CFA. Note: CFA requests the Board of Institutions to provide regular reports (at least annually) regarding its financial monitoring of related institutions/programs. The financial monitoring shall include consideration of a final independent audit for the institution, pension plan, and affiliated entities, including journal entries, the auditor's management letter and any other reports of the auditors; liability insurance coverage levels; and the institution's projected budget for any subsequent fiscal years, including the current fiscal year.
- F. A carry-over of budgeted funds remaining (not including any supplemental appropriations) of up to 10% of the amount raised for the subsequent year will be allowed for Conference budget line items. Any carryover or portion thereof by this policy may be rescinded in any year in which funds are not available to meet basic ministry needs as determined by the CFA.
- G. Funds appropriated to a board or agency must be spent in the calendar year of the appropriation unless otherwise allowed.
- H. Supplemental Appropriations: The Council will consider requests for supplemental appropriations in the following priority order:
 

*First Priority*

  - Salary and benefit items previously approved according to the policies of the Annual

Conference or General Conference (i.e. Equitable Compensation Funds, staff salaries, etc.)

- Programs authorized and mandated by the NC Annual Conference which are not included in the Annual Conference budget for that financial year.
- Amounts required to provide funding for retiree pension or insurance benefits included in previously fully funded plans.

*Second Priority*

- New creative programs to respond to emerging needs and to expand the mission of the Annual Conference which are not included in the Conference budget for that year. Such programs will be funded through supplemental appropriations only on a short-term basis.
- Emergency needs and programs in the life of the boards and agencies of the Annual Conference. The petitioning group shall make such requests in writing to the Treasurer's Office at least 15 working days before a scheduled CFA meeting.

*Third Priority*

- Any other type of funding requests.

*Procedure for seeking supplemental appropriations:*

1. All requests for supplemental appropriations shall be made to the CFA President and/or the Conference Treasurer's Office in writing at least 15 working days before a scheduled CFA meeting.
  2. The normal procedure for requests for supplemental appropriations will be a review by the CFA supplemental appropriations committee which will make a recommendation to the full Council.
  3. If an emergency request for supplemental appropriations is received between scheduled meetings, the CFA supplemental appropriations committee will consider the request and may direct the Conference Treasurer to forward it to the membership via mail or e-mail with a recommendation for action.
- I. Interest shall be paid to/from the Board of Pension, Insurance Fund, Blackburn Scholarship Fund, Church Extension Redevelopment, and Church Extension Salary Endowment funds using the rate of the conference interest-bearing checking account, compounded monthly, on monthly average balances held by the Conference Treasurer for interest earned in excess of service fees paid for transactions in those funds. Excess service costs of boards or committees funded outside the conference budget not covered through the conference interest-bearing account may be billed to the appropriate board or committee's fund.
  - J. Retroactive adjustments for transfer or posting delays will be made to the Board of Pension and the Insurance Fund accounts for earnings calculations.
  - K. Funds in excess of operational needs for the Board of Pension and the Insurance fund are invested in the United Methodist Foundation, Inc. of the N.C. Conference, Wespath, Inc., or other socially responsible investment funds as deemed appropriate by the respective board or committee.
  - L. In order to prevent a loss of funds due to investment risk, and in order to have funds available for emergency use, the goal of the Council is to maintain minimum reserve funds equal to 15%

of the current operating budget for World Service and Connectional Ministries. Supplemental appropriations from current year earnings shall follow the guidelines in paragraph H above. Supplemental appropriations beyond current year earnings shall follow the following guidelines:

1. If reserves are less than or equal to 20% of the current operating budget, only supplements to meet payroll for existing positions may be considered.
2. If reserves are above 20% and below 30% of operating budget, only supplements to meet payroll for existing positions, ministries, and retiree pension or insurance may be considered.
3. If reserves are equal to or greater than 30% of operating budget, then other requests may be considered.
4. No request may be considered if the amount requested would reduce reserves below 15% of operating budget.

M. Mailing address labels will be available for a nominal fee to conference agencies, clergy and lay members of Annual Conference or other United Methodists for church-related uses.

N. **CFA Meeting Schedule:** The executive committee meets at the call of the President. Scheduled meetings are:

**June 13, 2019:** There may be a called meeting in conjunction with Annual Conference if necessary to elect officers or conduct other business.

**September 10, 2019:** A meeting to be held for considering general business matters

**November 5, 2019:** An optional meeting to be held if necessary at the call of the President.

**December 3, 2019:** To consider apportionment matters and supplemental appropriations for salaries.

**January 17, 2020:** To look at the shortfall and make a decision regarding paying out the general church apportionments. *(Subject to change based on GCFA final closing date.)*

**February 4, 2020:** To consider the operating budget for the current year. All payments on apportionments are due to the Treasurer by mid-January. A report of receipts, amounts allocated to the budgeted boards and agencies, and supplemental appropriations are decided at the meeting.

March 24, 2020: To consider the budget to be recommended to Annual Conference which will be raised in the subsequent year and spent in the year after it is raised. Additionally, the CFA policy recommendations to the Annual Conference are adopted.

O. Dates to Remember:

**July 19, 2019:** Apportionments sent to the local church pastors.

**November 1, 2019:** Requests for supplemental appropriations for the 2019 operating budget due in the Treasurer's Office.

**January 24, 2020:** Requests for the 2022 budget, to be adopted at the 2020 Annual Conference, due to the Treasurer's Office from Conference Connectional Table (CCT) team leaders to be presented to the full CCT.

**January 17, 2020:** Annual Conference and General Church remittances must be received by 8:30 A.M. in order to receive credit for 2019. *(Subject to change based on GCFA final closing date.)*

**January 21, 2020:** Requests for supplemental appropriations for the 2020 operating budget due in the Treasurer's Office.

**January 31, 2020:** Tables I, II and III for 2019 due to the Conference statistician.

## **IX. UNITED METHODIST PERSONAL INVESTMENT PLAN (UMPIP), and UMLifeOptions**

### **A. GENERAL**

1. The lay employee's supervisor is responsible for making lay employees aware of these rules and procedures. Detailed information on the UMPIP and the UMLifeOptions is available from the Treasurer's Office. Supervisors will have lay employees who are eligible for these benefits contact the Treasurer's Office 60 days before they are eligible for participation, or sign a waiver form if they decline to participate in the UMPIP. The form will be kept on file in the Treasurer's Office for future reference.
2. The Conference Treasurer's Office will administer the UMPIP and the UMLifeOptions.
3. Contributions will be withheld from the employee's pay and remitted to Wespath by the Treasurer's Office within ten business days after receiving the bill from Wespath.

### **B. UNITED METHODIST PERSONAL INVESTMENT PLAN (UMPIP - Effective January 1, 2006)**

1. The lay employee must be full time (at least 20 hours per week).
2. The lay employee must be an employee for 1 continuous year before becoming eligible for UMPIP.
3. The conference contribution will be twelve percent (12%) of the employee's base compensation.
4. The lay employee's required contribution will be 3% of the employee's base compensation. Participants in the UMPIP must be participants in the UMLifeOptions.

### **C. UMLifeOptions**

1. The UMLifeOptions plan is a death and disability plan for lay employees.
2. UMLifeOptions is an employer-funded plan and, as such, is required enrollment for all eligible employees.
3. Employees are eligible after one year of employment working at least 20 hours per week.

— *Anne Lloyd, President*

## Insurance Committee

- I. The Insurance Committee is to be made up of representatives from the following boards and agencies: 2-Board of Pension; 1-Board of Pension Chair; 2-Board of Ordained Ministry; 2-Joint Committee on Clergy Medical Leave; 3-Lay Members appointed by the Commission on Laity; 5-At Large Members. The following members are without vote: 1-Conference Treasurer; 1-Controller; 1-Benefits Manager; 1-Director of Ministerial Relations. The representative should be elected at the organizational meeting of these boards and agencies. Once elected from its constituent groups at the beginning of each quadrennium, the Insurance Committee's membership will remain established for the remainder of that quadrennium.

### II. Group Term Life Insurance

- A. The current life insurance program is provided by MetLife.
- B. Our coverage is \$25,000 for active participants, \$12,500 for retired clergy up to age 72. Effective July 1, 2005 the coverage for retirees age 72 and over is \$5,000. Current spouse and child coverage is \$10,000 per person. The spouse's life insurance terminates upon retirement of the subscriber.
- C. The active life insurance plan is non-contributory. Life insurance premiums are to be paid by the salary-paying unit.
- D. Supplemental Life insurance guidelines (voluntary individual enrollment):
  1. Participant must be enrolled in active Conference life insurance plan.
  2. Initial voluntary enrollment November 1 – 30, 2007 for an effective date of January 1, 2008.
  3. Premiums should be withheld by the salary-paying unit on an after tax basis. Premiums will be included on the monthly invoices issued by the Treasurer's Office.
  4. Late applicants may apply for coverage during Open Enrollment and are subject to health questions.
  5. Approval or denial is administered by *MetLife*.
- E. Basic LIFE INSURANCE CLAIMS FILED IN 2018:
 

Total Claims FILED: 13  
Total Benefit FILED: \$75,000

### III. Health Insurance Benefits

- A. Group Health
  1. The Insurance Committee will provide the proposed benefits to the members immediately before each Annual Conference session. The committee considers the most current financial information that is available before adopting its recommendations.
  2. Insurance companies who make inquiries, for the purpose of submitting proposals, will be notified of a \$200 processing fee. This fee will help cover the costs of preparation and processing of the information necessary for proposals.
  3. The NC Conference health care plan has been amended as necessary to comply with federal Health Care Reform.

## B. Policy and Rules

1. Effective January 1, 2004, the North Carolina Conference offered a Preferred Provider (PPO) health insurance plan administered by Blue Cross Blue Shield of North Carolina. Details may be obtained by contacting the Benefits Coordinator in the Treasurer's Office, 800-849-4433.
2. Effective January 1, 2012 the North Carolina Conference offers a PPO Base Plan for health insurance benefits with the option of a PPO Buy-Up plan for increased health insurance benefits.
3. Effective January 1, 2014 benefits will include life insurance, health, pharmacy, and mental health services. Optional benefits available will include supplemental life, dental coverage, medical reimbursement, and dependent care accounts. Funding for all optional coverages will be the responsibility of the participant.
4. Medical Reimbursement and Dependent Care Accounts must be established during Open Enrollment (November 1 – 30), for an effective date of the following January 1. If you do not claim these funds prior to March 15 for the preceding plan year (plan year being the previous calendar year plus a 75 day grace period of the current year), these funds are forfeited. Participation in the Medical Reimbursement and Dependent Care accounts is contingent upon participation in the health insurance plan.
5. A change of life circumstances (birth, marriage, divorce, death, loss of spousal coverage) will allow a mid-year change. When there is a change in family status, or a change of address, it is the insured's responsibility to notify the Treasurer's Office within 30 days. The toll free number to the Methodist Building in Garner is 1-800-849-4433 where staff persons continue to provide personal attention to insurance matters.
7. Adding new family members must be completed within 30 days of the qualifying event or 60 days if the eligible change is related to the Children's Health Insurance Program (CHIP).
8. Effective January 1, 2014, participants will no longer be subject to the pre-existing conditions clause under federal healthcare reform. Children under the age of 19 are not subject to preexisting conditions.
9. Effective January 1, 2004, the Conference health insurance plan will be the primary carrier for active participants who continue to work past the Medicare eligibility age and are enrolled in the Conference health plan.
10. Pre-Certification of all in-patient admissions is required. Effective January 1, 2004, call Blue Cross Blue Shield of NC at 800-214-4844. Mental Health benefits should be pre-certified through Magellan Behavioral Health at 800-359-2422. Effective January 1, 2019, diagnostic imaging services should be pre-certified.
11. Denial of claims or incorrect processing of claims should be appealed through Blue Cross Blue Shield of NC. There are two levels of appeal.
12. Payment for the church's portion of the insurance programs must be made by the church/charge treasurer. Personal checks cannot be accepted due to IRS regulations governing Section 125 cafeteria plans. The personal portion of insurance premiums must be withheld from the participant's salary by the salary-paying unit on a pre-tax basis.

13. Premiums for health and life insurance may be paid in ADVANCE on a monthly, quarterly, semi-annual, or annual basis.
14. Lay persons or clergy on maternity/family medical leave may continue their insurance coverage, as long as the premiums are paid.
15. The Insurance Committee may terminate the coverage for non-payment of premiums. Insurance payments which are 60 days late (from the date of the bill) will result in termination of benefits. Termination will take place on the last day of the month in which the 60th day has occurred. Benefits may be reinstated without lapse in coverage if full payment is made within 30 days of the termination date. Thereafter, insurance coverage may be reinstated upon full payment and coverage will be effective the first day of the following month. Children under the age of 19 are not subject to preexisting conditions.
16. In case of termination of coverage, the church is responsible for the premium until the Treasurer's Office is notified in writing of such termination.

#### IV. Statement of Intent

The NC Annual Conference established a Life Insurance Plan with the intent of providing coverage for the active and retired clergy and a Group Health Plan with the intent of providing coverage for active clergy. However, the Annual Conference reserves the right to terminate the health and life contracts, in whole or in part, at any time. The Annual Conference, at any time or from time to time, may amend any or all of the provisions of the health or life plan without the consent of individual participants.

#### V. Eligibility Policies of Non-Retired Participants

- A. If you enroll in the Conference insurance plan, you are eligible for your coverage to begin on the first day of the month following the date of hire or appointment. Coverage is not automatic. Completion of an enrollment form on a timely basis is required (within 30 days of original eligibility).
- B. You must work a minimum of 30 hours per week to be eligible for the Conference insurance plans.
- C. Health insurance and life insurance through the Conference groups will be available to the following:
  1. Clergy who are members in full connection of the Conference, provisional and commissioned members, associate members, student local clergy, full-time and part-time local clergy, serving full time or part time under appointment in:
    - a. One of the churches or charges of the NC Conference.
    - b. One of the institutions or agencies of this Conference receiving financial support from the Conference.
    - c. An institution or agency established to provide a ministry or service provided **that:**
      - i. Clergy shall elect in writing within 30 days after the appointment to continue the coverage. If the coverage is discontinued, a one year waiting period for pre-existing conditions may apply.
      - ii. The institution shall be responsible for payment of all insurance premiums by the due date.
  2. Clergy eligibility for insurance is based on the following three criteria:



- a. Serving half-time or greater appointment.
  - b. Making one-half of minimum salary as determined by the Clergy Compensation Worksheet line 7.
  - c. Working at least 30 hours per week.
3. Clergy on Leave of Absence, provided a written request to retain benefits is submitted to the Benefits Coordinator within 30 days of the appointment of Leave of Absence. The participant is responsible for the entire monthly rate (church portion and personal portion) by the due date.
- D. Post Retirement Benefits
1. Eligibility for post retirement benefits may be viewed in detail in the Board of Pension Report Section B.
  2. Post retirement health plan funding eligibility for clergy newly licensed, commissioned or ordained effective July 1, 2009 (or later), under Episcopal appointment to a NC Conference responsible appointment (i.e. eligible for enrollment in the Conference Insurance plan) will be based on total months enrolled in the Conference Insurance Plan. A minimum of 180 months total enrollment is required for funding eligibility.
  3. Effective January 1, 2014 funding for post retirement health benefits will be established by the Conference Board of Pension via a Health Reimbursement Account (HRA). Post 65 retirees may purchase individual health care plans with the assistance of Via Benefits or on their own. Individual HRA balances can be used to reimburse retirees for qualified expenses. Funding of the individual HRA will be based on the accrued years of credit as outlined in the Board of Pension Report.
- E. Clergy Couple Appointments
1. Clergy couples will be enrolled in the life insurance program separately. This affords the clergy couple with the maximum life insurance benefits available. Clergy couples are not permitted to cover each other under the provisions of the life insurance. Eligible dependents may only be covered by one member of the clergy couple.
- F. Clergy Medical Leave Appointments
1. Clergy placed on Clergy Medical Leave can remain covered under the Conference insurance plans, provided they were enrolled and covered in the Conference plan immediately preceding the approval date of Clergy Medical Leave.
- G. Clergy eligible for life and health insurance through the North Carolina Conference benefits under option V. A - C (above) are entitled to these benefits.
- H. Lay Employees:
1. An insurance administrator must be appointed at each church/charge to manage insurance policies dealing with lay staff. It is the responsibility of each local church/charge and its officers to be apprised of the parameters of the Conference insurance plan.
  2. Each local church must have at least 75% participation of the eligible lay employees to participate in the Conference plan.
    - a. As of January 1, 2007, churches who currently have less than 75% participation will be

allowed to continue the current participation of their lay employees under the Conference plan.

3. The employee must work a minimum of 30 hours weekly and must be enrolled in the period specified for initial enrollment.
  - a. This period being within 30 days of date first eligible, or be added as a late applicant during Open Enrollment.
4. Persons appointed as Interim Supply are enrolled as lay employees.
5. The Committee recommends that the church provide this benefit to lay employees with the same premium payment policy as recommended for clergy.
6. All churches providing post-retirement benefits to retired lay employees will be billed in full for the funding of the post retirement HRA or life insurance premiums associated with retirement insurance benefits. The Annual Conference is not responsible for the funding of local church retired lay staff benefits.

#### I. Continuation of Benefits

1. The participant may be eligible to continue health insurance for up to 18 months following the loss of employment or appointment.
2. Written requests for continuation should be submitted to the Conference Benefits Coordinator within 30 days of the termination of employment or loss of appointment.
3. The life insurance cannot be continued. Conversion of the life insurance may be possible by contacting MetLife at 1.877.275.6387 or solutions@metlife.com.
4. Flexible Spending Accounts are not available to terminated participants, as they are no longer receiving salary from which to withhold these funds. Funds already contributed must be claimed within 90 days of the termination date.

#### J. Open Enrollment

1. Open Enrollment for active participants is held each year from November 1 through November 30.
2. During Open Enrollment, an active employee or appointee may enroll in the Conference insurance plan.
3. Flexible Spending Accounts must be established for the upcoming year during Open Enrollment. If the participant does not establish a new account during each Open Enrollment, they cannot participate in the Flexible Spending Accounts for the upcoming year.

#### K. The Insurance Committee continues to explore eligibility options for future benefit plans and questions of church participation.

#### L. Participants enrolled in the Conference health and life insurance plans may continue to be enrolled in the Conference benefits as long as they are Episcopally appointed, employed as lay staff, meet the qualifications of Continuation as defined in Section G above, and meet the required eligibility rules and regulations.

#### V. Historically, the Insurance Committee has developed rates based on maximum actuarially projected claims.

**VII.** The Insurance Committee strives diligently to present the best possible health and life insurance coverage available to the North Carolina Annual Conference. Careful consideration is given to benefits and rates that are proposed each year.

### **VIII. 2020 Life, Health and Dental Insurance Monthly Rates & Benefit Changes:**

<b>Life Insurance</b>	<b>2019 Monthly</b>	<b>2020 Monthly</b>
Single	\$16.50	\$16.50
Family	\$20.75	\$20.75
Retiree Under age 72*	\$8.50	\$8.50
Retiree Over age 72*	\$3.50	\$3.50

\*Retiree contributions are dependent upon the rules in place at the time of retirement.

#### 6.4% Increase to Health Rates

<b>Health Insurance (Monthly)</b>	<b>2019 Base Plan</b>	<b>2019 Buy-Up Plan</b>	<b>2020 Base Plan</b>	<b>2020 Buy-Up Plan</b>	<b>Increase Over 2019 BASE</b>	<b>Increase Over 2019 Buy-Up</b>
<b>Church</b>	\$1,216.46	\$1,216.46	\$1,294.31	\$1,294.31	\$77.85	\$77.85
<b>Personal Single</b>	\$198.05	\$229.88	\$210.73	\$244.59	\$12.68	\$14.71
<b>Personal Parent/Child</b>	\$366.60	\$425.50	\$390.06	\$452.73	\$23.46	\$27.23
<b>Personal Family</b>	\$504.57	\$585.46	\$536.86	\$622.73	\$32.29	\$37.27

<b>Dental Insurance—6.4% Increase</b>	<b>2019 Monthly</b>	<b>2020 Monthly</b>
Personal Single	\$35.10	\$37.35
Personal Parent/Child	\$63.08	\$67.12
Personal Family	\$99.10	\$105.44

The Committee wishes to thank the members of the Annual Conference for their support.

—*Scott Dodson, Chairperson*

## **Media Center**

The Media Center added 596 new resources in 2018 including bible studies, curricula, DVDs, and books for all ages through purchases and donations. Resources by Adam Hamilton continue to dominate the list of the most popular items borrowed. Studies by Will Willimon and Mickey Efrid returned to the list of most borrowed resources. New authors to the list were Elaine A. Heath, Amy-Jill Levine, and Bob Goff, as well as Debby Irving, the author of *Waking Up White*, the book that was recommended by Bishop Ward and the Connectional Table.

In 2018, the Media Center received 879 in-person visits and other requests for resources averaging 6.9 interactions per day. We had a total of 318 visitors to the Media Center and 90 requests over the

phone. We received the most online requests through email with 140 followed by 125 online chats, 101 submissions of our online Resource Request Form, and 86 reservations through the online catalog. All of these numbers are an increase over 2017 with the exception of reservations through the online catalog which have decreased as requesters are preferring to use other methods. The Media Center's traveling book cart has continued to attend meetings and events around the United Methodist Building earning 15 book cart borrowers, 6 of whom were new users. The Media Center has moved to keeping the doors open at all times. If staff is not present, visitors can search the online catalog and use the new self-checkout station to borrow resources.

We currently have 921 registered borrowers in our automated library system. Of these, 110 were added in 2018. Over 1,600 resources were borrowed from our collection with an average of 11 per day. This is a 14% increase from 2017. The collection currently stands at just over 4,000 titles. The Media Center also has two canvas prayer labyrinths available for borrowing. A labyrinth was borrowed 13 times in 2018.

At Annual Conference, we set up our annual resource swap among the display tables. Churches were invited to bring resources they no longer needed, and the Media Center also brought items that had been donated or weeded from the collection. Many resources were exchanged.

The Media Center posts regular updates on our website, Facebook page, and in our Facebook group for United Methodist Small Group Leaders. Our website and online catalog also offer access to online studies, tools, and free resources useful to ministry work. We continue to offer a weekly email newsletter that features news, recommendations, learning opportunities, and a complete list of all new resources at the beginning of each month.

The NC Conference Media Center is open to all churches in the North Carolina Conference. There is no membership fee. We pay to mail items to you; you pay to mail them back. Contact us to let us know how we can help provide Christian resources for bible study, leadership, worship, and more to your congregation.

—*Laura Dallas, Media Center Associate*

## Ministerial Education Fund

The Ministerial Education Fund (MEF) is one of the most “unsung blessings” of our connectional support! In addition to being the underlying support to our seminaries, it provides invaluable support for the following ministries: Annual Conference Board of Ordained Ministry for programs they provide for clergy, both Elder and Deacon in Full Connection, diaconal ministers; scholarships for students studying for the ordained, both Elder and Deacon In Full Connection in the outstanding United Methodist seminaries and in non-United Methodist seminaries approved by the Division of Ordained Ministry and taught by seminary professors and conference leaders throughout the United Methodist Church; Continuing Education; Course of Study Schools (more than 5,000 people are involved in the Course of Study Schools); research and special programs related to candidacy and enlistment; pastoral care initiatives; clergy women concerns; racial and ethnic concerns; spiritual formation; testing and evaluation; training of boards of ordained ministry; international theological education; jurisdictional block grants; supervision issues and Dempster Fellowships. All of these ministries are funded by money from the Ministerial Education Fund. According to ¶816.1, “Of the

total money raised in each annual conference for the Ministerial Education Fund, 25 percent shall be retained by the annual conference that raised it, to be used in its program of ministerial education as approved by the annual conference and administered through its Board of Ordained Ministry.”

The general policies for the North Carolina Annual Conference’s portion of the Ministerial Education Fund are set by the Board of Ordained Ministry. Brochures with guidelines and policies for the MEF scholarships are available from the Office of Ministerial Relations.

Some interesting facts regarding MEF are:

- Hundreds of millions of dollars have been given by local congregations to the MEF since 1968.
- More than twenty-five percent (25%) of that amount from the MEF has supported conference board services in each annual conference since 1970.
- MEF supports Duke Divinity School, which for over 79 years has prepared men and women for leadership in the church as clergy and laity.

A complete list of University Senate-approved schools is on the GBHEM website: [www.gbhem.org](http://www.gbhem.org).

#### Activity of the Ministerial Education Fund:

Raised in 2017 . . . . . \$680,521.55

- Total Remitted to General Board of Higher Education and Ministry . . . \$521,315.00
- Portion retained by Board of Ordained Ministry in this conference . . . \$159,206.55

Financial Assistance Granted (2018)

- Scholarships Granted to Candidates for Ordained Ministry: . . . . . \$209,624.00
- Scholarships to Ministerial Candidates: **25 scholarships given**

#### Seminaries

Duke Divinity School	20
Candler School of Theology	2
Hood Theological Seminary	1
Wesley Theological Seminary	1
United Theological Seminary	1

## North Carolina Pastors’ School and Duke Divinity Convocation

The 2018 Convocation & Pastors’ School, “Neighboring in a Post-Christendom World,” considered the question: *What does it mean for Christians to be a neighbor in a culture that is rapidly changing, where many have little knowledge or interest in religion?* Attendees explored how we can practice and communicate Christian faith, spirituality and hospitality with missional imagination, connecting with the steadfast mission of God. The two-day conference helped pastors and church leaders gain insight and energy to build and strengthen Christian community with renewed integrity.

Held October 8-10, 2018, at Duke Divinity School, the event featured presenters the following presenters:

- L. Gregory Jones, dean of Duke Divinity School
- Christine Pohl, professor emeritus of Christian Ethics, Asbury Theological Seminary
- Ian Douglas, bishop diocesan of The Episcopal Church in Connecticut
- David Goatley, research professor of Theology and Black Church Studies, Duke Divinity School
- Barbara Brown Taylor, author, teacher, and Episcopal priest
- Cynthia Hale, founder and senior pastor, Ray of Hope Christian Church served as the preacher

Attendees also participated in worship and their choice of 13 seminars led by faculty, church leaders, and practitioners on topics ranging from “Bible Study for Christian Neighbors” to “Making Room for One More” to “Preaching to Save the Soul of a Nation.”

The next Convocation & Pastors’ School, “Life That Really Is Life: Cultivating Thriving Communities,” will take place October 7-8, 2019. Christian congregations, led by gifted clergy, are crucial to the vitality of thriving communities. When congregations and pastors are faithful and focused on God’s dreams, they can be exceptional catalysts, conveners, and curators, drawing people together across diverse sectors, generations, and neighborhoods. They are integral to the formation of thriving communities that are marked by an acknowledgement of the fragility of human life, rooted in issues of suffering and sin, finitude and brokenness, yet that simultaneously nurture hope and wisdom to pursue what 1 Timothy 6:19 calls “the life that really is life.” Through this way of living, people of character nurture trust and a vision for the common good, bearing witness to a holistic understanding of human beings and the fullness of the Reign of God.

Confirmed featured presenters include:

- David Brooks, author, op-ed columnist for The New York Times and commentator
- Anne Snyder Brooks, director of The Character Initiative at The Philanthropy Roundtable
- Kate Bowler, associate professor of the History of Christianity in North America at Duke Divinity School
- Dr. Ralph West, pastor, The Church Without Walls

Pastors serving churches eligible for grants from The Duke Endowment, current divinity school students, and 2019 graduates of Duke Divinity School may attend at a discounted rate.

The Convocation & Pastors’ School Board of Managers is comprised of representatives from the North Carolina and Western North Carolina Conferences, and it advises and works with Duke Divinity School to offer a quality continuing education event annually. The Board of Managers meet every year in March and participate each October with a range of responsibilities from welcoming and guiding participants to leading in worship.

Additional information about Convocation & Pastors’ School is available online at <http://www.divinity.duke.edu/cps>.

The North Carolina Conference representatives on the Board of Managers are:

Chris Brady	2020
Amie Stewart	2020
Kelly Lyn Logue	2021
Donna Thompson	2021
Vermel Taylor	2022

Laura Stern	2022
Trish Archer	2023
Tim Reaves	2023

—*Rev. Laura Johnson*

*NCC Conference*

*Chair, 2018-2019 Convocation & Pastors' School Board of Managers*

## Partners in Caring, NC Conference

### About Partners in Caring

If you are a member of Partners in Caring you know that upon the death of one of you in Partners in Caring, a notice will be sent to all the other members of Partners who then all contribute \$20. Then a bereavement gift of \$7,000 will be sent to a beneficiary that you have designated.

This is not a life insurance policy. But it's an act of compassion. We are members of this conference and not of our assigned churches. This is our congregation. And this is a significant way we care for one another (and something that is relatively unique to our conference).

As always, we are grateful to God for the faithfulness of our members, the wise management of our Board of Trustees, and our partners at The United Methodist Foundation.

### Memorial of Henry Lovelace

On March 10th, our longtime Secretary and Treasurer, beloved Henry Lovelace, joined the saints of God. Henry faithfully served our organization for many, many years along with the enormous help of his wife Ann. We seek to honor his memory by carrying on the compassionate work of Partners that he loved so much. He always handled the organization's business with integrity and compassion.

### Business Matters

Together with Christine Dodson, Jennifer Walls, and Bethany Reeves (of the conference treasurer's office) a transition has been accomplished that gives us the ability to process electronic transactions (in addition to traditional checks) and send notices to your conference email address. We are very pleased to report that this transition has been completed.

The members of the Board of Partners in Caring are:

Conference 2017 to Conference 2020: Donna Banks, Charles Michael Smith, David Beck

Conference 2018 to Conference 2021: Gayla Collins, Dennis Adams, Duke Lackey

Conference 2019 to Conference 2022: Bryan Faggart, Bill Braswell, Bill Haddock

Officers: Taylor Mills as President, Charles Michael Smith as Vice President, and Secretary/  
Treasurer Gary Allen.

**Membership in PIC is open to all pastors under an appointment under the age of 60. The initial enrollment fee is \$20. Go right now to [nccpartners.org/join](http://nccpartners.org/join) or email Gary Allred at [gallred@nccumc.org](mailto:gallred@nccumc.org) and tell him you'd like to join.**

## Pension, Board of

### Report A – General Information

I. We recommend special appropriations for the following persons in the indicated amounts:

A. To be paid by Wespath Benefits and Investments (“Wespath”):

**Ministers:** None

**Surviving Spouses:**

1. Doris Dellinger Reynolds, build up to 20% of the denominational average compensation for 1982 with 2% annual increase.
2. Gloria Clarisa Reinoso, an amount equal to \$643.50 per month as a missional special grant.

B. To be paid from the Pension support Fund:

**Surviving Spouses:**

1. Charlotte Calloway Dingus, total annual benefit \$385, paid in 12 monthly payments.
2. Mary Frances Ham Evans, total annual benefit of \$3,240, paid in 12 monthly payments, plus premiums for group health insurance.
3. Sarah O. Meadows, \$150 per month toward health insurance premiums.
4. Nancy Terry Traynham, \$150 per month toward health insurance premiums.
5. Ruby A. Phillips, \$150 per month toward health insurance premiums.

II. Ministers retiring this year (Years of Service listed are according to service history as found in Wespath Benefits and Investments and NC Conference records):

A. Par. 357.1 (Mandatory Retirement – Age 72)

**GEORGE W. APPLEWHITE** (Age 72, 0.00 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 0.00 years of MPP credit, 0.00 years of 2007-2013 CRSP credit, 0.00 years of post-2013 CRSP credit)

**GORDON R. CAUGHILL** (Age 72, 0.00 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 0.00 years of MPP credit, 3.25 years of 2007-2013 CRSP credit, 0.00 years of post-2013 CRSP credit)

**JAMES G. FOLKS** (Age 72, 8.5 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 0.5 years of MPP credit, 4.75 years of 2007-2013 CRSP credit, 5.50 years of post-2013 CRSP credit)

**SAMUEL L. GRIST, III** (Age 72, 9.0 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 0.00 years of MPP credit, 5.75 years of 2007-2013 CRSP credit, 5.50 years of post-2013 CRSP credit)

**WILLIAM J. HART** (Age 72, 0.00 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 0.00 years of MPP credit, 0.00 years of 2007-2013 CRSP credit, 0.00 years of post-2013 CRSP credit)



**MARSHALL M. LOCKLEAR** (Age 72, 13.5 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 13.5 years of MPP credit, 1.75 years of 2007-2013 CRSP credit, 0.00 years of post-2013 CRSP credit)

**BRENDA MARLOWE** (Age 72, 0.00 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 0.00 years of MPP credit, 0.08 years of 2007-2013 CRSP credit, 0.00 years of post-2013 CRSP credit)

**SUE H. OWENS** (Age 72, 19.00 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 6.50 years of MPP credit, 7.00 years of 2007-2013 CRSP credit, 5.50 years of post-2013 CRSP credit)

**CAROLYN SCHULDT** (Age 72, 0.00 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 0.00 years of MPP credit, 0.00 years of 2007-2013 CRSP credit, 0.00 years of post-2013 CRSP credit)

**JERRY H. SHEFFIELD** (Age 72, 0.00 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 0.00 years of MPP credit, 1.25 years of 2007-2013 CRSP credit, 0.00 years of post-2013 CRSP credit)

**SAM SWINNEY** (Age 72, 0.00 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 0.00 years of MPP credit, 0.00 years of 2007-2013 CRSP credit, 0.00 years of post-2013 CRSP credit)

**LUCRETTA B. TONEY** (Age 72, 0.00 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 0.00 years of MPP credit, 0.00 years of 2007-2013 CRSP credit, 0.00 years of post-2013 CRSP credit)

**CARLA SCANLAN VIEREGG** (Age 72, 0.00 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 0.00 years of MPP credit, 0.00 years of 2007-2013 CRSP credit, 0.00 years of post-2013 CRSP credit)

B. Par. 357.2a (Early Retirement - 20 or more years under appointment)

NONE

C. Par. 357.2b (Retirement with Actuarially Reduced Benefits - Age 62 or 30 years under appointment)

**CYNTHIA K. LISTER** (Age 62, 17.50 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 5.00 years of MPP credit, 7.00 years of 2007-2013 CRSP credit, 5.50 years of post-2013 CRSP credit)

**MARY JANE WILSON-PARSONS** (Age 58, 33.0 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 7.5 years of MPP credit, 7.00 years of 2007-2013 CRSP credit, 5.50 years of post-2013 CRSP credit) [South Georgia 13.0]

D. Par. 357.2c (Regular Retirement – Age 65 or 40 years under appointment)

**R. MARTIN ARMSTRONG** (Age 66, 40.0 years under appointment toward retirement eligibility with 2.5 years of North Carolina Pre-82 credit, 25.0 years of MPP credit, 7.0 years of 2007-2013 CRSP credit, 5.50 years of post-2013 CRSP credit)

**RALPH A. BROWN** (Age 68, 39.0 years under appointment toward retirement eligibility with

1.5 years of North Carolina Pre-82 credit, 25.0 years of MPP credit, 7.0 years of 2007-2013 CRSP credit, 5.50 years of post-2013 CRSP credit)

**SIDNEY A. COLLINS** (Age 67, 20.0 years under appointment toward retirement eligibility with 0.0 years of North Carolina Pre-82 credit, 7.5 years of MPP credit, 7.0 years of 2007-2013 CRSP credit, 5.50 years of post-2013 CRSP credit)

**M. FRANCIS DANIEL** (Age 66, 40.75 years under appointment toward retirement eligibility with 3.25 years of North Carolina Pre-82 credit, 25.0 years of MPP credit, 7.0 years of 2007-2013 CRSP credit, 5.50 years of post-2013 CRSP credit)

**MICHAEL A. DAVIS** (Age 66, 43.0 years under appointment toward retirement eligibility with 5.5 years of North Carolina Pre-82 credit, 25.0 years of MPP credit, 7.0 years of 2007-2013 CRSP credit, 5.50 years of post-2013 CRSP credit)

**STEVEN N. FORMO** (Age 66, 29.0 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 14.5 years of MPP credit, 7.0 years of 2007-2013 CRSP credit, 5.50 years of post-2013 CRSP credit)

**CAROL W. GOEHRING** (Age 66, 41.0 years under appointment toward retirement eligibility with 3.5 years of North Carolina Pre-82 credit, 25.0 years of MPP credit, 7.0 years of 2007-2013 CRSP credit, 5.50 years of post-2013 CRSP credit)

**SUSAN P. GREENWOOD** (Age 65, 38.0 years under appointment toward retirement eligibility with 0.5 years of North Carolina Pre-82 credit, 25.0 years of MPP credit, 7.0 years of 2007-2013 CRSP credit, 5.50 years of post-2013 CRSP credit)

**RICHARD C. JACKSON** (Age 70, 29.0 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 16.25 years of MPP credit, 7.0 years of 2007-2013 CRSP credit, 5.50 years of post-2013 CRSP credit)

**KATHY N. KIRKPATRICK** (Age 69, 1.5 years under appointment toward retirement eligibility with 0.0 years of North Carolina Pre-82 credit, 0.0 years of MPP credit, 0.0 years of 2007-2013 CRSP credit, 0.0 years of post-2013 CRSP credit) [Texas 0.33 years]

**J. ROBERT KRETZU** (Age 66, 26.00 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 8.5 years of MPP credit, 7.00 years of 2007-2013 CRSP credit, 5.50 years of post-2013 CRSP credit) [Western NC 5.0 years]

**CAROLYN W. LUCAS** (Age 65, 19.0 years under appointment toward retirement eligibility with 0.0 years of North Carolina Pre-82 credit, 6.5 years of MPP credit, 7.0 years of 2007-2013 CRSP credit, 5.50 years of post-2013 CRSP credit)

**JAMES G. MENTZER** (Age 69, 23.0 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 10.5 years of MPP credit, 4.41 years of 2007-2013 CRSP credit, 0.00 years of post-2013 CRSP credit) [New England 8.0 years]

**JAMES T. WEAVER** (Age 67, 33.25 years under appointment toward retirement eligibility with 1.25 years of North Carolina Pre-82 credit, 19.5 years of MPP credit, 7.0 years of 2007-2013 CRSP credit, 5.50 years of post-2013 CRSP credit)

**DEBORAH S. WILKINS** (Age 67, 15.0 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 2.5 years of MPP credit, 7.0 years of 2007-

2013 CRSP credit, 5.50 years of post-2013 CRSP credit)

**E. Par 357.2d Ad Interim Retirement**

- a. Par. 357.2a (Early Retirement - 20 or more years under appointment)

**NONE**

- b. Par. **357.2b** (Retirement with Actuarially Reduced Benefits - Age 62 or 30 years under appointment)

**NANETTE C. DE ANDRADE** (Age 62, 20.75 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 0.00 years of MPP credit, 5.4 years of 2007-2013 CRSP credit, 4.9 years of post-2013 CRSP credit) [Tennessee 11 years] Effective October 6, 2018.

**TERESA M. RUTLEDGE** (Age 63, 1.5 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 1.5 years of MPP credit, 0.0 years of 2007-2013 CRSP credit, 0.00 years of post-2013 CRSP credit) Effective October 6, 2018.

- c. Par. **357.2c** (Regular Retirement – Age 65 or 40 years under appointment)

**JOYCE CARTER** (Age 69, 0.00 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 0.00 years of MPP credit, 0.00 years of 2007-2013 CRSP credit, 0.00 years post-2013 CRSP credit) Effective July 1, 2018.

**DAVID O. JENKINS** (Age 65, 35.5 years under appointment toward retirement eligibility with 1.5 North Carolina Pre-82 credit, 22.0 years of MPP credit, 0.00 years of 2007-2013 CRSP credit, 0.00 years of post-2013 CRSP credit). Effective September 1, 2018.

**EDITH D. JENKINS** (Age 69, 8.0 years under appointment toward retirement eligibility with 0.0 North Carolina Pre-82 credit, 8.0 years of MPP credit, 0.00 years of 2007-2013 CRSP credit, 0.00 years of post-2013 CRSP credit). Effective March 6, 2019.

**JAMES C. REED** (Age 66, 32.5 years under appointment toward retirement eligibility with 0.00 years of North Carolina Pre-82 credit, 20.5 years of MPP credit, 7.0 years of 2007-2013 CRSP credit, 5.00 years of post-2013 CRSP credit) Effective January 1, 2019.

**JOSEPHINE A. SUTTON** (Age 72, 4.5 years under appointment toward retirement eligibility with 0.00 North Carolina Pre-82 credit, 4.5 years of MPP credit, 2.38 years of 2007-2013 CRSP credit, 0.00 years of post-2013 CRSP credit). Effective February 1, 2019.

**PATRICIA HAWKINS WELLS** (Age 65, 18.0 years under appointment toward retirement eligibility with 0.00 North Carolina Pre-82 credit, 6.0 years of MPP credit, 4.50 years of 2007-2013 CRSP credit, 0.00 years of post-2013 CRSP credit). Effective January 1, 2019.

- III.** We recommend that the expense account of the Board of Pension and such independent consultation expense as necessary during 2019-2020 be paid from funds designated as Administrative Expense in the Board of Pension Budget.

**IV. Recommendations regarding service credit:**

**None**

## Report B – Recommendations for the Pension Program and Post-Retirement Benefits

### I. Funding Plan for Supplement One of the Clergy Retirement Security Program

- A. **Defined Plan Benefits:** Supplement One of the Clergy Retirement Security Program (Pre-82 Plan) provides defined benefit pension benefits to participating retired clergy for all service rendered to the North Carolina Conference through December 31, 1981. This plan will continue until all pastors with past service benefits and their surviving spouses are deceased and is administered by Wespath Benefits and Investments.
- B. **Current Past Service Rate:** For many years, *The Book of Discipline* has defined Pre-82 Plan defined benefits as a fixed payment per year of past service. This fixed payment is the Past Service Rate (PSR). The benefit goal is stated to be a PSR of 1% of the Conference Average Compensation (CAC). The **2019 CAC** for the North Carolina Conference is **\$75,044**. The 2019 PSR is **\$754** or **1%** of the CAC. Our Conference Board would like to maintain a PSR of at least 0.9% of CAC. North Carolina CAC has increased by an average of 1.42% per year over the past 10 years. We estimate future PSR increases to average approximately 2.5% each year.
- C. **Funded Status:** The Conference is required to fund all future benefits of the Pre-82 Plan by December 31, 2021. Funded Status (previously called unfunded liability) is the difference of the current assets held by Wespath for future benefits of North Carolina participants and the total present value of all future benefits to be paid under the plan at the approved PSR. Wespath values assets and liabilities of the plan every two years and projects data to current years based on the increase in PSR and investment earnings. For the **2019 Funding Plan**, Wespath and the Conference use an assumed earnings rate of 6.625%.

Wespath Benefits and Investments has determined that the portion of the pre-82 plan liability attributable to North Carolina Annual Conference is **\$36,966,488** with a 2.5% PSR increase assumption based on a **2019 PSR** of **\$754**. Plan funds currently held with Wespath Benefits and Investments have a value of **\$18,336,274** as of January 1, **2017** (for **2019** funding plan).

The difference between the total plan liability and current plan funding is **\$18,630,214**. This represents the unfunded plan liability and will be provided through apportionments and non-plan funds that are held in various investment sources. The Conference intends for contributions to be made within the 3-year period, ending December 31, 2021. The minimum annual contribution due December 31, **2019** is currently estimated to be **\$3,812,939**.

- D. **Funding Plan for 2019:** Our conference pays for plan benefits through several potential funding sources. Both the interest and principal of non-plan funds may be available for retirement funding needs. Below is a description of the non-plan assets available to pay the present value of future contributions. **Our Conference expects to utilize funding from previous annual apportionments from the local churches and earnings on those invested apportionment funds as the primary source for pre-82 pension funding.** This funding plan was originally approved by the 1991 Annual Conference with revisions approved by the 2013 Annual Conference.

The Conference maintains a General Deposit Account with Wespath Benefits and Investments that has a value of **\$12,028,109** as of January 1, **2019**. Both the interest and principal from this

account are available to meet future contribution requirements.

The Conference maintains and manages various liquid asset accounts that are available for Supplement One of the Clergy Retirement Security Program funding. The current values of these accounts are **\$2,021,626** as of January 1, 2019. Both the interest and principal from these sources are available to meet future contribution requirements.

The Superannuate Endowment fund has a value of **\$634,014** as of January 1, 2019. All of it is available except for the original balance of \$87,195.39, from which interest only is available.

The 2019 funding plan as of January 1, 2017 is summarized below:

Supplement One of the Clergy Retirement Security Program funding Liability:

Assuming a PSR Increase of 2.5% . . . . .	<b>\$36,966,488</b>
Current Plan Funding as of 1/1/17 . . . . .	<b>\$18,336,274</b>
Funded Status as of 1/1/17 . . . . .	<b>(\$18,630,214)</b>
Expected Funded Status as of 1/1/19 . . . . .	<b>(\$14,036,418)</b>

Additional Plan Assets:

General Deposit Account (Wespath) . . . . .	<b>\$12,028,109</b>
Conference Managed Liquid Asset Accounts . . . . .	<b>\$2,021,626</b>
Conference Superannuate Endowment Fund (Wespath) . . . . .	<b>\$634,014</b>
Total Additional Plan Assets . . . . .	<b>\$14,683,749</b>

Proposed Past Service Rate: The 2020 CAC for the North Carolina Conference is **\$76,180**. We propose that the past service rate beginning January 1, 2020 be increased to **\$773** per service year, or **1%** of the CAC. Assuming 2.5% future PSR increases and 6.625% investment earnings, this increase creates an unfunded liability of **\$15,128,662**. The minimum annual contribution due December 31, 2020 is currently estimated to be **\$3,447,393**.

## II. Ministerial Pension Plan (MPP) (effective through December 31, 2006)

Guidelines for the Ministerial Pension Plan and the Comprehensive Protection Plan are contained in the plan document. A copy of the summary plan document is available on request by contacting pension services in the treasurer's office.

- A. Service on and after January 1, 1982 through December 31, 2006 was funded on a defined contribution basis. This plan is basically deferred salary, and creates no unfunded liability because it builds an account of funds for a specific minister as his/her salary is paid.
- B. These contributions were placed in the individual minister's Church Account to be available for benefits when the minister becomes eligible for payment in the retired relationship.
- C. Each minister who is eligible for benefits will be required to designate beneficiaries for the benefits he/she is qualified to receive.

## III. Clergy Retirement Security Program (CRSP) (Effective January 1, 2007)

Guidelines for the Clergy Retirement Security Program and the Comprehensive Protection Plan are contained in the plan document. A copy of the summary plan document is available on request by contacting pension services in the Treasurer's Office. Service on and after January 1, 2007 will be funded on a combined defined contribution/defined benefit basis.

- A. Defined Benefit (Effective January 1, 2007 – December 31, 2013)
  - 1. The Defined Benefit will be 1.25% of the Denominational Average Compensation (DAC) according to the plan document.
  - 2. The Defined Benefit portion will be funded based on a percentage of Plan Compensation calculated on a yearly basis using up to the normal cost rate provided by Wespath Benefits and Investments factoring in the annual interest rate. The current assumed interest rate is 7.0%. The funding percentage rate through 2013 is 10.4% of Plan Compensation.
- B. Defined Benefit (Effective January 1, 2014)
  - 1. The Defined Benefit will be 1.0% of the Denominational Average Compensation (DAC) according to the plan document.
  - 2. The Defined Benefit portion will be funded based on a percentage of Plan Compensation calculated on a yearly basis using up to the normal cost rate provided by Wespath Benefits and Investments factoring in the annual interest rate. The current assumed interest rate is 7.0%. The funding percentage rate from 2014 through 2017 is 8.8% of Plan Compensation.
- C. Defined Benefit (Effective January 1, 2018)
  - 1. The Defined Benefit will be 1.0% of the Denominational Average Compensation (DAC) according to the plan document.
  - 2. The Defined Benefit portion will be funded based on a percentage of Plan Compensation calculated on a yearly basis using up to the normal cost rate provided by Wespath Benefits and Investments factoring in the annual interest rate. The current assumed interest rate is 7.0%. The funding percentage rate effective January 1, 2018 is 8.1% of Plan Compensation.
- D. Defined Benefit (Effective January 1, 2020)
  - 1. The Defined Benefit will be 1.0% of the Denominational Average Compensation (DAC) according to the plan document.
  - 2. The Defined Benefit portion will be funded based on a percentage of Plan Compensation calculated on a yearly basis using up to the normal cost rate provided by Wespath Benefits and Investments factoring in the annual interest rate. The current assumed interest rate is 7.0%. The funding percentage rate effective January 1, 2020 is 7.8% of Plan Compensation.
- E. Defined Contribution
  - 1. Benefits will be provided based on the participant's account balance at their actual retirement date.
  - 2. The Defined Contribution portion funding is based on three percent (3%) of Plan Compensation.
  - 3. Of the 3% funding, a 2% non-matching contribution will be made to the participant's Defined Contribution account with 1% matching if the participant makes a contribution of at least 1% to their United Methodist Personal Investment Plan (UMPIP) account.

4. Any funds remaining from a pastor's non-participation in the matching component will be redirected to fund the liabilities of other components of the pension plan.
- F. Plan Compensation is calculated by Wespeth according to the plan document:
1. Vouchered travel and utilities paid directly to utility companies are not used in Plan Compensation calculations since this is considered by Wespeth Benefits and Investments to be a local church expense.
  2. Clergy couples housing:
    - a. When only one of the spouses is furnished a parsonage, the one furnished the parsonage includes the housing allowance.
    - b. When one spouse is furnished the parsonage and the other a cash allowance, the one furnished the parsonage will use the 25% housing allowance and the other will report the actual cash housing paid.
    - c. When two parsonages are furnished each spouse claims a housing allowance.
    - d. When neither is furnished a parsonage, the actual cash housing allowance may be counted by the person/or persons receiving the allowance.
  3. In accordance with the plan document, the housing allowance for those furnished housing is 25% times the cash salary.
  4. Those furnished a cash housing allowance will report the actual amount in accordance with the plan document.
- G. The Clergy Retirement Security Program contribution from the local church is to be paid monthly by the Church or Charge Treasurer to the Conference Treasurer's Office.
- H. The Defined Contribution portions are placed in the individual minister's Church Account to be available for benefits when the minister becomes eligible for payment in the retired relationship.
- I. Each minister who is eligible for benefits will be required to designate beneficiaries for the benefits he/she is qualified to receive.

#### **IV. Comprehensive Protection Plan (CPP)**

1. This part of the program contains provisions for a death benefit and disability income. In addition to the provisions of a death benefit for the pastor, there is a death benefit on the life of the spouse and dependent children under age 18 or who are dependent because of disability. The Comprehensive Protection Plan also includes educational benefits for the children of a deceased minister. This part of the plan is only available to those ministers covered under the CPP.
2. Effective January 1, 2002, the disability benefit equals 70% of plan compensation, with plan compensation capped at 200% of the DAC. (The DAC for **2019** is **\$71,361** and for **2020** is **\$72,648**) The disability benefit is reduced by any disability benefits payable under the Social Security Act. This revised benefit applies only to eligible clergy whose disability effective date, as determined by Wespeth Benefits and Investments, is on or after January 1, 2002.
3. The Comprehensive Protection Plan contribution from the local church is to be paid monthly by the Church or Charge Treasurer to the Conference Treasurer's Office. (Effective November

1, 2004)

4. For eligible active participants, the death benefit payable upon the death of the clergy person is \$50,000. The death benefit payable upon the death of a spouse of an active participant is \$14,272.20 for 2019 and **\$14,529.60 for 2020**. This is 20% of the DAC. The death benefit payable upon the death of a surviving spouse of a deceased active participant is \$10,704.15 for 2019 and **\$10,897.20 for 2020**. This is 15% of the DAC.

A. Death Benefits in retirement prior to January 1, 2013

1. For participants who retire prior to January 1, 2013, the death benefit payable upon the death of the clergy person is \$21,408.30 for 2019 and **\$21,794.40 for 2020**. This is 30% of the DAC. The death benefit payable upon the death of a spouse of a retired participant is \$14,272.20 for 2019 and **\$14,529.60 for 2020**. This is 20% of the DAC. The death benefit payable upon the death of a surviving spouse of a deceased retired participant is \$10,704.15 for 2019 and **\$10,897.20 for 2020**. This is 15% of the DAC.

B. Death Benefits in retirement after January 1, 2013

1. For participants who retire after January 1, 2013, death benefits payable upon the death of the clergy person will be fixed at \$20,400. The death benefit payable upon the death of a spouse of a retired participant will be fixed at \$15,300. The death benefit payable upon the death of a surviving spouse of a deceased retired participant will be fixed at \$10,200.

C. Effective January 1, 2007, the cost of the Comprehensive Protection Plan (CPP) will be funded by billing up to the calculated percentage to fund the CPP each year using the rate required by Wespath Benefits and Investments. For **2019**, the cost is a total of 3% of the actual Plan Compensation up to 200% of the Denominational Average Compensation (DAC). The pastor shall be required to pay 1% of Plan Compensation (up to 1% of 200% of DAC) on an after tax basis and the church or charge shall pay 2% of the Plan Compensation (up to 2% of 200% of DAC). ¶1506.15 in The Book of Discipline 2014.

D. Per action by Wespath Benefits and Investments the CPP premiums will be redirected to fund the liabilities of other components of the pension plan for 2018 through 2019.

**V. Ministers' Transition Fund (MTF)**

- A. The Ministers' Transition Fund of the North Carolina Conference of The United Methodist Church (the "Fund") was established effective November 20, 1937, to assist the minister to more easily make the transition from the active relationship, in which a furnished parsonage was usually provided, to the retired relationship in which the minister provided his or her own housing. The Fund was established over the years by apportionments to each local church in the conference budget and by assessments to each minister who had membership in the Fund. The Fund was intended to be a church plan within the meaning of section 414(e) of the Internal Revenue Code of 1986 as amended (the "Code"), which has not made the election under section 410(d) of the Code, and also intended to meet the requirements of a retirement income account under section 403(b)(9) of the Code. Current evaluations of the Fund determined that although a plan of this design could not be implemented under current Code, the Fund was grandfathered in under regulations in place over time and is compliant under those sections of the Code.



The Board of Pension (BOP) reviewed the current design of the Fund to evaluate if the current plan design is as beneficial as possible to plan participants, considering plan designs available under current Code provisions. That review included legal review of the current plan, consultation with benefit plan legal counsel, and discussions with retirement plan providers on plan designs allowed under current regulations. Careful review and consideration of plan design, asset levels, asset classifications, and current retirement benefit options led the Board of Pension to make recommendations to change the Fund for approval of the 2019 session of the North Carolina Annual Conference. The recommendations are as follows:

1. Freeze the current plan as of the end of the current Fund plan year (January 31, 2020).
2. Begin a new plan with redesigned options effectively immediately after the current Plan is frozen, named the Transition Fund.
3. Set the next plan year to end on December 31, 2020, to adopt a calendar plan year for the Fund. Plan years will be on a calendar-year basis for 2020 and beyond.
4. Coordinate the custody of the participant balances within the Fund with participant accounts held by Wespath Benefits and Investments (Wespath) in the United Methodist Personal Investment Plan (UMPIP).
5. Change the plan such that participant accounts hold participant balances. To do so, determine participant dividend balances as of January 31, 2020, and transfer those balances to participant UMPIP accounts indicating the amount of personal contributions for tax purposes.
6. For participants who have not yet accumulated dividends, transfer the amount of personal contributions to the participant's UMPIP account.
7. The BOP will continue to hold the plan assets that are not participant balances and will invest these funds in accordance with The Book of Discipline and an approved Investment Policy Statement. A legal trust document will be developed and adopted by the Board of Pension to protect the interest of beneficiaries. Plan assets will be subject to this trust agreement.
8. The BOP will determine annually a distribution of the plan assets at the current recommended endowment spending rate in consultation with Wespath and other foundation best practices for prevailing economic conditions. Dividends will be paid out of the annual distribution after Fund expenses are paid and will be distributed to participants eligible for a dividend based on current year personal contributions and eligible years in the Fund.
9. Participant contributions will be set at 1% of plan compensation as determined for other United Methodist clergy pension plans. Participant contributions will be billed monthly to the employer and withheld by the employer from the participant's salary for participants under the Conference's plan sponsorship of the UMPIP. Contributions can be before-tax, after-tax, or Roth contributions at the election of the plan participant. Initial elections will be made during charge conference season at the same time other pension elections are made by participants and can be changed by the participant mid-year.
10. Extension ministers and ministers on leave who are eligible to participate may have other

billing arrangements established prior to plan implementation. There may be a need to establish withholding and billing agreements with the employers of extension ministers.

11. Earnings on dividends and personal contributions made to participant balances in the Fund will accrue to the participant's UMPIP balance and will be subject to the same allocation and plan provisions in place for other funds invested in participant accounts in the UMPIP.
12. Access to UMPIP accounts will be governed by the same provisions for all other participant balances within the UMPIP (e.g., retirement distribution, hardship loan or withdrawal provisions, investment allocation, etc.).
13. Participants will be eligible for dividends in the year following the tenth year of full personal contributions to the Fund (the same as is currently required).
14. The irrevocable election for withdrawal at age 59 ½ will no longer be available and normal plan provisions for distributions from the UMPIP will apply.
15. The base benefit will be discontinued for future years. Accrued base benefits will be paid with participant dividend and personal contributions in the initial participant balance transfer to UMPIP accounts.
16. Participation in the Fund will continue to be voluntary and will be open to part-time (half-time) up to full-time clergy appointed in the NC Conference as well as lay staff participating in the UMPIP sponsored by the NC Conference.

In order to enact these plan recommendations, the BOP will work with legal counsel to develop the official plan document and investment policy statement for adoption by the BOP. The plan documents will be sent to plan participants and will be posted to the Pension website on the NC Conference website. The NC Conference will implement a transition plan with Wespath beginning August 1, 2019, to allow for a February 1, 2020, revised plan effective date. Any Fund provisions or design options that must be considered during implementation of the transition plan will be reviewed and decided by the BOP. All assets currently held within the Fund will be transferred to the new Fund and will be used only for purposes of the Fund.

The Board of Pension recommends these changes as a way to provide for a Fund in accordance with current Code that will allow for greater flexibility and control for plan participants, dividend balances that follow prevailing market conditions accruing earnings to plan participant balances, better alignment with other pension plans made available to NC Conference clergy, and simpler administration of plan provisions. The Board of Pension is excited to recommend these plan design changes as a more current and better plan design for Fund participants.

## VI. Implementation of the Program

The benefit program adopted by your Conference Board of Pension seeks to provide a wider range of support for the minister's family through death benefits for every member of the family, disability income for the minister in time of great stress, educational benefits for children of deceased ministers, minimum annuity benefits for surviving spouses, and clergy benefits based on the Denominational Average Compensation (DAC).

- A. Costs of the Clergy Retirement Security Program/Comprehensive Protection Plan will

be borne by the local charge as an item of ministerial support according to the Plan Compensation of the minister and the category of the charge.

1. Effective January 1, 2020

FULL TIME (100% Appointment Time Conference Member/Local Pastor) – 2% of Plan Compensation for CPP (up to 2% of 200% of the DAC) and 7.8% of Plan Compensation for CRSP – Defined Benefit portion and 3% of Plan Compensation for CRSP - Defined Contribution portion. Of the 3% CRSP-Defined Contribution funding, a 2% non-matching contribution will be made to the participant's UMPIP account with 1% matching if the participant makes a contribution of at least 1% to their UMPIP account. Any funds remaining from a pastor's non-participation in the matching component will be redirected to fund the liabilities of other components of the pension plan.

THREE-QUARTERS (75% Appointment Time Conference Member/Local Pastor) – 2% of Plan Compensation for CPP (up to 2% of 200% of the DAC) and 11.5% of Plan Compensation for United Methodist Personal Investment Plan (UMPIP). Of the 11.5% funding, a 10.5% non-matching contribution will be made to the participant's UMPIP account with 1% matching if the participant makes a contribution of at least 1% to their UMPIP account. Any funds remaining from a pastor's non-participation in the matching component will be redirected to fund the liabilities of other components of the pension plan.

HALF & QUARTER TIME (50% & 25% Appointment Time Conference Member/Local Pastor/Student Pastor) – 11.5% of Plan Compensation for United Methodist Personal Investment Plan (UMPIP). Of the 11.5% funding, a 10.5% non-matching contribution will be made to the participant's UMPIP account with 1% matching if the participant makes a contribution of at least 1% to their UMPIP account. Any funds remaining from a pastor's non-participation in the matching component will be redirected to fund the liabilities of other components of the pension plan.

INTERIM OR RETIRED SUPPLY no pension responsibility

- B. Effective January 1, 2007 Deacons and Probationary Deacons serving in Episcopal appointments to a local church or other entity that falls under the pension plan sponsorship of the Conference shall be enrolled in the plans according to the plan document.
- C. The pastor will make regular monthly payments to the Conference Treasurer's Office through the local church treasurer for his/her 1% of Plan Compensation (up to 1% of 200% of the DAC) on an after tax basis for CPP.
- D. It is recommended that the pastor make regular monthly payments through the local church treasurer for his/her personal tax paid or tax deferred contributions to the UMPIP of at least 5%.

## VII. Policies Related to Life and Health Insurance

- A. The 2019 budget is the last year planned to receive apportionments to support retiree health and life insurance. As such, the Conference Claimants – Retiree Health budget line will be removed from the 2020 annual conference budget. By the end of 2019, the expected postretirement benefit obligation (EPBO) per the actuarial report is anticipated to be fully funded.

## B. Eligibility Policies

1. Clergy persons who retire from the North Carolina Annual Conference with twenty or more full time years of earned pension credit in the North Carolina Annual Conference may receive life and health insurance benefits when the clergy person attains age 62 and receives pension benefits or retires with thirty (30) years of service and receives pension benefits provided at least twenty (20) of the thirty years of pension credit is in the North Carolina Annual Conference. The North Carolina pension credit record used to determine insurance funding for retiring Deacons in Full Connection shall consist of eligible North Carolina earned pension credit years in both the lay and clergy pension plans.
2. Effective July 1, 2007, clergy persons who retire at age 59 ½ with 20 or more years may remain on the Conference insurance plan, provided written notification of this intent is provided to the Conference Benefits Manager. The clergy person will be responsible for 100% of the applicable monthly premium until the attainment of age 62. At the attainment of age 62, the monthly premium will be adjusted according to the retirement rules in place at the time of retirement. Monthly premiums will then be calculated at the applicable percentages as defined in Report B Section VII C and D.
3. All retired clergy, spouses and surviving dependents must enroll in Medicare part A and part B when first eligible.
4. Effective August 1, 1992, Pastors who discontinued ¶314.1, or Provisional Members ¶327.6, as well as Conference Members who are retired involuntarily, ¶357 who are granted Honorable Location, ¶358; who withdraw to unite with another denomination, ¶360.1; who surrender the ordained ministerial office ¶360.2; who withdraw under complaints or charges, ¶360.3; and Conference Members who are placed on Administrative Location, ¶359 are ineligible to receive retirement health or life insurance benefits when payments from Wespath Benefits and Investments begin. [Paragraphs noted are from The Book of Discipline, 2016]

## C. Retirement after July 1, 2009

(Eligibility policies can be found in Report B, Section VI B.)

Clergy under appointment as of June 30, 2009

1. Post retirement insurance plan eligibility for clergy who are licensed, commissioned, or ordained under NC Episcopal appointment to a NC Conference responsible appointment (i.e., eligible for enrollment in the Conference Insurance Plan) as of June 30, 2009 will be determined using years of NC pension credit/pension eligibility accrued through June 30, 2009. Effective July 1, 2009, accrual of future year's credit toward post retirement benefits will be determined by months of enrollment in the Conference insurance plan.
2. Clergy with less than 180 months in the plan (over the course of career) will have access to the NC Conference Insurance Plan and contribute the full cost of the applicable coverage of the plan as shown below.
3. The retiree may only cover dependents that are covered on the last day of enrollment.
4. Funding will be based on the chart printed below:

<b>Years of NC Pension Credit/ Years in NC Insurance Plan</b>	<b>Individual Contribution</b>	<b>Board of Pension's Contribution</b>
1-14	100%	0%
15-19	60%	40%
20-24	50%	50%
25-29	40%	60%
30-34	30%	70%
35-39	20%	80%
40 or more	10%	90%

D. Newly appointed Clergy (licensed, commissioned or ordained receiving first time appointment) effective July 1, 2009

(Subject to plan changes effective 1/1/2014, section VI.H)

1. Post retirement insurance plan eligibility for clergy newly licensed, commissioned or ordained effective July 1, 2009, under Episcopal appointment to a NC Conference responsible appointment (i.e. eligible for enrollment in the Conference Insurance plan) will be based on total months enrolled in the Conference Insurance Plan with a minimum of 180 months total enrollment
2. Participants who do not meet the 180 months minimum will have access to the plan with no funding from the Conference Board of Pension as shown below. The participant will be responsible for 100% of the applicable premiums.
3. Credited enrollment in the insurance plan, once earned, will not be reduced or terminated due to breaks in enrollment.
4. Funding will be based on the following:

<b>Years in NC Insurance Plan</b>	<b>Individual Contribution</b>	<b>Board of Pension's Contribution</b>
1-14	100%	0%
15-19	60%	40%
20-24	50%	50%
25-29	40%	60%
30-34	30%	70%
35-39	20%	80%
40 or more	10%	90%

E. Effective January 1, 2014 retirees and covered spouses age 65 or older will be required to obtain their Medicare secondary coverage through the open market with the help of a Conference designated vendor. Funding for the purchase of coverage will be established through the use of a Health Reimbursement Account (HRA) based on the applicable retirement rules listed above. Retiring clergy and spouses under age 65 will remain in the Conference active plan until their attainment of the Medicare eligibility age or their request to be removed from coverage. The recommended maximum HRA amount for 2020 is \$3,826 with a 3% future increase assumption.

- F. Life Insurance - A clergy person must have been covered under the conference active life insurance plan in order to retain life insurance benefits after retirement. The Board of Pension does not provide life insurance for dependents of retired clergy.
- G. Clergy Couples Insurance
1. When one member of a clergy couple retires, medical and life insurance will be paid for the retiree according to the schedules and rules previously listed.
  2. Funding of health insurance will be provided for the spouse of the retired clergy partner according to the rules and schedules previously listed.
  3. Each member of a clergy couple would receive credit for the years they were covered under the plan.
- H. Surviving Spouses

Surviving spouses of active participants:

1. Must be enrolled in the health insurance plan at the time of the participant's death in order to receive health insurance benefits under the current health insurance plan.
2. The Conference Board of Pension will pay the health insurance premiums for surviving spouses and eligible dependents for up to six months following the death of the active clergy person.
3. Premiums thereafter will be determined by the retirement rules in place on the date of death.
4. When surviving spouses are employed and provided health insurance by their employer, the plan of the Board of Pension will be the secondary carrier.
5. If the surviving spouse remarries, the conference health insurance will terminate. Future benefits under the conference health insurance plan are waived.

Surviving spouses of retired participants:

1. Surviving spouses of retired clergy must be enrolled in the conference HRA plan at the time of the retired clergy's death in order to receive health insurance funding under the current conference HRA plan.
2. Surviving spouses currently enrolled who married the clergy person after the clergy person's retirement, can receive funding for Conference sponsored health benefits. The Board of Pension will grant a flat rate of \$150 monthly towards the funding of the Health Reimbursement Account (HRA) for the surviving spouse.
3. Surviving spouses of retired clergy who married the clergy person prior to the clergy person's retirement are subject to the funding schedule applicable prior to the death of the clergy person.
4. Retired clergy persons may not add new dependents to the health insurance funding plan.

## VIII. Intent

The North Carolina Annual Conference established health, dental, and life insurance plans with the intent of providing coverage for the active pastors. However, the Annual Conference reserves

the right to terminate the health, dental, and life contracts, in whole or in part, at any time. The Annual Conference, at any time or from time to time, may amend any or all of the provisions of the health or life plans without the consent of the individual participants.

#### IX. Special Provisions

The North Carolina Annual Conference Board of Pension is hereby authorized, at its discretion, to arrange with Wespath Benefits and Investments for active participation in the CRSP and/or CPP by persons who are eligible under special rules but not automatically included as active participants. (CRSP Plan Document Section B3 and CPP Plan Document Section 3.)

#### X. Conclusion

Our constant aim is to provide our retired families with their needs for an adequate income to purchase essentials for living as well as to insure adequate care in case of illness. To these ends our recommendations are directed, and their satisfaction is found in the acceptance of the North Carolina Conference and its membership.

## Report C – Housing Exclusion Allowance (For Income Tax Purposes Only)

### Resolutions Relating to Rental/Housing Allowances for Retired, Disabled, or Former Clergypersons of the North Carolina Conference

The North Carolina Conference (the “Conference”) adopts the following resolutions relating to rental/housing allowances for active, retired, terminated or disabled clergypersons of the Conference:

**WHEREAS**, the religious denomination known as The United Methodist Church (the “Church”), of which this Conference is a part, has in the past functioned and continues to function through ministers of the gospel (within the meaning of Internal Revenue Code section 107) who were or are duly ordained, commissioned, or licensed ministers of the Church (“Clergypersons”);

**WHEREAS**, the practice of the Church and of this Conference was and is to provide active Clergypersons with a parsonage or a rental/housing allowance as part of their gross compensation;

**WHEREAS**, pensions or other amounts paid to active, retired, terminated and disabled Clergypersons are considered to be deferred compensation and are paid to active, retired, terminated and disabled Clergypersons in consideration of previous active service; and

**WHEREAS**, the Internal Revenue Service has recognized the Conference (or its predecessors) as an appropriate organization to designate a rental/housing allowance for Clergypersons who are or were members of this Conference and are eligible to receive such deferred compensation;

#### **NOW, THEREFORE, BE IT RESOLVED:**

1. THAT an amount equal to 100% of the pension, severance or disability payments received from plans authorized under The Book of Discipline of The United Methodist Church (the “Discipline”), which includes all such payments from Wespath Benefits and Investments (“Wespath”), any amounts received from the Minister’s Transition Fund (MTF) and including amounts received in this respect from the Duke Endowment, during the year **2019** and **2020** by each active, retired, terminated or disabled Clergyperson who is or was a member of the Conference, or its predecessors, be and hereby is designated as a rental/housing allowance for each such Clergyperson; and

2. THAT the pension, severance or disability payments to which this rental/housing allowance designation applies will be any pension, severance or disability payments from plans, annuities, or funds authorized under the Discipline, including such payments from Wespath and from a commercial annuity company that provides an annuity arising from benefits accrued under a Wespath plan, annuity, or fund authorized under the Discipline, that result from any service a Clergy person rendered to this Conference or that an active, a retired, a terminated or a disabled Clergy person of this Conference rendered to any local church, annual conference of the Church, general agency of the Church, other institution of the Church, former denomination that is now a part of the Church, or any other employer that employed the Clergy person to perform services related to the ministry of the Church, or its predecessors, and that elected to make contributions to, or accrue a benefit under, such a plan, annuity, or fund for such an active, a retired, a terminated or a disabled Clergy person's pension, severance, or disability plan benefit as part of his or her gross compensation.

NOTE: The rental/housing allowance that may be excluded from a Clergy person's gross income in any year for federal (and, in most cases, state) income tax purposes is limited under Internal Revenue Code section 107(2) and regulations thereunder to the least of: (1) the amount of the rental/housing allowance designated by the Clergy person's employer or other appropriate body of the Church (such as this Conference in the foregoing resolutions) for such year; (2) the amount actually expended by the Clergy person to rent or provide a home in such year; or (3) the fair rental value of the home, including furnishings and appurtenances (such as a garage), plus the cost of utilities in such year. Each clergy person or former clergy person is urged to consult with his or her own tax advisor to determine what deferred compensation is eligible to be claimed as a housing allowance exclusion.

Please Note: There is no place on your 1040 Tax Form to list this Housing Exclusion. Wespath Benefits and Investments has provided a sample statement to be used: "I received \$\_\_\_\_\_ from Wespath Benefits and Investments, Incorporated in Missouri; and/or from a commercial annuity company that provides an annuity arising from benefits accrued under a Wespath plan, annuity, or fund authorized under the Discipline and \$\_\_\_\_\_ from the Duke Endowment and \$\_\_\_\_\_ from the Ministers' Transition Fund (total \$\_\_\_\_\_) as reported on the attached 1099 - R's. I did not include that amount on Line 16b because \$\_\_\_\_\_ \* has been excluded under provisions of IRC Section 107 of the Internal Revenue Code as a rental allowance exclusion. As a retired clergy person, I am entitled to take this rental allowance exclusion." (\*In this blank put the least of the 3 amounts on your Housing Exclusion Worksheet.)

Attach this note to your 1099-R forms.

—Dennis Goodwin, Chairperson

## Residency in Ordained Ministry RIOM Relations Team

The NC Conference considers the Residency in Ordained Ministry (RIOM) a time of nurturing residents as they continue to move from readiness to fruitfulness. The church has publicly acknowledged God's call and the response, talents, gifts, and training of residents. Now as Provisional Deacons and Elders, it is a privilege to continue to support and encourage them, as well as:



Ground them in their baptismal identity and a rule of life to sustain them for a lifetime of joyful service in the UMC.

Connect them to one another, the Board of Ordained Ministry, conference leaders and peers, laity, members of their churches and local communities, and their local contexts.

Equip them through ministry reflection, self-awareness, and practical appreciative leadership tools.

Our overall curriculum utilizes authors, bloggers, video vignettes, and visits and readings from UMC pastors—all speaking to ministry tools and practices to sustain residents in their work and deepen their journey from readiness to fruitfulness.

Reflection—communally and individually, is key. Each resident becomes part of a monthly covenant community of practice for accountability, support, and peer learning so they may practice articulating integration of the academy and the practice of ministry. Participants are considered a collaborator in the learning process and are asked to take responsibility for their own growth in ministry. Each group is led by ordained clergy from our conference who have received training in communities of practice facilitation. Each resident is also given an individual RIOM coach to journey with them as a confidential theological thinking partner to help connect and integrate monthly meetings and topics, large group gatherings, and work in their local context.

The RIOM Relations team (Tyler Williams, Kelly Lyn Logue, Rhonda Parker, Ben Alexander, Trip Lowery, Amie Stewart, and Susan Graebe) is grateful to everyone who contributed to a wonderful year, especially our coaches and our Covenant Group Leaders: Mark Woods, Rich Greenway, Hannah McManus, Claire Clyburn, Kris Williams, Laura Wittman, Larry Bowden, Bryan Faggart, Elizabeth Polk, and Adam Seate.

—*Rev. David Brownlee, Chairperson*

## Resolutions, 2019

### INTRODUCTION

Every year, members of the North Carolina Annual Conference meet to fellowship and address the business of the Conference. Part of that business takes the form of considering resolutions. Resolutions deal with issues affecting the lives of members of the Conference, but also the lives of our neighbors. They also can consider the issues that relate to the global United Methodist Church. By passing a resolution, we are able to communicate to the media, elected leaders, and the General Conference the will of the majority of delegates from the churches of the North Carolina Annual Conference.

Resolutions give the Annual Conference members a chance to grow in awareness of important issues and to wrestle theologically with each other and God in a spirit of love and trust. When developing and considering resolutions, the Annual Conference expects to encounter God through the means of grace that is Holy Conferencing and claim the chance to work ever towards doing God's will on earth as it is in Heaven.

### 1 – ENERGY EFFICIENCY IN CHURCHES

**Whereas,** The United Methodist Church affirms the significance of care for our environment:

“We will be models for energy conservation. United Methodists, including churches, annual

conferences, general boards and agencies will model energy conservation by doing such things as: installing dampers in furnaces, insulating adequately all church properties, heating and lighting only rooms that are in use, using air circulation, purchasing energy-efficient appliances, and exploring alternative energy sources such as solar energy.” (*The Book of Resolutions* [2016] #1001.2);

and

**Whereas**, the Lord addresses his people in Numbers 35:34 (NRSV): “You shall not defile the land in which you live, in the midst of which I dwell, for I the LORD dwell in the midst of the people of Israel”; and

**Whereas**, many church buildings still run on less-efficient energy technologies and consume large amounts of energy throughout the week, even though they are not always in operation full-time; and

**Whereas**, “The earth is the LORD’s and the fullness thereof, the world and they that dwell therein” (Psalm 24:1 KJV), and we are therefore responsible for its care and protection; and

**Whereas**, many energy companies offer free, comprehensive energy audits that would allow churches to see more clearly if and when energy is being misused or misdirected in their operations; and

**Whereas**, churches that are more energy-efficient will also be more economically sufficient in the long run, and will save the church as a whole money on a year-to-year basis (Herro, 2017); and

**Now, therefore be it resolved**, we, the North Carolina Conference of The United Methodist Church, echo the Annual Conference Session of The United Methodist Church Youth, and encourage churches to put into place long-term plans to make their facilities more energy-efficient;

**Be it further resolved**, churches are encouraged to replace their lighting with LED fixtures to act with respect and care towards our environment; and

**Be it further resolved**, churches are encouraged to purchase thermostats that can operate on a pre-set schedule, and are encouraged to not heat, cool, or light parts of the church building not currently in use; and

**Be it further resolved**, churches are encouraged to seek out and take advantage of energy audit services available to them, and adjust their operations in any way they see fit to minimize energy usage; and

**Be it further resolved**, churches are encouraged to take steps of their own towards energy efficiency such as installing instant water heaters instead of boilers, installing solar panels, or installing motion-activated light fixtures as options and economic means arise; and

**Be it further resolved**, the Conference Secretary shall send this resolution to the chairperson of every Conference church’s board of trustees.

Adapted from the resolution passed by the 67th Annual Conference Session of  
The United Methodist Church Youth of the North Carolina Conference of  
The United Methodist Church, July 2018, Fayetteville, NC

*\*Passed June 14, 2019 by the 2019 Session of the North Carolina Conference of The United Methodist Church.*

## 2 – FAMILY OF OPIOID ADDICT ANONYMOUS

**Whereas**, according to the United Methodist Social Principles, “we affirm shared responsibility for parenting where there are two parents and encourage social, economic, and religious efforts to maintain and strengthen relationships within families in order that every member may be assisted toward complete personhood.” (*The Book of Discipline* [2016] ¶161.B); and

**Whereas**, the United Methodist Social Principles states:

“Drug-dependent persons and their family members, including those who are assessed or diagnosed as dependent on alcohol, are individuals of infinite human worth deserving of treatment, rehabilitation, and ongoing life-changing recovery... We commit ourselves to assisting those who suffer from abuse or dependence, and their families, in finding freedom through Jesus Christ and in finding good opportunities for treatment, for ongoing counseling, and for reintegration into society.” (*The Book of Discipline* [2016] ¶162.L);

and

**Whereas**, Luke 9:11 (NIV) says “but the crowds learned about it and followed [Jesus]. He welcomed them and spoke to them about the kingdom of God, and healed those who needed healing”; and

**Whereas**, “Nar-Anon Family Groups are primarily for those who know or have known a feeling of desperation concerning the addiction problem of someone very near to you” , and is offered at some churches, but is not available to many people due to lack of proximity; and

**Whereas**, providing accessibility to a support group for young adults and adults that are struggling or coping with an addict close to them not only brings comfort and supplies a safe space for the family involved but may open doors to other people in different congregations, or not a part of a congregation, that are near the area;

**Now, therefore be it resolved**, we, the North Carolina Conference of The United Methodist Church, echo the Annual Conference Session of The United Methodist Church Youth, and advocate for at least one United Methodist Church in every county in North Carolina to host an 18+ Nar-Anon group or session; and

**Be it further resolved**, churches and pastors are encouraged to educate through teaching, preaching, and other means, about substance use disorder and to help erase the stigma associated with it; and

**Be it further resolved**, churches are encouraged to assess the need for having naloxone available onsite as a first line of defense and for the preservation of life; and

**Be it further resolved**, this resolution be sent to Bishops Hope Morgan Ward of the North Carolina Conference and Paul L. Leeland of the Western North Carolina Conference, the North Carolina Conference Director of Lay Servant Ministries, John Hall, Western North Carolina Conference Director of Missional Engagement and Connectional Ministries, Caroline Wood, and all District Superintendents in the North Carolina Conference and Western North Carolina Conference.

Adapted from the resolution passed by the 67th Annual Conference Session of  
The United Methodist Church Youth of the North Carolina Conference of  
The United Methodist Church, July 2018, Fayetteville, NC

*\*Passed June 14, 2019 by the 2019 Session of the North Carolina Conference of The United Methodist Church.*

### 3 – DIVERSIFICATION OF CULTURAL EXPRESSIONS IN YOUTH EVENTS

**Whereas**, from the first disciples on, the Church has been a multilingual entity, as demonstrated in Acts 2:6 (NIV), where the story of Pentecost is told: the disciples were forced out of their closed, monolingual room into the streets, where passersby congregated, “because each one heard their own language being spoken”; and

**Whereas**, Galatians 3:28 (ESV) states: “There is neither Jew nor Greek, there is neither slave nor free, there is no male and female, for you are all one in Christ Jesus,” which encourages the Church to be together in community with no group being greater than another; and

**Whereas**, The United Methodist Church has already affirmed the importance of multicultural and multilingual worship in the 2015 report published by the General Commission on Race and Religion, “Building Holy Relationships: Best Practices for Multicultural Ministry in The United Methodist Church,” which stated, “With demographic projections in the United States reporting that the United States will become increasingly non-white, younger, non-English speaking, and non-Christian, the importance of relationships with those who differ from the average United Methodist cannot be emphasized enough” ; and

**Whereas**, the majority of youth events within The United Methodist Church in North Carolina are carried out solely in English, with primarily Caucasian American worship styles; and

**Whereas**, the singular nature of youth ministry, in its ability to adapt to change and experiment with worship styles (in the fact that youth members from different churches and areas frequently interact and in the fact that youth ministry inherently builds up the new generation of church members and leaders) make it the ideal and easiest place to begin to introduce changes in worship styles into broader church life;

**Now, therefore be it resolved**, we, the North Carolina Conference of The United Methodist Church, echo the Annual Conference Session of The United Methodist Church Youth, and encourage youth groups within the North Carolina United Methodist Church, including but not limited to Conference Youth events such as Kaleidoscope, Breakaway, and Annual Conference Session for Youth, to begin to conduct worship in languages that mirror those of the international body of The United Methodist Church that they are a part of, guided by the General Commission on Religion and Race’s published guidelines; and

**Be it further resolved**, the youth members at the aforementioned conferences and in their individual youth groups are encouraged to make an effort to introduce various languages, including languages of those not currently present at youth events, into worship services with those events to honor the multicultural nature of the Church of which the youth are members and fulfill God’s call to the Church for multicultural and multilingual service and action; and

**Be it further resolved**, the Conference Secretary shall send this resolution to Bishop Hope Morgan Ward and CCYM Chairperson Suzanne Cobb.

Adapted from the resolution passed by the 67th Annual Conference Session of  
The United Methodist Church Youth of the North Carolina Conference of  
The United Methodist Church, July 2018, Fayetteville, NC

*\*Passed June 14, 2019 by the 2019 Session of the North Carolina Conference of The United Methodist Church.*

#### 4 – SERVING OF FAIRTRADE COFFEE BY UNITED METHODIST CHURCHES

**Whereas**, many churches across the Conference provide coffee and tea during a fellowship hour and other so-cial events; and

**Whereas**, studies show that in Honduras, 40% of coffee harvesters are children, and half of Guatemalan coffee workers are not paid a minimum wage, and even major coffee producer Nestle admits to purchasing coffee from plantations with known forced labor practices ; and

**Whereas**, for any product to be certified as Fairtrade, the company must abide with regulations that prohibit forced labor, child labor, use safe environmental practices, and promote economic sustainability ; and

**Whereas**, the United Methodist Social Principles states: “World trade of agricultural products needs to be based on fair trade and prices, based on the costs of sustainable production methods” (The Book of Discipline [2016] ¶162.Q); and

**Whereas**, the Social Principles additionally states that “children must be protected from economic, physical, emotional, and sexual exploitation and abuse” (*The Book of Discipline* [2016] ¶162.C); and

**Whereas**, the price of Fairtrade coffee and tea products are equivalent or only slightly higher in price to their traditional counterparts;

**Now, therefore be it resolved**, we, the North Carolina Conference of The United Methodist Church, echoing the Annual Conference Session of The United Methodist Church Youth, promote the use of Fairtrade coffee and teas during fellowship hours and other social events in place of coffees and teas that are not certified as Fairtrade, and ask that all United Methodist Churches do the same; and

**Be it further resolved**, the conference secretary shall send copies of this resolution to Bishop Hope Morgan, every District Superintendent, and every pastor-in-charge in the North Carolina Conference by September 1, 2019 to share with each church’s Committee on Lay Leadership and youth ministry.

Adapted from the resolution passed by the 67th Annual Conference Session of  
The United Methodist Church Youth of the North Carolina Conference of  
The United Methodist Church, July 2018, Fayetteville, NC

*\*Passed June 14, 2019 by the 2019 Session of the North Carolina Conference of The United Methodist Church.*

#### 5 – CARE OF CREATION

**Whereas**, the Bible is clear, from Genesis to Revelation, that included in our job description as humans made in the image of God and as disciples of Jesus Christ is a responsibility to love and care for all that God has made, not just humanity. God instructed humanity to “till and keep” the garden (Genesis 2:15 NRSV). God made a covenant with the earth itself (Genesis 9:13). Creation belongs to God: “The earth is the LORD’s and the full-ness thereof” (Psalm 24:1-2 KJV). The sabbath and gleaning texts make it clear that care for the poor and care for the earth go hand in hand (Exodus 23:10-12, Leviticus 19:9-10, 25:1-17). Humanity’s disobedience of God has negative consequences to the earth (Hosea 4:1-3, Deuteronomy 11:13-17). Jesus Christ is the redeemer not just of humanity but of all creation (Romans 8:18-23, Colossians 1:19-20); and

**Whereas**, in the past two years, the disastrous repercussions of climate change have escalated at an alarming rate, with much greater frequency and intensity. Storms classified as 100- and 500-year events now occur only a few years apart, such as Hurricane Florence in North Carolina (35 killed), California wildfires (42 killed), Tropical Storm Michael in Florida (6 killed), and Cyclone Idai in Africa (820 killed). Such record-breaking storms have devastated millions of acres of land and displaced millions of people; and

**Whereas**, degradation of the environment continues at an extremely rapid pace. In just one example, plastic is dumped into the oceans at the rate of a truckload a minute, resulting in a patch of plastic the size of Texas in the Pacific Ocean . By 2050, there will be more tons of plastic in the oceans than fish ; and

**Whereas**, Bishop Ward has commissioned a Conference-level Creation Care Committee whose mission is to inform, equip, lead and inspire the church to care for God's creation. Our approach is to foster action and accountability on all levels: individual, family, congregational, and in the world: corporate, local, state, national, and international. We promote balanced, bipartisan, and evidence-based environmental justice; and

**Whereas**, the United Methodist Social Principles states: "All creation is the Lord's, and we are responsible for the ways in which we use and abuse it...God has granted us stewardship of creation. We should meet these stewardship duties through acts of loving care and respect" (*The Book of Discipline* [2016] ¶162); and

**Whereas**, many beneficial actions for climate and the environment have been taken, but have fallen woefully short of the comprehensive response needed. Jesus calls on us to care for "the least of these," yet our tepid re-sponse goes beyond failure to care for them. Because climate change inordinately afflicts the poor , our inadequate response contributes to the devastation of their homelands and to their unnecessary deaths;

**Now, therefore be it resolved**, the North Carolina Conference recognizes climate change and its repercussions as a biblical and moral issue, and one that requires political action. We must not allow the political aspect of this issue to prevent the Church from advocating for policy changes. We exhort all pastors and church leaders to speak out in support of effective policies; and

**Be it further resolved**, we urge all congregations to be faithful stewards of Creation by responding to climate change through the promotion of energy conservation, energy efficiency, renewable energy, and technology. We urge all congregations to adopt programs at their facilities, and in their homes, for the conservation of energy and water, and for recycling of materials that can be reused; and

**Be it further resolved**, we call on legislators at all levels of government to actively promote policies which will protect the environment and slow the warming trend of the Earth. We urge them to ignore the pressures of special interests which have too long impeded the development of enlightened policies by putting their financial gain first; and

**Be it further resolved**, we fully support the conclusions and recommended actions of the 2017 Resolution on Climate change ; and

**Be it further resolved**, this resolution be presented at the 2020 General Conference.

Approved on February 27, 2017 and Submitted by:

The Creation Care Committee  
North Carolina Conference of The United Methodist Church

*\*Passed June 14, 2019 by the 2019 Session of the North Carolina Conference of The United Methodist Church.*

## 6 – FULL COMMUNION WITH THE EPISCOPAL CHURCH

**Whereas**, the North Carolina Conference of The United Methodist Church welcomes and rejoices in the release in 2017 of the full communion proposal between The Episcopal Church and The United Methodist Church, *A Gift to the World: Co-Laborers in the Healing of Brokenness*; and

**Whereas**, this full communion proposal, the result of fifty-five years of dialogue between Episcopalians and Methodists, under the guidance of the Holy Spirit, is grounded in our common heritage in the Church of England, and in the recognition that both churches are members of the one, holy, Catholic and apostolic Church in which the Gospel is rightly preached and taught; and

**Whereas**, the special gifts that the Holy Spirit has bestowed on each church are reflected in their historical documents and liturgies, hymnody and spirituality, and commitments to outreach and social justice; and

**Whereas**, this Conference affirms our desire to draw closer to our Episcopal neighbors in mission, sharing in the proclamation of the Good News of God's love in Jesus Christ in word and deed; and

**Whereas**, this Conference acknowledges and encourages the ministries in which Methodists and Episcopalians are already working together in our Annual Conference such as disaster response, Council of Churches, and the North Carolina Episcopal-United Methodist Dialogue, active statewide for more than two decades, and pledges our commitment to continue and grow such ministries; and

**Whereas**, our Conference Commission commends *A Gift to the World* to the members of our Annual Conference, for reading, reflection, and discussion both within our congregations and in an ecumenical context with our Episcopal brothers and sisters, and when possible, also with Christians of other traditions, especially our full communion partners in the Evangelical Lutheran Church in America and The Moravian Church; and

**Whereas**, The United Methodist Church and The Episcopal Church encourage on both a local and conference/diocesan level, common worship, including services of Holy Eucharist, following the guidelines for Interim Eucharistic Sharing released in 2006; and

**Whereas**, The Episcopal Church-United Methodist Dialogue Committee agreed in their April 2019 meeting to submit a resolution for full communion to the Council of Bishops and the Council of Bishops accepted this resolution at their May 2019 meeting and have unanimously authorized the submission of legislation to General Conference 2020 enacting a full communion relationship between The United Methodist Church and The Episcopal Church;

**Now, Therefore, Be It Resolved**, that the North Carolina Conference of The United Methodist Church pledges our support for the approval of the full communion proposal at General Conference in 2020, and to the ongoing work of Christian unity in worship and service in the years to come.

Approved on April 17, 2019 and Submitted by:

The North Carolina Conference Commission on Christian Unity and Interreligious Relations  
Adapted from Rev. Lynne Bleich Weber's original by Tura Foster Gillespie, President of UMEIT

## Explanation and Notes

The best explanation for this resolution comes from the full communion document: “In the fractured human community there is a great need for the realization of the unity among the followers of Christ Jesus. This pro-proposal for full communion between The Episcopal Church and The United Methodist Church is an effort to bring our churches into closer partnership in the mission and witness to the love of God and thus labor together for the healing of divisions among Christians and for the well-being of all. The vision of Revelation 22 is of the tree of life planed on both sides of a river “and the leaves of the tree are for the healing of the nations.” (Revelation 22:2) Faithful to Jesus’ prayer that his disciples be one so that the world may believe (John 17:20-23), may this proposal be an expression of God’s will for the churches.” – from the Preface, *A Gift to the World: Co-Laborers for the Healing of Brokenness – A Proposal for Full Communion* (November 21, 2017)

Note that “full communion” is not a merger of the churches. “Full communion is understood as a relationship between two distinct ecclesiastical bodies in which each maintains its own autonomy while recognizing the catholicity and apostolicity of the other, and believing the other to hold the essentials of the Christian faith. In such a relationship, communicant members of each would be able freely to communicate at the altar of the other, and ordained ministers may officiate sacramentally in either church. Specifically, this includes transferability of members, mutual recognition and interchangeability of ministries, mutual enrichment by one another’s traditions of hymnody and patterns of liturgy, freedom to participate in each other’s ordinations and installations of clergy, including bishops, and structures for consultation to express, strengthen, and enable our common life, witness, and service, to the glory of God and the salvation of the world.” (From A Gift To The World)

The historically African American churches include, but are not limited to those churches with whom The Episcopal Church and The United Methodist Church have consulted in 2006, 2008 and 2009: the African Methodist Episcopal Church (AME), the African Methodist Episcopal Church Zion (AME Zion), and the Christian Methodist Episcopal Church (CME). In addition to the AME, AME Zion and CME, The United Methodist Church, through the Pan Methodist Commission, has also engaged in dialogues with the African Union Methodist Protestant Church and the Union American Methodist Episcopal Church, and formally ratified full communion in 2012.

For The Timeline of Episcopal Church – United Methodist Dialogue, previous agreed documents, guidelines for Interim Eucharistic Sharing, and other information, go to the TEC-UMC website: <http://umc-tec.org>

*\*Passed June 14, 2019 by the 2019 Session of the North Carolina Conference of The United Methodist Church.*

## 8 – SEEKING AN END TO THE TORTURE OF SOLITARY CONFINEMENT

**Whereas**, torture is immoral, it violates the intrinsic dignity of the human being who is made in the image of God (Genesis 1:26-28). The human person is a creation of God. Every inch of the human body and every aspect of the human spirit comes from God and bears witness to his handiwork. Human dignity (value, worth) comes as a permanent and ineradicable endowment of the Creator to every person. Recognition of the intrinsic dignity of the human being requires a corresponding restraint in our behavior toward all human beings ; and

**Whereas**, torture is a grave sin that inflicts severe moral injury not only to victims, their families, and communities, but also to any society that remains silent whenever the evil acts of torture occur.



The biblical mandate is clear that evil must cease and evil deeds must stop (Isaiah 1:16-17) ; and

**Whereas**, torture is wrong without exception: the Social Principles of The United Methodist Church reminds us that the mistreatment or torture of persons by governments for any purpose violates Christian teaching and must be condemned and/or opposed by Christians and churches wherever it occurs. Scripture calls us to “Remember those who are in prison, as though you were in prison with them; those who are being tortured, as though you yourselves were being tortured” (Hebrews 13:3 NRSV) ; and

**Whereas**, torture is illegal: it is against our country’s international law and treaty obligations, including the Cov-enant on Civil and Political Rights and the United Nations Convention against Torture and Other Cruel, Inhu-man or Degrading Treatment or Punishment. The latter prohibits “...any act by which severe pain or suffering, whether physical or mental, is intentionally inflicted on a person to punish him/her for an act they or a third per-son has committed or is suspected of having committed”; and

**Whereas**, the “Mandela Rules” (<http://solitaryconfinement.org/mandela-rules>) adopted by the United Nations in 2015 state that solitary confinement shall not be applied for a time period in excess of 15 consecutive days. Solitary confinement shall be used only in exceptional cases as a last resort, and should be prohibited in the case of prisoners with mental or physical disabilities when their conditions would be exacerbated by such measures ; and

**Whereas**, for 23 hours a day for months, years, even decades, more than 80,000 adults and youth are held in solitary confinement in U.S. prisons, jails, and detention centers ; and

**Whereas**, hundreds of North Carolina inmates are in solitary confinement at any given time which can cause and worsen mental disorders ; and

**Whereas**, North Carolina State Prison Director Kenneth Lassiter has stated that solitary confinement is not to be punitive. Rather, the only purpose of restrictive housing is to maintain order in prison ;

**Now, therefore it be resolved**, that the North Carolina Conference of The United Methodist Church reaffirms its opposition to torture, recognizing that solitary confinement over 15 days is universally recognized as a form of torture; and

**Be it further resolved**, we urge the Peace with Justice Coordinator to form a study group to establish the cur-rent practices of solitary confinement in North Carolina prisons and to report on its findings at the 2020 Annual Conference; and

**Be it further resolved**, we urge that, resulting from this study, the Peace with Justice Coordinator, working with the Board of Church and Society, ensure that all churches are made aware of its findings on the evidence of solitary confinement in North Carolina by publishing a report that is circulated to all churches and Districts and by the holding of at least one public meeting in each District, all prior to the 2020 Annual Conference; and

**Be it further resolved**, we urge the Peace with Justice Coordinator hold a conference prior to or as a breakaway session at the 2020 Annual Conference that includes teaching strategies for advocacy aimed at reducing all solitary confinement; and

**Be it further resolved**, we urge the Peace with Justice Coordinator to create and circulate to all Conference churches an advocacy strategy by the 2020 Annual Conference aimed at getting the North Carolina Division of Prisons to adopt the “Mandela Rules” for use of solitary confinement

in the state, county, and city prisons; and

**Be it further resolved,** we encourage all churches to join the Together to End Solitary initiative

(<http://www.togethertoendsolitary.org/>) that calls for nationwide actions on the 23RD of each month initiated by the National Religious Campaign Against Torture, joining people throughout the U.S. who are holding monthly actions to call for an end to the torture of prisoners in solitary confinement; and

**Be it further resolved,** we encourage every UMC congregation to support and become active in the ministry of the NC Conference Peace and Justice Committee of the Board of Church and Society, NC No Torture through the NC Council of Churches (<http://www.nccouncilofchurches.org>), and NC Stop Torture Now (<http://www.ncstoptorturennow.org/>), a nonprofit organization.

Submitted by Joe Burton  
NCCUMC Peace with Justice Coordinator,  
Professing Member, Highland UMC, Raleigh, NC

*\*Passed June 14, 2019 by the 2019 Session of the North Carolina Conference of The United Methodist Church.*

### 13 – SEEING OUR IMMIGRANT NEIGHBORS AND THE FORCES AFFECTING THEM

**Whereas,** Jesus was an immigrant, the Word made flesh having moved into the neighborhood of humanity (John 1), and whereas he was an asylum seeker and refugee of political violence (Matthew 2:13-14), and where-as our Faith is built on the Old Testament values of welcoming the stranger (Deuteronomy 10:19), giving justice to the foreigners abiding with us (Leviticus 27:19), and remembering times when the insiders were in fact out-siders and migrants (1 Chronicles 16:19-22), with this same Faith challenging us in the New Testament to love our neighbors as ourselves (Luke 10:27), give hospitality to strangers (Romans 12:13; Hebrews 13:10), and prize connection in Christ over tribal divisions; and

**Whereas,** the *Book of Resolutions* clearly states (#3281 adopted 2008 and adapted and readopted in 2016):

“We denounce and oppose the rise of xenophobic, racist, and violent reactions against migrants in the United States, and support all efforts to build relationships among people, instead of building walls among diverse ethnicities and cultures; welcome newly arriving immigrants into our congregations; oppose the building of a wall between the United States and Mexico, which the communities of both sides of the border are in opposition to; and call the United States government to immediately cease all arrests, detainment, and deportations of undocumented immigrants, including children, solely based upon their immigration status until a fair and comprehensive immigration reform is passed.”;

and

**Whereas,** our Social Principles (*The Book of Discipline* [2016] ¶162.H) states, “We urge the Church and society to recognize the gifts, contributions, and struggles of those who are immigrants and to advocate for justice for all. We oppose immigration policies that separate family members from each other or that include detention of families with children, and we call on local churches to be in ministry with immigrant families.”; and

**Whereas,** the Federal passage of anti-immigrant legislation and administrative proclamation

including the ICE enforcement 278(g) program—in which local law enforcement can, with ICE’s help, initiate deportation proceedings, has created a substantial amount of fear within immigrant communities; and we further see that this has created a new form of harassment of immigrant communities where local law enforcement have resorted to racial profiling and arresting law abiding immigrants to start the deportation process ; and

**Whereas**, we see the harmful potential of anti-immigrant legislation that has been proposed this year, by our North Carolina representatives, including the proposal of HB-135 and HB-370, and the potential consequences of how this legislation could further bifurcate our communities along cultural lines with immigrant communities by singling out and “othering” the members of these communities; and

**Whereas**, many of our United Methodist congregations see the results of harsh and demeaning legal processes—such as isolation, severe anxiety and depression, childhood trauma, polarization, rising poverty levels in im-migrant communities, lack of adequate and fair legal representation, lack of spiritual and faith-based support from religious communities, and exclusion from educational programs—without knowing what to do; and

**Whereas**, the United States of America’s border enforcement has placed non-violent, non-criminal asylum seekers in facilities resembling cages and concentration camps, and in many cases separating children from their families (many of whom remain separated for traumatizing amounts of time); and

**Whereas**, we have many law-enforcement officers in our churches and communities who desire to connect with immigrant communities but have found it increasingly difficult because of the policies and postures of state and federal governments—stances which would criminalize peaceful and communicative endeavors like FaithAction IDs, which would also put prohibitive law enforcement costs on our local governments ; and

**Whereas**, we celebrate the many cultural, faithful, diversifying, entrepreneurial, and hardworking contributions of our immigrant sisters and brothers in our congregations and communities, we do so often while being hindered from deeper connection, hindrances coming from the aforementioned obstacles, hindrances which necessitate the movement towards greater vision and understanding of the prohibitive forces at work;

**Now, therefore be it resolved**, the North Carolina Annual Conference of The United Methodist Church calls on its members to be engaged in understanding the laws—both prohibitive and supportive—that govern the lives of their immigrant neighbors, by receiving news updates regarding immigration laws by subscribing to the mailing list of one or some of the agencies which are endorsed and supported by the Immigration and Refugees Committee of our NCCUMC (many of these are linked at <http://ImmigrationTaskForce.Church>); and

**Be it further resolved**, we encourage all congregations who are aware of immigrant neighbors with whom they do not yet have a relationship to prayerfully encourage their existing nurture, outreach, and/or witness committees/work areas or otherwise active outreach teams and committees to subscribe to NCCUMC Refugee and Im-migration Committee updates and the Immigration Ministry Task Force (<http://ImmigrationTaskForce.Church>) updates, to be aware of local and Conference-wide initiatives that can bolster their efforts to meet and support their immigrant neighbors; and

**Be it further resolved,** this Conference fully endorses the creation and sustaining of the provision of legal services to immigrants to support their navigation through the difficult immigration legal system; by fully supporting the existing Apex Immigration Service immigration paralegal clinic based at Apex UMC; and by fully endorsing and supporting the creation of a full service immigration law clinic at St. Andrews UMC in Fayetteville, a resource to be registered with Justice for our Neighbors (JFON), a UMC service organization based out of UMCOR and the Board of Global Ministries; and to encourage all NCCUMC congregations to seriously consider creating a JFON or paralegal immigration legal service as a ministry of their congregation; and

**Be it further resolved,** we direct the Conference Secretary to e-mail a copy of this resolution to every pastor in the Conference, and urge each district have an assigned liaison person to connect with the Immigration and Refugee Committee on matters of immigration ministry germane to the NCCUMC; and

**Be it further resolved** that this resolution shall be sent to every legislative office of the North Carolina General Assembly in Raleigh, the Congressional offices of the North Carolina Congressional Delegation, and the offices of Senators Thom Tillis and Richard Burr.

For further study: <http://www.umc.org/what-we-believe/what-the-church-says-immigration>

Approved on May 12, 2019 and Submitted by:

The Conference Immigration and Refugee Committee, The Conference Hispanic/Latino Committee,  
The Conference Mission Team, and The Immigration Task Force of the NCCUMC

*\*Passed June 14, 2019 by the 2019 Session of the North Carolina Conference of The United Methodist Church.*

## 14 – THE AGE OF YOUTH IN THE UNITED METHODIST CHURCH

**Whereas,** ¶32 in *The Book of Discipline* (2016) classifies a youth as “between the ages of twelve (12) and seventeen (17)”

**Whereas,** ¶256.3 in *The Book of Discipline* (2016) classifies a youth as “approximately twelve through eighteen years of age in the United States”; and

**Whereas,** inconsistencies within *The Book of Discipline* could discriminate against youth who are in middle or high school but are younger or older than those listed; and

**Whereas,** inconsistencies could also confuse youth leaders when deciding who is eligible for youth events; and

**Whereas,** using language such as “approximately” will cater to special age situations during years in school systems which will encourage more youth to participate in events associated with The United Methodist Church; and

**Whereas,** providing a clear directive of who youth ministries should serve will focus the church’s energy in making disciples of Jesus Christ for the transformation of the world among our youth;

**Now, therefore be it resolved,** the Conference Secretary, on behalf of the North Carolina Annual Conference, shall submit a legislative petition to the 2020 General Conference of The United Methodist Church to change ¶32 Article 1 to match ¶256 Section 3 in *The Book of Discipline* which defines a youth as one aged “approximately twelve through eighteen in the United States and up to twenty-four in the central conferences.”

Submitted by Charlie Hatch  
NCCUMC Youth Legislative Affairs Person (LAP)  
Professing Member, First United Methodist Church, Mount Olive, NC

*\*Passed June 14, 2019 by the 2019 Session of the North Carolina Conference of The United Methodist Church.*

## **15 – SUPPORTING FULL INCLUSION OF LGBTQIA+ PERSONS AND REJECTING THE TRADITIONAL PLAN**

**Whereas**, lesbian, gay, bisexual, transgender, queer, intersex, and asexual people (LGBTQIA+) are of sacred worth, and are deserving of full inclusion in the life and ministry of The United Methodist Church, which includes being married in United Methodist churches by United Methodist clergy, and being ordained as clergy and elected as bishops in The United Methodist Church; and

**Whereas**, LGBTQIA+ members who are siblings, parents, and friends have continued to support the church with our/their prayers, presence, gifts, service, and witness despite harmful language adopted into The Book of Discipline in 1972 calling LGBTQIA+ practice “incompatible with Christian teaching”; and

**Whereas**, the Traditional Plan amplifies the harm to LGBTQIA+ members by preventing us/them from being fully included in the life and ministry of The United Methodist Church; and

**Whereas**, the Traditional Plan does further harm to local churches by discouraging churches from being fully inclusive when the talents, abilities, and callings of LGBTQIA+ members are desperately needed; and

**Whereas**, the amendments made to *The Book of Discipline* through the Traditional Plan denigrate LGBTQIA+ people who are called into ordained ministry by disqualifying us/them from ordination in The United Methodist Church simply because of our/their sexual orientation or gender identity, per Petition 90036 and Petition 90043; and

**Whereas**, the Traditional Plan unjustly punishes United Methodist clergy who embrace LGBTQIA+ persons by officiating at same-sex weddings, implying that the celebration of marriage between couples who are gay or lesbian is so abhorrent that, as per Petition 90042, it sets inhumane mandatory penalties for pastors convicted by a trial court of performing same-sex weddings, which are a year’s suspension without pay for the first offense and termination of conference membership and church credentials for a second offense; and

**Whereas**, Scripture tells us, “If one member suffers, all suffer together” and no part of the Body of Christ is to say to another part, “I have no need of you,” (1 Corinthians 12 ESV); and whereas the Rev. Dr. Martin Luther King, Jr. has said that “injustice anywhere is a threat to justice everywhere,” the Traditional Plan harms or threatens to harm any of us by introducing the idea that one group of people can be systematically excluded from the Body of Christ, urging the question “Who’s next?”; and

**Whereas**, more than 1,500 United Methodists from across the North Carolina Annual Conference of The United Methodist Church signed a petition opposing the Traditional Plan and calling for full inclusion of LGBTQIA+ persons ; and

**Whereas**, the Traditional Plan was approved by a vote of only 53% (438 to 384) of delegates to the Special Session of General Conference 2019, indicating diverse opinions of the church toward

LGBTQIA+ persons ; and

**Whereas**, the entire Biblical record speaks of God's love for all humanity and the Christian Gospel speaks of full inclusion and acceptance of all of humanity, we conclude that the Traditional Plan and the final amend-ments to the UMC *Discipline* as confirmed by the Judicial Council are incompatible with Christian teaching;

**Therefore, be it resolved**, we call for the repeal of the Traditional Plan (Petitions 90032, 90036, 90042, 90043, 90044, 90045, 90046, and 90047) at the next General Conference of The United Methodist Church; and

**Be it further resolved**, we urge local United Methodist congregations of the North Carolina Conference to en-sure that LGBTQIA+ persons are welcomed and included in the membership and leadership positions of the local churches and to encourage members of the local congregations to be accountable for inclusion of ALL people, as stated in ¶214 of *The Book of Discipline* (2016); and

**Be it further resolved**, the North Carolina Annual Conference of The United Methodist Church calls for the removal of all the harmful discriminatory language in *The Book of Discipline*, including the incompatibility clause in the Social Principles, at the next General Conference of The United Methodist Church.

Submitted by:

Caleb Parker

Member, Sacred Witness NC Leadership Team, Reconciling United Methodists of NC  
Professing Member, Duke Memorial United Methodist Church, Durham, NC

The Church and Society Committee  
Pleasant Grove United Methodist Church, Raleigh, NC

Open Hearts Team  
Soapstone United Methodist Church, Raleigh, NC

Karen Viviano  
Professing Member, Seaside United Methodist Church, Sunset Beach, NC

The Core Team of the Reconciling United Methodists ad-hoc group  
Seaside United Methodist Church, Sunset Beach, NC

Henry Jarrett  
President of the Methodist Federation for Social Action, North Carolina Conference chapter  
Professing Member, Fairmont United Methodist Church, Raleigh NC

Deborah Morgan  
Elder, North Carolina Conference, Calvary Charge Conference, LOA  
Leader, Reconciling United Methodists Sound District  
Member, Sacred Witness NC Leadership Team

Claire Cox-Woodlief  
Sacred Witness NC Leadership Team  
Professing Member and Church and Society Team member, Saint Francis UMC, Cary, NC  
Member, Reconciling Ministries Network

Wesley Neal

Member, Sacred Witness NC Leadership Team  
Elder, California-Pacific Conference  
Pastor, I Am Project @Asbury UMC, Durham, NC

David A Prater

Self-Avowed Practicing Homosexual  
Professing Member, Calvary United Methodist Church, Durham, NC  
Member, Sacred Witness NC Leadership Team, Reconciling Ministries Network

Jason Butler

Licensed Local Pastor, NC Conference  
Lead Pastor, Open Table UMC, Raleigh, NC  
Member, Sacred Witness NC Leadership Team

Sam Isley

Professing Member, Edenton St. UMC, Raleigh, NC  
Reconciling United Methodists and Friends of NC  
Methodist Federation for Social Action - North Carolina Conference Chapter

Tuck Taylor

Elder, NC Conference

Anita Noble Taylor

Elder, NC Conference

Pastor, Parkwood United Methodist Church, Durham, NC

Khris Ford (Lay Leader), Diane Zoller, Becky Millard, Kelli Rushing, Jane Tobia, Kelly Walton, Morris Walton, Eli Walton, Halle Kahlenberg, David Kahlenberg, Matt Murphy, Angela Murphy, Emily Bruce, Kris York, Mark Shear, Kathy Shear, Allison Vogt, Mary Kay Lawson, Larry Diener, Karla Diener, Susan R. Buckley, Ellen Chambers, Vicki Meigs-Kahlenberg (Director of Youth Ministry), Larry Zoller Professing Members, Saint Francis UMC, Cary, NC

*\*Passed June 14, 2019 by the 2019 Session of the North Carolina Conference of The United Methodist Church.*

## **Sexual Ethics and Professional Ethics Committee**

Those in church leadership positions, both clergy and laity hold power and authority, and are called to maintain an environment that is safe for people to live and grow in God's love.

Servants in ministerial leadership have the responsibility to avoid actions and words that hurt others as well as to protect the vulnerable against actions or words that cause harm. Every member of the clergy is a symbol of religious authority. Clergy interpret religious truths, the meaning of life, the way of faith, and even the reality of God for many people. Clergy have the ability to offer words and acts of comfort and compassion during difficult life circumstances and during some of the most intimate moments of the human experience. This is a sacred trust.

Yet sometimes persons in church leadership positions violate the trust given them. Sexual and professional misconduct within ministerial relationships inhibits the full and joyful participation of all in the community of God, hinders the mission of Jesus Christ, and is a betrayal of our sacred trust.

The North Carolina Conference is committed to making every reasonable effort to prevent such incidents by requiring comprehensive training on sexual ethics for every person under Episcopal appointment. However, it is both the ethical and legal responsibility of the Annual Conference to establish procedures for making and responding to complaints in matters of misconduct.

This past year the North Carolina Conference, in accordance with the 2016 *Book of Discipline* has established new policies and procedures for responding to incidents of misconduct. These new guidelines, in addition to a supervisory response, also offer a pathway of healing for all persons directly involved: the complainant and their families, the respondent and their families, and the congregation that is affected. The healing process will be facilitated by a newly formed team of 24 laity and clergy to be known as the “Support Team for Congregations”. The team members are located in all areas of the conference. They have been trained and are available to serve when called upon by the Bishop and Cabinet.

In additions to incidents of misconduct the Support Team for Congregations will also be available to provide a healing ministry for other crisis situations that may occur in the life of a congregation.

When a crisis occurs in a congregation due to misconduct or other critical incidents, the effects can be devastating. In the aftermath of a crisis extreme disruption in the life of the congregation may occur. Misdirected anger at congregational, district, and conference leadership, ongoing divisions in the church family, loss of trust, loss of members, a climate of anxiety, gossip and conjecture, embarrassment and isolation from the community, and failure to focus on the mission are often reported. The disruption may continue for many years through the course of several pastoral appointments. However, when a healing ministry is offered many times the congregation will emerge stronger and more united than ever before.

With the guidance of Bishop Ward and Tim Russell, the Assistant to the Bishop and Director of Ministerial Relations, the North Carolina Conference is prepared to respond to a critical incident with Christ-like compassion, accountability measures, reconciliation, and a healing process so that all may experience God’s grace and once again focus on their mission to make disciples of Jesus Christ for the transformation of the world.

—Emily Innes, Chairperson

## **Trustees, Board of**

The Board of Trustees of the Annual Conference work to fulfill responsibilities outlined in paragraphs 2512-2516 of the 2016 Book of Discipline as well as any new paragraphs approved at the special session of General Conference 2019. The following report provides details of primary responsibilities and activities of the Trustees since the 2018 Annual Conference.

## **The United Methodist Building**

The United Methodist Building was completed in 2010 and has had only a few minor maintenance issues since that time. Anticipated capital improvements over the next few years approaching the tenth year of building use include carpet replacement, painting, and potential overhaul or replacement of HVAC units due to normal wear and tear. Funding for capital improvements will be paid from capital reserves held in investment funds in the United Methodist Foundation.



## Closed Churches

- Calvary – Capital District – property sale closed February 2018.
- Cokesbury – Capital District – property sold February 2019.
- Edwards Chapel – Sound District – property sold October 2018.
- Garland – Harbor District – property sold October 2018.
- Longview – Capital District – parsonage sold May 2018, church property sold September 2018.
- Perkins – Beacon District – church closing July 1, 2019.
- Shiloh – Harbor District – property sold February 2019.
- Union – Beacon District – property listed for sale.
- Union Chapel Cemetery – property deeded to local UMC April 2019.
- Weldon – Heritage District – property under contract.

The Board of Trustees continues to receive local church properties as they are closed in compliance with the Book of Discipline. The Trustees are working in partnership with Church Transformation Ministries on the evaluation and recommendation for redevelopment or disposal of closed church properties. Church Transformation Ministries expect to increase the number of churches with which the ministry works in the coming years. Redevelopment work happens in partnership with other ministries in active local churches. The United Methodist Real Estate Foundation or other property management and realty companies assist the Trustees in the marketing and sale of closed church properties as needed. Proceeds of closed church sales will be held by the Trustees in an investment account using earnings to help sustain the ongoing efforts of Church Transformation Ministries, New Faith Communities, and the Trustees' work with closed church properties such as cemeteries. Conference Trustees may receive recommendations from district superintendents and/or District Boards of Trustees regarding the use of the proceeds from the sale of closed church properties and other assets. The Conference Trustees will evaluate recommendations and make disbursements as approved by the Board in accordance with provisions of the Book of Discipline.

## Conference Parsonages and Property

The Board of Trustees provides funding for Conference executive clergy staff positions with housing allowances in lieu of parsonages. Funding to pay the clergy staff housing allowances is provided through the Conference budget. In 2013, investments from prior conference parsonage sales were added to the funding generated through district parsonage sales to furnish housing allowances to district superintendents. Funding needed for district superintendent housing allowances is to be generated from earnings on the investment of the sale proceeds from conference and district parsonages. Assets remaining to be used to fund staff housing allowances total \$176,357 as of December 31, 2018.

The Episcopal Residence is maintained by the Board of Trustees with funding provided by the conference budget and the Episcopal Fund, which is managed by the General Council on Finance and Administration. The Episcopal Residence Committee has recommended that the Episcopal Residence be sold and the proceeds be invested to generate earnings to be used to provide a housing allowance for our resident bishop. The recommendation of the Episcopal Residence Committee will be brought to the Annual Conference by that committee. The Board of Trustees will continue to care for the Episcopal Residence or support the Annual Conference in the sale and investment of proceeds as

approved by the Annual Conference.

## Frederick and Closs Peace Wardlaw Bequest

The Conference Trustees oversee the remaining assets of the Wardlaw bequest, given with the stated preference of providing a retreat or renewal location for clergy of the Conference. The Wardlaw Retreat Center at Camp Don Lee was completed in 2012 and has been in use for that purpose since that time. The Trustees are working with NC Conference Camp and Retreat Ministries to develop a second clergy retreat center at Camp Chestnut Ridge and construction of that center has begun. Funds remaining from the Wardlaw bequest are being held for the retreat center at Camp Chestnut Ridge and have a value of \$396,764 as of December 31, 2018.

## Property Insurance

The Book of Discipline provides that one of the responsibilities of local church Trustees is to review insurance annually in order to ensure that the church, its properties and its personnel are properly protected against risks. In evaluating these levels of protection, the Conference Trustees recommend the following types and levels of coverage as guidelines for property and casualty insurance coverage:

- Building and business personal property insurance at full replacement cost,
- General liability coverage at \$1,000,000,
- Physical abuse and sexual misconduct liability coverage at \$1,000,000,
- Pastoral professional liability coverage at \$1,000,000,
- Employee dishonesty and crime coverage at levels adequate to cover assets held by the church – each church needs to evaluate this coverage independently,
- Directors and Officers liability coverage at \$1,000,000,
- Umbrella policy coverage at \$1,000,000, and
- Workers' Compensation coverage at \$1,000,000 for all employees whether or not the church meets the minimum requirements under North Carolina law.

Property insurance for the NC Annual Conference property is insured through the denominational insurance provider, United Methodist Insurance (UMI). In addition to conference insurance coverage, UMI provides coverage options at competitive costs for local churches that meet all of the recommended coverage levels provided above.

## Mission Endowment

The 2016 Book of Discipline gives the responsibility to receive and administer restricted donations for the annual conference in paragraph 2512.3.a. to the Annual Conference Board of Trustees. The North Carolina Annual Conference has established a permanently restricted asset fund named the Mission Endowment with the goal of endowing in perpetuity funding for new mission endeavors within the North Carolina Conference. The Board of Trustees has enacted the endowment agreement proposed to the 2016 annual conference and has received donations throughout the year for the Mission Endowment. The balance of the Mission Endowment as of December 31, 2018, was \$1,309,438. The 2018 annual distribution was contributed to Disaster Recovery Ministries for Hurricane Florence repair outreach.

## Board of Trustees

As required by the legislation approved by the 2019 Special Session of the General Conference of The United Methodist Church, the Board of Trustees is working to design and implement the process of disaffiliation for any churches in the NC Conference that express an interest in doing so. The legislation approved by General Conference requires the Board of Trustees to confer with the Cabinet and a variety of other officers of the conference. That work will take some time, and the Trustees will make the process available when it has been completed. Many elements must be included in the process, such as preparation of a standard disaffiliation agreement, calculation of Conference and local church pension liabilities based on market factors, and additional terms to be included in any such agreement. Any disaffiliation agreements between the Board of Trustees and a local church must be approved by a majority vote at a duly called session of the Annual Conference before any disaffiliation can take place. Because of these factors, an Annual Conference vote on any agreements cannot take place until June 2020, at the earliest, in lieu of a specially called annual conference session.

The Conference Board of Trustees seeks to be faithful stewards of the assets of the North Carolina Conference. All financial activities and assets held by the Conference Board of Trustees are included in the audit of financial records of the Conference. Full reports of this activity are available from the Conference Treasurer's Office. We will continue to manage property of the Conference to the best of our ability in compliance with the Book of Discipline.

—*Respectfully submitted, David Peele, President*

# Wesley Theological Seminary Annual Conference Report 2019

## Fostering wisdom and courage

Wesley Theological Seminary, celebrating its 60th year in Washington, DC, has equipped Christian leadership for nearly 150 years. Wesley prepare students to lead innovative ministries while remaining grounded in biblical and theological traditions. President David McAllister-Wilson writes in his new book, *A New Church and a New Seminary*, "Leadership requires a seminary to foster both wisdom and courage."

Wesley's faculty is chosen to prepare these kinds of leaders. In the past year, the seminary welcomed Academic Dean Phil Wingeier-Rayo, Ph.D. plus two new faculty, the Rev. Lorena Parrish, Ph.D., Associate Professor of Urban Ministries and Director of the Community Engagement Institute, and the Rev. Anna Petrin, Ph.D., Associate Professor of Worship and Chapel Elder. Learn more about all the remarkable scholars on Wesley's faculty at <https://www.wesleyseminary.edu/faculty-2/>

Whether you are clergy or laity, an alumnus or a prospective student, looking for master's or doctoral work, or continuing education or simply deeper knowledge, Wesley stands ready to support you in your current and future call to ministry. Here are a few ways Wesley can help you grow in the wisdom of the faith and the courage to lead.

## Discover exciting pathways to seminary studies

Wesley offers an 81-hour Master of Divinity, a 36-hour Master of Arts, and a 60-hour Master of

Theological Studies. **Wesley equips all those called to serve for ordained Elder and Deacon ministries or to other ministries beyond the pulpit.**

Some are able to take advantage of Wesley's modern and affordable on-campus housing and food service to be full-time residential students, living in an exciting international capital. But the seminary understands the struggle to balance life, family, ministry, and finances. So, **Wesley's Master of Divinity degree can now be completed via online, weekend, short-term intensive, and weeknight courses in 5 years**, designed for those with busy ministry, work, and family lives. Check out upcoming flexible course offerings for Summer and Fall 2019 at <http://www.wesleyseminary.edu/admissions/try-a-class-3/>.

In Wesley's **3+3 Fast Track B.A./M. Div. program, in partnership with Shenandoah University**, students enter ministry with less debt after earning their degrees in six years. **Learn more at [www.wesleyseminary.edu/3+3degrees](http://www.wesleyseminary.edu/3+3degrees).**

Wesley provides **more than \$2 million dollars annually in scholarships** thanks to the consistent support of graduates, congregations and friends. **Our new Generación Latinx Scholarship joins our many merit-based scholarships that enable students to afford seminary education.** The **Community Engagement Institute at Wesley** embraces a vibrant vision to be the premier learning center for churches and faith-based organization who seek to innovatively engage their communities. Wesley's Community Engagement Fellows program prepares students to **engage in entrepreneurial ministry**. **Generous stipends are available for each Fellow** while they complete their M.Div. degree. Students can focus their fellowship on Public Theology, Urban Ministry or Missional Church. Meet Wesley's current Fellows at <https://www.wesleyseminary.edu/admissions/community-engagement-fellows/>.

## Take your ministry to the next level

Wesley is a **leader in Doctor of Ministry programs in specialized tracks that can include international study**. Their 2020 tracks will include **Church Leadership Excellence, offered in conjunction with Wesley's internationally respected Lewis Center for Church Leadership and Life Together: Spirituality for Transforming Community, and a track designed for military chaplains**. Find out more or apply at [www.wesleyseminary.edu/doctorofministry/](http://www.wesleyseminary.edu/doctorofministry/).

Wesley also offers opportunities for individual study without pursuing a degree. The Certificate in Faith and Public Life explores the foundations of public theology, religious freedom, and civil discourse through graduate courses. For more information, visit [www.wesleyseminary.edu/ice/programs/public-theology/public-life/](http://www.wesleyseminary.edu/ice/programs/public-theology/public-life/).

A **Certificate in Wesleyan Studies** is available online via the **Wesley Theological Seminary Lay Academy**. Topics include United Methodist identity, early church history, Christian ethics, interfaith relations, and the intersection of faith and science. The courses can also be taken for personal education and enrichment. More information can be found at [www.beadisciple.com/wesley/](http://www.beadisciple.com/wesley/).

## Enrich your congregational outreach and explore new dimensions of ministry

The Lewis Center for Church Leadership continues to be on the leading edge of research for the local church. The Lewis Center's Leading Ideas e-newsletter is now the go-to source for over 20,000 people in ministry each week. From this resource was launched a **new podcast – Leading Ideas Talk**. Sign up or listen at [www.churchleadership.com/](http://www.churchleadership.com/). And look for new practical online courses at

**[lewisonlinelearning.org](http://www.wesleyseminary.edu/ice/programs/public-theology/)**.

From their new location at The Methodist Building on Capitol Hill, the **Center for Public Theology**, under the leadership of Distinguished Professor of Public Theology Mike McCurry, equips pastors, seminarians, people of faith, and the media to create spaces for civil dialogue at the intersection of religion and politics. In its second year, the **Center's Faith and Public Life Immersion for undergraduates** offers a week-long experience of study and encounters with public theologians and those advocating for justice in Washington. For more information, visit **<http://www.wesleyseminary.edu/ice/programs/public-theology/>**.

The **Luce Center for the Arts and Religion** is the only seminary-based program uniting arts and theology. The Luce Center offers regular classes and workshops with visiting artists. **For information on past and upcoming opportunities visit [www.luceartsandreligion.org](http://www.luceartsandreligion.org)**.

The innovative **online Health Minister Certificate Program** prepares congregations for public health work in their parishes. Contact Tom Pruski at **[tpruski@wesleyseminary.edu](mailto:tpruski@wesleyseminary.edu)** for more information or to register for future certificate classes.

The **African American Church Studies Master of Divinity specialization** gives contextual preparation for the opportunities and challenges our future leaders may encounter in African American churches, while the **Public Theology specialization** allows master's degree students to gain community leadership and advocacy skills. Learn more at **<https://www.wesleyseminary.edu/admissions/african-american-church-studies/>** or **<https://www.wesleyseminary.edu/ice/programs/public-theology/>**.

Through the Wesley Innovation Hub, a research project funded by the Lilly Endowment, the seminary is working with **20 local congregations** to design innovative ministries as models for ministry by and for young adults. **Follow the work and connect with resources at [www.wesleyseminary.edu/wesley-innovation-hub/](http://www.wesleyseminary.edu/wesley-innovation-hub/)**.

**Stay connected**

**Contact Wesley at (202) 885-8659 or [admissions@wesleyseminary.edu](mailto:admissions@wesleyseminary.edu) about how Wesley's degree programs can equip you for your next step in ministry.**

Ready to join in Wesley's mission? Find out more about how you can be part of the future of Wesley at **[www.wesleyseminary.edu/support/](http://www.wesleyseminary.edu/support/)**. Join the Wesley Community online via Wesley's social media, **[www.facebook.com/wesleyseminary/](https://www.facebook.com/wesleyseminary/)**, on Instagram at **[wesleyseminary](https://www.instagram.com/wesleyseminary)**, and on Twitter at **[WesleyTheoSem](https://twitter.com/WesleyTheoSem)** or sign up for our electronic newsletter, eCalling, at **[www.wesleyseminary.edu/ecalling](http://www.wesleyseminary.edu/ecalling)**.

—The Rev. Dr. David McAllister-Wilson, President

## 2018 Compensation of Clergy in Extension Ministries

Name	Base Compensation for Year 2018	Utilities & other Housing Related Allowances for Year 2018	Travel Allowance for Year 2018	Other Cash Allowances for Year 2018
Diana Abernethy	\$52,000 per year (contract began Aug 2018)	N/A	Huntingdon College offers at least \$1,000.00 per year for one conference	\$2,000 for moving expenses from Huntingdon College
David Joseph Allen	\$47,124.00	\$18,302.00	\$3,000.00	\$0.00
Karen Baker Angel	\$53,539.20	N/A	N/A	N/A
Patricia Hicks Archer	\$50,000.00	\$0.00	\$0.00	\$0.00
Lynn Batts Benson	\$55,625.00	\$10,150.00	\$0.00	\$0.00
Toby James Bonar	\$67,000.00	\$0.00	\$0.00	CE Credit Stipend
Robert Wayne Brewer	\$44,480.00	\$0.00	\$1,000.00	\$6,000.00
Alan Ray Broadwell	\$110,116.00	\$28,609.00	\$8,625.00 Vouchered	None
Betty Ann Buckley	\$38,000.00	\$1,500.00	Mileage	\$0.00
Carolyn H. Burrus	\$54,000.00	Part of salary is designated for housing	Reimbursed .50/mile	\$0.00
Leonard Cecil Byers	\$80,000.00	\$0.00	\$500.00	\$0.00
Marty J. Cauley	\$76,239.20	\$16,000.00	Voucher	Voucher
Lisa Brown Cole	\$71,000.00	\$0.00	\$0.00	\$0.00
Daniel Patrick Collins	\$45,760.00	\$0.00	\$0.00	\$0.00
Karen Melinda Crutchfield	\$59,600.00	N/A	N/A	N/A
Para R. Drake	\$15,000.00	\$0.00	\$0.00	\$0.00
Barry Page Drum	\$48,000.00	\$0.00	\$0.00	\$0.00
Ryan Douglas Dunn	\$45,800.00	\$18,580.00	\$562.00	\$1,530.00
Amanda Gail Fleishman Wilson	\$3,947.00 (plus additional compensation from my secondary appointment)	\$0.00	\$0.00	\$0.00
Donna L. Fowler-Marchant	\$30,563.78	\$21,709.74	\$2,000.00	\$1,500.00
Alvester Ivey Gales	\$73,000.00	\$0.00	\$0.00	\$0.00
Edith Lee Gleaves	\$110,116.00	\$28,609.00	\$8,625.00 Vouchered	None
Carol Woods Goehring	\$110,116.00	\$28,609.00	\$8,625.00 Vouchered	None
Laura Adele Goldenbaum-Yang	\$45,250.00	\$0.00	\$1,000.00	\$240.00
Mark Carter Hicks	\$82,135.32	\$18,818.00	Voucher	NA
Randy Allen Hillman	\$87,000.00	\$0.00	\$0.00	\$0.00

Name	Base Compensation for Year 2018	Utilities & other Housing Related Allowances for Year 2018	Travel Allowance for Year 2018	Other Cash Allowances for Year 2018
Meredith E. Hoxie Schol	\$80,000.00	N/A	\$2,000.00	N/A
William Sidney Hoyle	\$93,751.00	\$0.00	\$0.00	Sunday Pay & Overtime \$22,816.00
Robert Lewis Huckaby	\$67,000.00	\$35,000.00	\$7,500.00	\$0.00
Pamela Jo Hudson	\$70,502.15	\$0.00	\$0.00	\$0.00
Randall E. Innes	\$110,116.00	\$28,609.00	\$8,625.00 Vouchered	None
Laura Tardie Isaac	\$50,000.00	\$0.00	\$0.00	\$0.00
Nicholas Anderson Jeffries	\$53,544.00	Housing provided	Reimbursed	\$0.00
William Christopher Jenkins	\$42,617.00	\$18,019.00	\$6,000.00	\$0.00
Mitzi P. Johnson	\$49,000.00	\$30,000.00	\$0.00	\$600.00
Andrew J. Keck	\$100,000.00	\$0.00	\$0.00	\$0.00
Jessie Shuman Larkins	\$48,970.00	\$21,069.00	\$4,000.00	\$0.00
David Brent Laytham	\$89,193.00	\$0.00	\$0.00	\$0.00
Heather Heinzman Lear	\$46,000.00	\$36,000.00	\$0.00	\$900.00 - cell phone
Kenneth W. Locklear	\$110,116.00	\$28,609.00	\$8,625.00 Vouchered	None
James (Trip) Thomas Lowery III	\$87,035.00	\$25,000.00	\$12,000.00	\$900.00
Lawrence David Malcolm	\$68,461.00	\$0.00	\$0.00	\$0.00
Kenneth Bridger McLean	\$81,500.00	\$10,000.00	\$5,000.00	N/A
Yuko U. Miller	None	None	None	None
Regina Henderson Moore	\$82,000.00	\$20,160.00	\$0.00	\$0.00
Jan Camille Nicholson Angle	\$63,200.00	\$1,500.00	\$1,200.00	\$0.00
Kirk Bradley Oldham	\$71,392.00	\$15,426.00	\$0.00	\$0.00
Rhonda Parker	\$82,000.00	\$0.00	\$5,000.00	\$0.00
Ryan Paul Parker	\$83,616.00	\$0.00	\$0.00	\$0.00
Anna Adams Petrin	\$48,000.00	\$32,000.00	\$1,000.00	N/A
Erin Cloninger Roesch	\$14,000.00	\$0.00	\$0.00	\$0.00
Ismael Agustin Ruiz-Millán	\$71,000.00	N/A	Vouchered	\$0.00
Timothy John Russell	\$110,116.00	\$28,609.00	\$0.00	\$0.00
Tracy Clayton Sexton	\$49,544.72	\$0.00	\$4,000.00 allowed but I only claimed \$1,992.64	\$0.00
Mary Ann Link Shivers	\$54,750.00	None	None	None
Bryan Siefert	\$55,000.00	\$0.00	\$0.00	\$0.00

<b>Name</b>	<b>Base Compensation for Year 2018</b>	<b>Utilities &amp; other Housing Related Allowances for Year 2018</b>	<b>Travel Allowance for Year 2018</b>	<b>Other Cash Allowances for Year 2018</b>
James Warren Smith	\$92,000.00	\$0.00	\$2,000.00	\$0.00
Harvey Gray Southern	\$110,116.00	\$28,609.00	\$8,625.00 Vouchered	None
Bruce Eric Stanley	\$0.00	As Needed	Vehicle Provided	As Needed
Linda L. Taylor	\$110,116.00	\$28,609.00	\$8,625.00 Vouchered	None
Kelli Walker-Jones	N/A	N/A	N/A	N/A
Benjamin Edward Wells	\$30,800.00	\$18,000.00	\$800.00	\$0.00
Jaye Nesbitt White	\$78,474.00	\$18,361.70	\$3,000.00	N/A
Kristen D. Williams	Worked is billed hourly	\$0.00	\$0.00	\$0.00
Gloria Winston-Harris	\$46,350.00	\$15,502.00	\$0.00	\$0.00
Gilliam P. Wise	\$110,116.00	\$28,609.00	\$8,625.00 Vouchered	None
Ben Witherington	\$68,000.00	\$0.00	\$0.00	\$0.00