

NORTH CAROLINA CONFERENCE THE UNITED METHODIST CHURCH
LEGISLATION AND REPORTS

2009

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OUTREACH MINISTRY TEAM

THE OUTREACH MINISTRY TEAM SERVES TO CARRY FORTH THE MINISTRY THAT TRANSFORMS THE WORLD.

ADVANCE SPECIALS

Lane One: World Missions

1. **LOVE FOR LIBERIA FUND:** A two-year focus of missional action, prayer, and giving for United Methodist ministries in Liberia. Gifts can be given to the following areas:

General Love for Liberia Fund (#S-00221)	Provision of Medications (#S-00230)
Work Team Support (#S -00222)	Funds for shipping (#S-00231)
Provision of School Books (#S-00223)	Support Agricultural Self Sustainability (#S-00232)
Bibles for Children and Students (#S-00224)	Purchase of Tools (#S-00233)
Laptop/Computer Ministry (#S-00225)	Provision of Building Materials (#S-00234)
Scholarships for College (#S-00226)	Food Provision Ministry for Children (#S-00235)
Scholarships for Seminary (#S-00227)	Purchase of Skills Development Supplies. (#S-00236)
Scholarships for Primary Education (#S-00228)	Provision of Fuel for Generators (#S-00237)
Purchase of Tractors for Mission Stations (#S-00229)	Vehicles for Pastors/DSs/Mission Workers (#S-00238)
- Ganta United Methodist Mission Station** #14369T
Funds received will support rebuilding mission station buildings and infrastructure destroyed in the war.
- Brighter Future Children’s Rescue Center** #3020790
Funds received will support Ex-Combatants, Vocational /Literacy Training and Feeding .
- Feed My Lambs** #S-00179
Funds received will support Street Children, and Feeding/Literacy training.
- Sustainable Agriculture and Development** #S-00180
Funds will support UMCOR – Mozart Adevu.
2. **PROJECT AGAPE, Armenia** #S-00004
Relief efforts in Armenia (food, medical supplies, medication); working with the Armenian Church to provide a holistic ministry in pastoral care, education, healthcare, agriculture and economic development.
3. **PERU COVENANT TEAM:** Funds received for this project will be administered by the North Carolina Conference Peru Team to fulfill the covenant made between our Conference and the Methodist Church in Peru. Funds may be designated for the following:

General Fund (#S-00053)	Children and Youth (#S-00117)
Breakfast of Love (#S-00111)	Theological Education & Pastoral Formation-Obras de Wesley (#S-00118)
Matched Churches (#S-00112)	Women’s Programs (#S-00119)
Building and Work Teams (#S-00113)	Leadership Development (#S-00120)
Medical Needs (#S-00114)	Mission Teams (#S-00121)
National Plan for Evangelism (#S-00115)	White Plains/North Lima (#S-00173)
Christian Education-all ages (#S-00116)	
4. **CURAMERICAS/ANDEAN RURAL HEALTH CARE PROGRAM, Bolivia**#10158A
Your gift will provide vaccinations, nutritional monitoring of children, prenatal care, and other preventative health care services. Funds will be divided 42% for the Methodist Church of Bolivia and 58% for Curamericas/Andean Rural Health Care.
5. **AMITY FOUNDATION, TEACHERS, Nanjing, China**#09801A
Teacher Support.
6. **AMITY PRINTING PRESS BIBLES, Nanjing, China** #11422A
The Amity Printing Press (TAPP) was established in 1987 as a joint venture between The Amity Foundation and United Bible Societies. Gifts help to print Bibles, hymnals and devotional materials in Chinese and minority languages.
7. **RUSSIA UNITED METHODIST THEOLOGICAL SEMINARY (Not Capital Campaign)**#12174A
Scholarships will provide good Biblical and theological training for the development of strong ministries for future Russian church leaders.
8. **SUDAN EMERGENCY – Africa, Sudan**..... #184385
Assisting the country through emergency and long-term development projects.
9. **SUDAN SHALOM MINISTRY – Africa, Sudan**..... #3020787
Supporting children orphaned by the war and HIV/AIDS.
10. **ANIMAL LIVESTOCK AND BEEKEEPING - Africa, Sudan**... #3020638
Training farmers in animal husbandry and beekeeping to improve the community's economy.

Any other WORLD ADVANCE SPECIAL as listed in PARTNERSHIP IN MISSIONS.

<http://new.gbqm-umc.org/advance/projects/search>

Lane Two: National Missions

1. **ROCKINGHAM DISTRICT NATIVE AMERICAN COOPERATIVE MINISTRIES - "EVERY MEMBER IN MINISTRY",
Pembroke, NC #791001**
Provides ministry support, collaboration among our fourteen (14) Native American United Methodist Churches, leadership development, gifts exploration and missional opportunities
2. **ROBESON COUNTY CHURCH & COMMUNITY CENTER, Lumberton, NC #791742**
An ecumenical ministry in a multicultural community which is designed to help local churches meet emergency needs, literacy tutoring for children and adults, home repairs and building new homes. Speakers are available upon request.
3. **NATIONAL HISPANIC MINISTRIES CHALLENGE FUND #982620**
Provides assistance to Annual Conferences developing Hispanic Ministries, especially in the areas of leadership recruitment and development, financial resources and printed resources.
4. **SOCIETY OF ST. ANDREW POTATO PROJECT, Virginia #801600**
Salvages millions of pounds of unmarketable potatoes and other produce and distributes the food to hungry people nationwide.
5. **HINTON RURAL LIFE CENTER, Hayesville, NC #731372**
Provides for training needs and development of churches in town and rural settings.
6. **NATIVE AMERICAN COMPREHENSIVE PLAN #982615**
Supports leadership development, new church starts, and discipleship formation in the Native American community.
7. **SEJ ASSOCIATION OF NATIVE AMERICAN MINISTRIES, Lake Junaluska, NC #791842**
To help meet the needs of 130,000+ Native Americans living in the 17 annual conferences of the Southeast.
8. **RED BIRD MISSIONARY CONFERENCE, Beverly, Kentucky #773978**
The conference program facilitates the development of local churches and local lay leaders in isolated rural mountain communities.

Any other NATIONAL ADVANCE SPECIAL as listed in PARTNERSHIP IN MISSIONS.

Lane Three: Missionary Salary Support

The following persons have been recommended by the North Carolina Conference Missions Development Team for Salary Support:

- **MOZART ADEVU (#13996Z) Eastern Africa** Mozart is a GBGM missionary serving as the Africa Regional Coordinator for the sustainable Agriculture and Development Program for UMCOR. Substantial focus in work in farmers training in Liberia.
- **WIL BAILEY (#S-00140) San Isidro, Costa Rica (SEJ/Conference Missionary)** Wil will be responsible for working with local pastors in the southern zone of Costa Rica and will organize the projects at the Methodist churches in that area for U.S. work teams. Also will teach Theology, Bible and English at the extension campus of the Methodist seminary in San Isidro.
- **LYNN & SHARON FOGLEMAN (#773720) Kentucky** Dr. Lynn and Dr. Sharon Fogleman are Associates in Mission Service (AIMS) missionaries serving with the General Board of Global Ministries at the Red Bird Clinic in Beverly, Kentucky.
- **SHANA HARRISON (#13089Z) Chile** Shana is assigned as a chaplain of Colegio Psicopedagogico Juan Wesley in Santiago, Chile encouraging persons with disabilities to explore, express and nurture their spirituality.
- **BUTCH HUFFMAN (#S-00192) (Conference Missionary)** Engaging, encouraging, resourcing congregations for mission work team participation. Butch works with churches to equip them with the "how-to's" of doing local and foreign mission work teams. He can provide guidance or can lead the team if necessary.
- **GREG JENKS (#S-00148) ZOE Ministries, Sub-Sahara, Africa (Conference Missionary)** Greg is serving in the Zimbabwe Conference, Rwanda, and other areas of sub-Sahara Africa for the purpose of developing a comprehensive ministry in response to the AIDS pandemic. The primary focus is in the care of HIV orphans. The foci include establishing children's empowerment ministries, feeding programs, providing school fees and uniforms, and meeting spiritual needs of the children.
- **ALEXANDRIA JONES** (National Farm Workers Ministry) As a NC Church and Community Worker, Alex advocates for just treatment and working conditions for farm workers. She educates congregations on farm worker issues and raises awareness for ministries of mercy and compassion for farm workers and their families.
- **SHIRLEY TOWNSEND JONES (#982995) Bennettsville-Cheraw, SC (Church and Community Worker)** Assigned to the Bennettsville-Cheraw Area Cooperative Ministry in the SC Conference. She coordinates and implements spiritual, educational, social and economical programs for the 13 member churches and communities.
- **FRIDO KINKOLENGE (#15152Z) Liberia** A Methodist originally from the Congo, Frido has been working with the people of Liberia since 2004. He has started several extraordinary programs that are powerful and constructive like the Brighter Future Children's Rescue Center and Feed My Lambs. These programs support ex-combatants and street children and feeding/literacy training.
- **FAITH LAMPHIER (#S-00187) India & Africa (SEJ/Conference Missionary) A Work of Heart** - Sharing God's love through hands-on classes in sewing, cooking, and handcrafts. The skills learned provide an opportunity for the girls and women to gain self-confidence and, often, increase the family income.
- **GARY WAYNE LOCKLEAR (#982955) (Church and Community Worker)** Assigned to the Rockingham District Native

American Cooperative Ministry with the North Carolina Annual Conference. Main goal is to grow the Native American churches and leadership in the coming years and to explore the possibility of developing congregations in all Native American communities in the North Carolina Conference.

- **DAVID MARKAY (#12192Z) Milan, Italy** David is assigned to the Methodist Church of Milan in Italy with a missional emphasis of “Offering hospitality to the stranger/Being the church together.” He offers ministries of preaching, teaching, pastoral care, sacramental ministry and administrative oversight.
- **KRISTIN MARKAY (#12193Z) Milan, Italy** Kristin is assigned to the Methodist Church of Milan in Italy with a missional emphasis of “Offering hospitality to the stranger/Being the church together.” She offers ministries of preaching, teaching, pastoral care, sacramental ministry and administrative oversight.
- **NARA MELKONYAN (#S-00004) Armenia** Nara is the Director of Project AGAPE. She coordinates ministry and relief efforts at Project AGAPE in Armenia. **(See Project AGAPE under World Mission Lane)**
- **VICKIE SIGMON (#982916) Winston-Salem, NC** Vickie works in a high risk community developing Christian community, promoting social justice and proclaiming God’s loving presence.
- **VICTOR TARYOR (#3019571) Liberia, Africa** Victor is hospital administrator for Ganta Hospital, a position he has held since 2006. Also a registered nurse, Victor oversees the daily operation of the hospital while communicating with hospital staff to insure the hospital is providing the best possible care to each patient.
- **HERBERT ZIGBUO (#10911Z) Liberia, Africa** Herbert will be serving as Vocational Training Coordinator, seeking to improve and develop vocational training programs in selected United Methodist Schools.
- **MARY ZIGBUO (#10721Z) Liberia, Africa** Mary will be assisting the church to develop a program that caters to the physical, educational, and spiritual needs of disabled populations.

Lane Four: UMCOR

1. **UMCOR DISASTER RESPONSE** #901670
Enables UMCOR to respond to persons in need after natural disasters in the United States.
 2. **GLOBAL REFUGEE RESPONSE** #982540
An opportunity for United Methodists, through UMCOR, to assist refugees worldwide.
 3. **WORLD HUNGER/POVERTY** #982920
Provides both short-term crisis relief and long-term developmental assistance to eliminate the root causes of hunger.
 4. **BREAD FOR THE WORLD** #982325
Educates and influences people to work for government policies that address the basic causes of domestic and world hunger.
 5. **HEIFER PROJECT INTERNATIONAL** **General Program #982530**
..... **Living Gift Program #982532**
An inter-faith project that provides animals and other assistance to rural families. Recipients agree to pass on the first born female offspring of their animals to someone else in need.
 6. **CROP/CHURCH WORLD SERVICE COMMUNITY HUNGER APPEAL** #982380
Funds raised by a local church in a CROP event can receive UMCOR credit. For necessary forms contact: Carolinas CROP Office, 1006 Lamond Ave., Durham, NC 27701.
 7. **URBAN AGRICULTURE IN GAZA STRIP, Israel** #629001
For urban-agriculture initiatives for refugees to improve health and income.
- Any other UMCOR Advance Special listed in PARTNERSHIP IN MISSIONS or any UMCOR emergency appeal.**
<http://new.gbgm-umc.org/advance/projects/search>

Lane Five: Conference Advance - * Denotes a “fit” in more than 1 category

CHILDREN/SCHOOLS

- * **ALL GOD’S CHILDREN UMC (#S-08004)** This ministry will develop programs to meet the needs of impoverished children and youth in rural Bertie, Hertford and Northhampton Counties.
- **MISSION TO HAITI (#S-00122)** Many communities in Haiti do not have schools. This project is to assist in building schools and supplement teacher’s salaries when possible.
- **JERUSALEM ARC*** #S-00196
Leadership development and Christian Education for Palestinian Christian youth and young adults in Palestine and Jerusalem.
- * **PRISON MATCH (Mothers And Their Children) (#S-00054)** An interfaith program provides mothers and their children with the support and resources necessary to maintain and strengthen family relationships and to help break the cycle of children following their parents to prison.
- **VOLUNTEER FAMILIES FOR CHILDREN (VFC) (#S-00071):** A private non-profit organization with the purpose of helping communities develop and utilize local resources by providing emergency shelter care to children-in-crisis.
- **YOUTH SERVICE FUND (YSF) (#S-00082)** Supports mission projects within the annual conference and beyond, which have been selected by youth of our conference.
- * **THE PEACE (#S-00183)** This ministry develops programs focusing on children and parenting/teaching issues within

schools and churches in workshop, seminar, conference and/or retreat settings. For Christians, parenting can be viewed as an important spiritual discipline contributing to the healthy spiritual formation and character development of children, youth and parents/teachers.

CHURCH/COMMUNITY DEVELOPMENT

- * **ALL GOD'S CHILDREN UMC (#S-08004)** This ministry will develop programs to meet the needs of impoverished children and youth in rural Bertie, Hertford and Northhampton Counties.
 - * **MERCI: THE MARION EDWARDS RECOVERY CENTER INITIATIVES (#S-00136)** This center will be used to provide mission and ministry program that will meet people's physical and spiritual needs. The primary function of MERCI will be disaster preparedness, response, and outreach ministry.
 - **JOHN WESLEY ENDOWMENT (#JWEND)** The John Wesley Endowment is to provide start-up, promotional, and sustaining funds for new churches established in low income communities within the bounds of The North Carolina Conference.
 - **SHALOM ZONES IN THE NORTH CAROLINA CONFERENCE (#S-00105)** Churches and communities working together to rebuild community life.
 - **CASWELL COUNTY PARISH, INC. (#S-00008)** Provides services to elderly and low-income families through Meals-on-Wheels, outreach program, fuel and rent assistance, clothing, food, & Family Violence Prevention Program.
 - **HYDE COUNTY COOPERATIVE PARISH (#S-00104)** Provides meals to the needy, recreation and other opportunities for youth, food pantry and clothes closet, transportation for elderly and those needing medical care, ministry to inmates at the Hyde Correctional Facility, drug prevention awareness, assistance to abused persons and Hispanic ministry.
 - * **DISCIPLE BIBLE OUTREACH MINISTRY (#S-00103)** A COLLABORATIVE MINISTRY of the North Carolina and Western North Carolina Conferences developing Disciple Bible Studies, especially in small membership churches and in missional settings, particularly in prisons.
 - * **A TIME TO GROW (#S-00154)** To create a leadership academy for new church leaders and transitional church leaders for the conference and to provide support for new church development.
 - **HUNTING QUARTERS SENIOR CHRISTIAN FELLOWSHIP (#S-00171)** This program seeks to address the needs of senior citizens located in the down east area of Carteret County. It provides them the opportunity to escape the isolation of their homes, obtain information pertinent to the senior citizen's community, offers well balanced and nutritional meals, as well as entertainment.
 - * **THE PEACE (#S-00183)** This ministry develops programs focusing on children, parenting, family and teaching issues within the home, church, school and community in workshop, seminar, conference and/or retreat settings. For Christians, parenting, family life, faith friendships can be viewed as important spiritual disciplines contributing to the healthy spiritual formation and character development of children, youth and adults.
- ROCKINGHAM DISTRICT PARTNERS IN MINISTRY (RDPIM) (#S-00193)** Partner with local church congregations and communities to help alleviate poverty in the Rockingham District through hands-on outreach ministry with the poor and marginalized.

RDPIM Director Support: (S-00195) Deaconess Melba McCallum – Provides salary support for ministry director.

DISASTER RECOVERY/VOLUNTEER WORK TEAMS

- * **MERCI: THE MARION EDWARDS RECOVERY CENTER INITIATIVES (#S-00136)** This center will be used to provide mission and ministry program that will meet people's physical and spiritual needs. The primary function of MERCI will be disaster preparedness, response, and outreach ministry.
- **NC INTERFAITH (#S-00108)** Interfaith supports disaster recovery efforts by all faith groups in North Carolina.
- **NC CONFERENCE DISASTER APPEALS (#S-00096).**
- **NC STORMS EMERGENCY RESPONSE (#S-00176)** Provides funds for responding to storm-related emergencies to include any costs related to mitigating the disaster – direct support to affected families and costs in delivering assistance.
- **UNITED METHODIST VOLUNTEERS IN MISSION WORK TEAMS (#S-00021)** Provides assistance for Volunteers in Mission work teams from within the North Carolina Conference.
- **ISA GRANT SCHOLARSHIP (#S-00033)** Provides work team scholarships for persons who could not otherwise participate, especially young adults.

ETHNIC POPULATIONS

- **ROCKINGHAM DISTRICT NATIVE AMERICAN COOPERATIVE MINISTRIES - "EVERY MEMBER IN MINISTRY" (#S-00143)** Provides ministry support, collaboration among our fourteen (14) Native American United Methodist Churches, leadership development, gifts exploration and missional opportunities.
- **HISPANIC MINISTRIES (#S-00107)** Ministry to the fast growing Hispanic population in North Carolina. These funds will be administered by the North Carolina Conference Hispanic Ministry Team to support an increasing number of our congregations who are developing ministry to Hispanics.
- **SANFORD DISTRICT EMBRACE (HISPANIC/LATINO) INITIATIVE (#S-00032)** A ministry to fast growing Hispanic population in Siler City and Sanford, served by Spanish-speaking pastor. Worship, Bible study, fellowship, and assistance with cultural transition needs are provided.
- **ETHNIC LOCAL CHURCH PROJECTS IN ROCKINGHAM DISTRICT (#S-00022)** Funds will be used to assist ethnic churches with crucial needs.

- **JERUSALEM ARC*** **#S-00196**
Leadership development and Christian Education for Palestinian Christian youth and young adults in Palestine and Jerusalem.
- **WESLEY HERITAGE PROJECT (#S-00097)** Gifts will help distribute Obras de Wesley, the works of John and Charles Wesley in Spanish.
- **“EMBRACE” HISPANIC LATINO MINISTRIES OF NEW BERN DISTRICT (#S-00172)** To develop a fund which will be able to supplement income to Lay Missioners and Pastors of Hispanic Latino ministries throughout the New Bern District.
- *** THE PEACE (#S-00183)**) This ministry develops programs focusing on diversity and accepting differences among children, youth, adults, families, communities and cultures in workshop, seminar, conference and/or retreat settings. For Christians, openness to diversity and human differences can be viewed as important spiritual disciplines contributing to the healthy spiritual formation and character development of children, youth and adults.

HUNGER HUMANITARIAN RELIEF/MEDICAL

- **NO HUNGRY NEIGHBORS (NHN) (#S-00123)** A ministry of raising awareness, and eliminating hunger here in our own state. NHN support the various food banks in our Conference and Society of St. Andrew.
- **CONGREGATIONAL FOOD PANTRY SUPPORT (#S-00155)** To provide grant support for the creation and operation of local church food pantries.
- **STOP HUNGER NOW (#S-00101)** Provides immediate relief to famine affected areas around the world.
- **NC OFFICE, SOCIETY OF ST. ANDREW POTATO PROJECT, Durham, NC (#S-00081)** Coordinates and runs all hunger programs for Society of St. Andrew in North Carolina. Millions of pounds of produce saved and distributed in North Carolina at a cost of just 3 cents per pound.
- **FOOD BANK OF NORTH CAROLINA (#S-00025)** Distributes food at minimal cost to hunger ministries in North Carolina.
- **ALLIANCE MEDICAL MINISTRY (#S-00142)** This ministry was founded to provide affordable primary medical care to low-income, uninsured, working families in Wake County. This ministry aims to serve the working poor, families generally earning less than \$25,000 annually, who have no health insurance.
- **GOLDEN CROSS (#S- 00153)** Ministry that reaches out in love to the laity in our Annual Conference who are experiencing financial difficulty due to excessive medical expenses.

INSTITUTIONAL PROGRAMS

- **BOARD OF MISSIONS CHURCH CONSTRUCTION MINISTRY: (#S-00194)** – Supports the construction ministry in the NC Conference for building new church structures and refurbishing existing facilities. This ministry utilizes a conference contractor and volunteers and is used primarily for congregations that otherwise would not be able to afford to rebuild.
- **NC COUNCIL OF CHURCHES (#S-00051)** Gives witness to the unity that God has given through Christ, to the churches in NC. It is an instrument for cooperative study and action, especially on matters of justice; child and family advocacy; violence against women; public policy advocacy; rural crisis and farm workers advocacy; disaster relief; criminal justice; workplace safety; peace-making; AIDS ministry; and Christian unity.
- **DISTRICT BOARD OF MISSION:** Funds should be sent directly to the District Board and reported at year-end on Table II as Conference Advance.

Burlington (#S-00201)	New Bern (#S-00207)
Durham (#S-00202)	Raleigh (#S-00208)
Elizabeth City (#S-00203)	Rockingham (#S-00209)
Fayetteville (#S-00204)	Rocky Mount (#S-00210)
Goldsboro (#S-00205)	Sanford (#S-00211)
Greenville (#S-00206)	Wilmington (#S-00212)

- **CONFERENCE EVANGELISTS (#S-00079)** To provide support for NC Conference approved evangelists.
- **ALL NEW CHURCHES LESS THAN FIVE YEARS OLD (#S-08000)**
- **THE FOLLOWING UNITED METHODIST INSTITUTIONAL PROGRAMS AND PROJECTS**
 - a. United Methodist Camps: Chestnut Ridge (#S-00062), Don Lee (#S-00063), Kerr Lake (#S-00064), Rockfish (#S-00065)
 - b. Wesley Foundation for The UMC Campus Ministry Association. Duke University (#S-00073); ECU, Greenville (#S-00074); NCSU (#S-00075); PSU (#S-00076); UNC (#S-00077)
 - c. General Scholarship Funds at Duke Divinity School (#S-00026), Methodist College (#S-00028), Louisburg College (#S-00027), Wesleyan College (#S-00029).
 - d. Benevolent Funds of the Methodist Retirement Homes (#S-03600).
 - e. Benevolent Funds of the Methodist Homes for Children (#S-03500).
 - f. Asbury Homes (#S-03501).

- *** A TIME TO GROW (#S-00154)** To create a leadership academy for new church leaders and transitional church leaders for the conference and to provide support for new church development.

PRISON MINISTRIES

- *** PRISON MATCH (Mothers And Their Children) (#S-00054)** An interfaith program provides mothers and their children

with the support and resources necessary to maintain and strengthen family relationships and to help break the cycle of children following their parents to prison.

- **YOKEFELLOW PRISON MINISTRIES (#S-00078)** Educates church people concerning Christian responsibility for persons affected by crime and brings Christians into direct service ministries with prison inmates and their families.
- *** DISCIPLE BIBLE OUTREACH MINISTRY (#S-00103)** A COLLABORATIVE MINISTRY of the North Carolina and Western North Carolina Conferences developing Disciple Bible Studies, especially in small membership churches and in missional settings, particularly in prisons.

The Annual Conference will approve district projects for advance specials in accordance with The Book of Discipline. This insures that local churches making advance specials on a district level and reported to the Annual Conference advance special will receive credit.

CRIMINAL JUSTICE AND MERCY MINISTRIES

Doing this economic crisis there are possibilities that prisons will have to go without chaplains. As members of the Criminal Justice and Mercy Ministry, we are committed to providing services and opportunities for United Methodists in the North Carolina Conference to achieve and maintain an understanding of prison ministry and the importance of prison reform based on Christian principles.

The basic issue confronting the Church is *theological*: Who and where is God? The long-forgotten are being ignored, yet God is among the poor, the outcasts, the imprisoned and the victimized, working for justice, healing, and reconciliation. God's preoccupation with victims and the oppressed is clearly revealed in Yahweh's self-disclosure to Moses, a murderer, "Al have seen the affliction of my people; I have heard their cries under their taskmasters. Indeed, I know their sufferings and I have come to deliver them@ (Exodus 3:7ff).

It has been said that the roots of modern correctional *Chaplaincy* lie in the origin of Methodism. In the eighteenth century, Wesley gave a distinctly pastoral mandate to the Methodist societies which he founded. "I shall endeavor to show," said John Wesley, "*Christianity is essentially a social religion, and that to turn it into a solitary religion is indeed to destroy it.*"

We continue to have a need for trained and equipped chaplains to complete this work. Therefore, we offer financial support to the North Carolina Department of Corrections for Chaplains Ministry. As you ponder this, consider the following:

- The need for chaplains within the NC Correctional facilities and the services they offer to the inmates.
- The possibility of budget cuts within the Chaplaincy Services.
- What could happen within the prison system if chaplains are no longer in their position?

We continue to provide support for the Disciple Bible Outreach Ministries, Rings of Fellowship YDC, and Disciple prison materials, Yokefellow Prison Ministry, Kairos Prison Ministry, Prison Match of N.C., Inc., Epiphany Ministry, Inc., Community Success Initiative, Inc., The Capital Restorative Justice Project, and other Emerging Ministries Programs.

Finally, the main goal of the committee is to provide opportunities for the residents in various institutions that will help them to care for themselves and each other by community building, and will transform their lives through Biblical teaching. If we are going to change lives, it must begin with our residents in various institutions. This would help in the elimination of recidivism.

Members of the Committee on Criminal Justice and Mercy Ministries

DISABILITY CONCERNS, COMMITTEE ON

With a significant change in leadership in 2009, our committee has set out to examine the scope of ministry of the committee and how to best assist local churches and pastors in reaching out to all those who would seek to be involved in the life of the church. We have developed a new Accessibility Audit (available online at the conference website) that seeks to lead us beyond wheelchair ramps and examine and respond to the needs of many with disabilities and/or developmental delays. Keeping in mind the limited time and budgets of local churches, the Accessibility Audit has been developed in such a way that a church can do an extensive audit of its church, or it can tackle an area or two to move toward greater inclusiveness and stronger hospitality to those who otherwise would not encounter open doors and open minds. While all of us are concerned about those who are shut-ins or unable to participate in worship services and church life because of personal limitations, by working together the Committee on Disability Concerns hopes to show ways that all churches can reach out to many who encounter closed doors, limited access, and little or no accommodation in our churches right now. In addition to the audit process, the Committee on Disability Concerns anticipates providing training and individual church consultation as churches request analysis and expertise in these areas of ministry.

Hope A. Vickers, Chairperson

DISCIPLE BIBLE OUTREACH MINISTRIES

Since 1999, Disciple Bible Outreach Ministries of North Carolina (DBOM) has been making disciples for Jesus Christ in both prisons and pews.

As the Disciple Bible Study ministry for both the North Carolina and Western North Carolina Conferences, DBOM oversees the outreach of Disciple Bible study in adult prisons and RINGS OF FELLOWSHIP in the Juvenile Justice Institutions. To date, DBOM has managed studies in more than 70 NC prisons and youth development centers. Thousands of inmates and youthful offenders have participated in DBOM's ministries with hundreds of trained and certified volunteers from local churches. Men, women, laity and clergy have participated in DBOM's ministries. On August 22, 2009, all DBOM volunteers will receive re-certification training at Jamestown United Methodist Church in Jamestown. This re-certification, mandated every five years, insures that all of DBOM's volunteers have the latest in training and information.

For the local church, DBOM makes DISCIPLE Bible Study training available to every United Methodist church through the District Training Initiative. Since 2007, this initiative has brought free Disciple Bible Study facilitator's training to United Methodist Districts. Hundreds of NCC laity and clergy have received training through this initiative.

In 2009 DBOM will offer yet another ministry tool for the local church. In addition to the DISCIPLE training initiative, DBOM will partner with the Thriving Rural Communities Initiative to provide Prison Ministry Workshops in four United Methodist Districts per year. This new project, called the "Newgate Project," is named after the prison where John Wesley first conducted ministry almost 280 years ago. In addition to showing churches the needs and rewards of prison ministry, DBOM will offer ways congregations can become involved.

DBOM continues to lead the way in prison ministry in NC and throughout the United Methodist connection. DBOM's unique model of ministry continues to inspire the Church to visit those in prison as Christ commands.

DBOM would not be possible without the generous support of the people and churches of the North Carolina Conference. We wish to thank all of the churches that participated in the August DBOM Special offering. The 2009 DBOM offering is scheduled for August 23, 2009.

May God bless you as together we work to make disciples in the prisons and pews of North Carolina and beyond!

Mark Hicks, Director

GOLDEN CROSS

"Golden Cross" is a ministry that reaches out in love to the laity in our Annual Conference who are experiencing financial difficulty due to excessive medical expenses. Through Golden Cross, United Methodists care for members of our local churches in time of emotional stress and financial need. During 2008 we assisted 24 families from 6 of our 12 districts. Each one represented someone active in their local church. People just like each of us, who in a moment of struggle found means of grace and love coming from "their" church.

Please remember that sometimes the needs that cross my desk challenge the funds we have available. For instance, in 2008 the budget for Golden Cross was \$14,652.00 and we spent \$23,377.03. We were able to spend that because of the wonderful love offering many of our churches sent in this past year. The love offering for Golden Cross this year was \$15,754.70. The other good news is that beginning in the year 2006 Golden Cross was recognized as a Conference Advanced Special. This is a unique and special ministry of our conference that reaches out to our laity. My dream is to be able to help more families with additional money. But to do that Golden Cross needs your help. Please take a special offering for Golden Cross on the 3rd Sunday of August and designate on your conference remittance form. To those 65 churches and 6 individuals I want to publicly say Thank You, Thank You, Thank You. Your gifts enabled me to help 4 families that I would have had to turn down.

Now if I can just get the rest of our churches to do the same we will be able to meet the needs of some very special lay people in our United Methodist Churches.

Thank you and God bless you.

Richard C. Vaughan, Director

M.E.R.C.I

It is a joy to report to you that the work of MERCI continues to be a blessing to all of those it touches, from rural eastern North Carolina to the far reaches of Armenia and Zimbabwe. As a central location for training, disaster relief efforts and mission support, the vital efforts of MERCI are evident in so many ways and in so many places.

In recent days and weeks there have been questions raised about certain decisions made concerning MERCI; in particular, the impact that recent staffing decisions will have on MERCI's continued effectiveness and the reasoning behind the recent staff reductions. Let me address those two broad concerns.

First, MERCI is not relinquishing its role in disaster response, nor is its ability to respond quickly and efficiently diminished as a result of recent staffing changes. In the event of a disaster MERCI will draw on its extensive network of volunteers to assist in the work and use every resource at its disposal to fulfill its unique role. In fact, as part of the changes taking place, MERCI is making a return to its original function of disaster relief as outlined in its business plan.

In order to be in a position to work successfully, it is crucial for the local church to continue to offer its support. We covet your prayers as we seek to be the servants God intended for us to be. We also ask that you consider MERCI and its numerous volunteer opportunities when you are making plans to involve your congregation in service "beyond the walls." And perhaps most importantly we welcome your continued financial support of MERCI and its ministries. Whether through designated giving such as the Advance or through monies given to support the administrative costs of MERCI, each and every gift is appreciated. A reminder: MERCI is not a part of the North Carolina Conference annual budget, so your ongoing support is necessary.

Second, the decision that was made to reduce staffing levels at MERCI was not easy. It was done after much prayer and consideration for the future of MERCI. It is helpful to understand that current economic realities made it necessary for the MERCI Personnel Committee to evaluate staffing levels and move appropriately. In keeping with a return to MERCI's original stated purpose of primarily providing disaster relief support, a change was needed in staffing levels to reflect this. It is also important to know that recent fundraising efforts had been less than effective in helping to offset MERCI's administrative and operating costs. In light of this, the Personnel Committee felt a need to make changes in an effort to be good stewards of the resources that were available while looking at future projections of donations.

Since its inception in 1999 following Hurricane Floyd, MERCI has been involved not only in rebuilding homes but in transforming lives. By God's grace we will continue in this work, both here at home and around the world. It is with your continued support that we will seek to be the hands and feet of Jesus in God's world of today.

Blessings.

Suzanne Cobb, Chair, MERCI Board

METHODIST HOME FOR CHILDREN

In service to God, our mission is to build upon the social, physical, emotional, and spiritual strengths of children, youth, and families, and to affirm their worth.

- > Imagine serving a 4 year-old child who has witnessed more tragedy in her few short years than most adults have in a lifetime.
- > Imagine serving a former drug abuser who wants nothing more than to be a better father and have his two sons returned to him.
- > Imagine serving a couple that has always wanted a family and seeing the joy in their eyes as they bring home their newly adopted child.

Here at Methodist Home for Children we have been serving children and families like these for over 100 years. The work we do can sometimes be physically and emotionally demanding, but the rewards of our work are endless.

Our goal is to ensure that children grow up in safe and loving homes while working to eradicate the social and family problems that lead to abuse, neglect, family disruption and child abandonment. Originally a campus-based orphanage, Methodist Home for Children now offers a number of community-based services that serve the children and families of North Carolina. We serve families by offering a number of in-home counseling and support services. We also provide foster care, therapeutic foster care, adoption, training and consultation and a five-star childcare facility. We offer similar services for children as well as 9 residential group homes and scholarship assistance to students from our programs who wish to continue a higher education.

Last year we were able to serve a total of 1,386 children and families, and we had a lot to celebrate, including:

- The 12 children that were adopted into loving homes and the 190 children that were placed with safe and caring foster families.
- The higher education assistance we were able to grant to 24 students wishing to continue their academic pursuits.
- The new classroom added to the Jordan Child & Family Enrichment Center that participates in the More at Four program, and the 18 additional students that we were able to serve as a result who now have a substantially increased chance of future academic and professional success.
- The continued practice, promotion and teaching of our model of care that supports our values of honesty, respect, responsibility, empowerment, compassion and spirituality. Last year, we trained 140 staff members of North Carolina's Department of Juvenile Justice and Delinquency Prevention.

At Methodist Home for Children, we believe in improving the lives of children, youth and families by providing the highest quality of services. Our commitment to the lives of these individuals has been fueled by the support we have received from so many individuals, churches and church organizations, and for that we are truly thankful.

Bruce E. Stanley, President/CEO

MISSIONS

The people known as United Methodists have been engaged in outreach and missions through an incredibly diverse plethora of specific activities. Within the bounds of the N.C. Conference and beyond, God's Spirit, working through the connection of our United Methodist church has transformed lives, individually and collectively, those served by our outreach ministry and those who have served. We have walked the Seven Pathways in radical hospitality. Through risk-taking mission and ministry, we have opened our arms to those whom Jesus calls, "the least of these." As we have sought to be in ministry with the poor, we ourselves have been converted to compassion, we ourselves have been disciplined, and we ourselves have discovered the wonder of God's presence in the community of God's people.

Although it is an impossible task to fully measure or completely capture this story of mission, particularly in regards to the activities of individual congregations and specific lives, we can name a portion of our collective journey. Through our outreach efforts in our collective missional giving known as the Rainbow Covenant, we have provided almost \$700,000 to ministries caring for some of the most vulnerable people in the world. We have worked to eradicate hunger in the world through our connection with Stop Hunger Now's Operation Sharehouse by packaging several hundred thousand meals. Following a horrific earthquake in Peru, through this same partnership, we provided over 400,000 meals to victims whose homes and businesses had been destroyed. Our outreach saved the lives of countless persons.

In connection with the United Methodist Church in Liberia and our missionaries Frido Kinkolenge, Mozart Adevu, and Victor Taryor, you have disciplined ex-combatant children and taught them job skills, empowered people to grow their own food and become self-sustainable, and have offered medical care to thousands who would have otherwise faced death. You have undone structures of systemic poverty and created new Wesleyan communities of committed Christians. Through your gifts and prayers and relational connections, you have continued to proclaim the name of Christ in Russia, even as the country moves toward a more closed society. Thus, your connection to the Russian Initiative is ever more crucial. You have built houses in Costa Rica, fed thousands of children in Africa, empowered orphans in Rwanda, and continue to stand alongside brothers and sisters in Mississippi who still struggle from a deadly hurricane. You have worked beside people in Haiti, prayed with folks in Zambia, you have embraced mentally disabled brothers and sisters in a sheltered workshop in Chile – La Esperanza, the hope.

Engaging in hands-on ministry here in North Carolina, you have birthed new ministries aided by Mission Seed Funds – missional giving that assists and empowers United Methodist people to engage in risk-taking ministries in their own communities. Through the action of Sabbath Economics, you have invested your wealth into the lives of the poor, providing them with over one million dollars in capital so that they can create their own businesses and purchase their own homes, truly overcoming systems of poverty and inequity.

With Jesus, you have stood in solidarity across lines of ethnicity and history and culture and have proclaimed love and justice and hope and life. You have been the hands and feet of Christ, making disciples for the transformation of the world. If missions is anything, it is this.

PERU

This Covenant doesn't involve us in administrative and financial issues, the *traditional mission relationship*, but what is most important is the human relationship of mutuality, connecting the churches through the love of Christ, where Latin American Christians can contribute to the church of the Northern Hemisphere and thereby enrich this relationship (Bishop Aldo Etchegoyen).

The Rev. Sherry Driscoll, a member at the Southern Pines UMC, NCCUMC, tells us the way in which the Covenant has been walking the walk with the people in Peru and the beauty of God's plan that became true in the midst of a very poor place North from Lima, Peru.

At the end of the parable of the Good Samaritan, Jesus asked the lawyer, "Which of these three (the priest, the Levite, or the Samaritan), do you think, was a neighbor to the man who fell into the hands of the robbers?" The lawyer answered, "The one who showed him mercy." Jesus commanded him, "Go and do likewise." (Luke 10:36,37)

Some fifty members and friends from the Southern Pines UMC and the North Raleigh UMC took Jesus' challenge literally. From 2003-2008 work teams from these churches travelled to a shanty town about 45 minutes outside of Lima,

Peru. The small church at Jose Olaya began as a mission outreach from Comas 13, a small United Methodist congregation in Lima. Pastor Efrain Llanco had a vision of spreading the good news of Jesus Christ to people of this “young village”, many who had recently come down from the highlands.

The land on which the church sits was purchased and the original wooden structure was constructed with funds provided by a work team from the Missouri Annual Conference. Soon however, the congregation outgrew this as additional space was needed for Sunday School classrooms. The piece of land next to the church was bought with money donated by the mother of one of the SPUMC team members.

Over the course of the next several years, with generous support from the North Carolina Annual Conference, the Southern Pines UMC, and the North Raleigh UMC, a new 2-story sanctuary and education building literally rose from the sand. The total cost of the building project was approximately \$75,000. It was indeed a joyous day, March 2, 2008, when Bishop Jorge Bravo consecrated the buildings to the glory of God.

In addition to the completion of the buildings, over a thousand men, women, and children were seen in the free medical clinics that were held yearly. Hundreds of boys and girls participated in Sunday afternoon activities.

Our mission trips were much more than cutting rebar, raking sand, mixing and hauling concrete, and painting. They were about building relationships among team members as we lived, worked, and worshiped together. They were about building relationships with our Peruvian sisters and brothers. They were about continuing the covenant between the Peruvian and the North Carolina Annual Conferences. We learned that the love of Christ transcended any language, cultural, and ethnic barriers we had. For many who participated on the mission teams, our experiences in Peru were life changing and we were blessed beyond measure. Gracias a Dios!

I can tell you all that the Covenant shows us that the church “is not just the place we go, but the church is something we do. It tells us that actions speak louder than words, and that we are all more than a building open on Sundays.”

Bishop Jorge Bravo has sent a few interesting key projects. We hope you will be interested in getting your church involved in them. Very soon you will receive news about these very interesting projects.

Luis F. Reinoso, Chair

REFUGEES AND IMMIGRATION, COMMITTEE ON

Migration is a common and constant reality and is as old as human life on the earth. Moreover, it is a reality along what we Christians call the history of salvation.

A wandering Aramean was my ancestor; he went down into Egypt and lived there as an alien, few in number and there he became a great nation, mighty and populous (Dt. 26:5).

It is in the last 5 years that our state has experienced a demographic explosion, especially with the influx of immigrants from Hispanic/Latino backgrounds and other peoples from around the globe. Several of our congregations have been involved in ministries especially with refugees for several years with the coordination of Lutheran Family Services (LFS) as well as other agencies. In one of our first attempts, our committee has identified them and we are establishing a network with them. Also during these few months we have been able to give some financial support to several local churches that do ministry among refugee families.

The Refugees and Immigration committee was created and organized in our 2008 Annual Conference. Before its creation, Rev. Luis Reinoso has been the coordinator of the Refugees ministry on behalf of the conference, establishing networks with UMCOR and other agencies that are responsible for- these ministries. Our committee members are a team of passionate and exciting people with great experience both in refugee and immigration ministries. In these past months several of us have participated in a diversity of events sponsored by the North Carolina Council of Churches along with some local churches and the Catholic Immigration Network. Rev. Luis Reinoso has attended a consultation with UMCOR and the General Board of Global Ministries.

Our overall goals as a committee are to create and nurture local partnerships and networks between local churches and refugee and immigration organizations.

To strengthen our collaboration we are launching the Justice for Our Neighbors (JFON) project in cooperation with the Western NCC. These efforts will not only educate ourselves, but our clergy and laity in regard to refugee and immigration

realities and how they speak to and challenge our faith. Part of our goal is to coordinate efforts in regard to these ministries with ecumenical and grassroots organizations. We have already invited the Presbyterian Church (PCUSA) here in North Carolina to be part of this effort. We have also engaged the United Methodist agencies at the national level to pay attention to US immigration policy and legislation.

One of the first activities, Refugee Ministry Workshop, took place on Feb. 7, 2009 at North Raleigh UMC with an attendance of 95 people representing 17 local churches and a community of faith. We had the participation of the Children's Choir from Rhems UMC – New Bern District, and the testimonies of guest former refugees from different local churches in Durham, New Bern, Raleigh and Burlington. We also received a visit from Church World Service (CWS) officials in NC and from the GBGM, NY – Naomi Madsen, Office of Refugee Ministries. Two members of the Western NCC also attended the event.

Finally, let me inform you that CWS has opened an office in Durham and Greensboro to work with Refugees. We expect to work closer with this agency in the future. Sisters and brothers, we need your prayers, your support and your involvement so that our conference will be able to serve on a larger scale. With a diversity of resources, our new neighbors that flee to our country from harsh and unimaginable realities will find a place of relief and welcome.

Rosanna Panizo, Chairperson

UNITED METHODIST WOMEN

“Come to the Potter for Love”

The theme for 2008 was “Come to the Potter for Love”. The focus scripture was John 3:16: “For God so loved the world that He gave His one and only son that whoever believes in Him shall not perish but have eternal life.”

With blessings from above and the generous giving of the local women in our conference, we were able to exceed our Pledge to Mission for 2008. We sent \$447,986.38 to Women's Division for mission giving. This money will enable us to help women, youth and children to become better educated and allow us to reach out to others all around the world.

The North Carolina Conference Executive Committee met in January at St. Paul United Methodist Church in Goldsboro, in April at Rose Hill United Methodist Church in Rose Hill and in September at Dover United Methodist Church in Dover. The Executive Committee made plans for the 2008 programs and events to meet the needs of the general membership of United Methodist Women in our Conference. We are a supportive community, working to accomplish our goals as we re-evaluate our programs to strengthen our organization. This year, our Executive Committee consisted of many new officers. We held a Conference Officer Retreat in February to help establish a strong support system within our Executive Committee.

At the 39 and Under Event held at Graham United Methodist Church in Graham on February 22-23, the workshop leader was Rev. Cynthia Powell. Approximately 190 women attended this special event. Workshops were held on Spiritual Disciplines, UMW Basics, and Marriage and Family. A special workshop for teens included learning to love God's people through service.

The Conference Racial Justice Workshop was held April 26 at Chestnut Street United Methodist Church in Lumberton. Alexandria Jones of the National Farm Ministry led the workshop on Farm Workers and Migrant Ministry. A crew leader from a group of farm workers participated in the discussion. Approximately 55 ladies attended.

The Spiritual Enrichment Retreat, May 16-17 was held at Hay Street United Methodist Church in Fayetteville. Rev. Dr. Laura Early led the event entitled “For the Love of Jesus.” The District Spiritual Growth Coordinators led the Friday evening vespers.

In June, the Conference Officers and School of Christian Mission Dean, Assistant Dean and study leaders attended the South Atlantic Regional School of Christian Mission in Owensboro, Kentucky. The study leaders were introduced to our mission studies—I Believe in Jesus, Giving our Hearts Away—a Native American Study and Israel and Palestine. The Conference Officers also attended an officer update workshop. Our Conference School of Christian Mission was held at Methodist University in Fayetteville on 23-26. On Thursday night, three Lumbee Native Americans presented a program of music, dance and an explanation of their heritage.

The Mother Child Retreat was held at Camp Don Lee on September 19-21. The central theme for this event was “Come to the Potter for Love through Nature.” The camp was filled to capacity with 232 mothers and their children at Camp Don and 93 at Camp Caroline. This is a record attendance to the retreat! All activities were held at Camp Don Lee. Madoline Murphy led the event.

The UMW Conference Annual Meeting was held on October 11 at Methodist University in Fayetteville. 506 people attended. The Rockingham District served as host for this event. The 2007 Book of Reports was dedicated to Georgia Pilkington. She has shared her many talents throughout the local, district and conference levels for more than 25 years. Nine recipients were awarded \$10,000.00 in scholarships to our Methodist institutions. The 2009 budget was approved as presented by the Conference Treasurer. Kyung Za Yim, former President of the Women's Division installed the 2009 slate of

Conference officers: President-Ann Davis; Vice President-Theresa Hodges; Secretary-Sandra Croom; Treasurer-Sandra Mendell; Social Action Coordinator-JoAnn Barbour; Education and Interpretation-Melba McCallum; Membership, Nurture and Outreach-Madoline Murphy; Spiritual Growth-JoAnn Stanford; Chairperson of Nominations-Dora Ann Maness; Communications Coordinator-Ceil Matthews; Secretary of Program Resources-Marjorie Brown; 39 & Under Representative-Stephanie Wright; Committee on Nominations-Doris Wade, LaNella Smith, Patty Stricklin, Susan Rayle, Claire Robinson, Kendall McDougald, and Jackie Wenberg. The program concluded with a Service of Worship. Darlene Jacobs, Southeastern Jurisdictional Agent for Native American Ministries in Lake Junaluska presented the message entitled "Real Love". The love offering was \$1543.00. District Superintendent Rev. Leonard Fairley of the Rockingham District wrote the Celebration of Holy Communion. Bishop Alfred Gwinn, Reverends Fairley, Sandy Schaller and District Superintendent Sam Wynn led the Service of Word and Table, "Come to the Potter for Love".

Conference DO-IT-DAY was held November 8 at Pine Valley United Methodist Church in Wilmington. The District Officers were trained in their respective job responsibilities. Leadership Training for new incoming Conference Officers was held November 21-23 in St. Louis, Missouri. The following women attended: Theresa Hodges, Ceil Matthews, Susan Rayle, Claire Robinson and Kendall McDougald.

The local units are the core of United Methodist Women. We all give many volunteer hours to our local communities serving in food and clothes pantries, tutors in school, visiting nursing homes and mission project sites as well as participating in our local church activities. Several hundred school kits, health kits, layette kits, and flood buckets were assembled and distributed where needed.

As North Carolina Conference UMW President, I would like to express my thanks and gratitude to the Conference Officers for their dedicated service to our mission giving and project endeavors. As a Conference Team, we express our thanks to every UMW member for their continued support of projects and their mission giving.

Ann Davis, Conference President

CHRISTIAN FORMATION TEAM

THE CHRISTIAN FORMATION TEAM SERVES TO FORM AND NURTURE DISCIPLES OF JESUS CHRIST.

ARCHIVES AND HISTORY

Honoring the Past! Embracing the Future!

When the General Conference convened on April 23, 2008, it was in Fort Worth, Texas, only 30 miles away from the Dallas Convention Center where the United Methodist Church was born. It was the fortieth anniversary of the UMC, in fact forty years to the day. On April 23, 1968 the Methodist Church united with the Evangelical United Brethren Church to create The United Methodist Church. Both were American born churches that grew out of the Great Awakening. A thousand official delegates and thousands more celebrated our fortieth anniversary beneath the theme "A Future With Hope".

Barbara Heck, shaped by the teachings of John Wesley, gathered a group of Methodists in her home in New York City in the fall of 1766. She then persuaded Philip Embury to preach to these "Methodists" who were about to make a "shipwreck of their faith." Embury preached his first sermon (1767) in a rigging loft. This was the beginning of John Street Church, a cradle of Methodism.

In the same year (1767) two "pietists" met in a preaching meeting in Long's Barn in Lancaster, PA. Phillip William Otterbein, a reformed pastor and Martin Boehm a Mennonite greeted each other with a handshake and the words "Wer Sind Bruder" (we are brothers). This marked the beginning of the United Brethren Church, later to unite with the Evangelical church (Albright followers). But these pietists never intended to found new churches. "All they wanted to do was to help people personally experience God's forgiving love and become faithful believers within their own denominations." *Methodist heritage by John G. McEllhenney.*

By April 1768 the New York Methodists were so confident about their future that they wrote to John Wesley asking that he send them a preacher, "a man of wisdom, of sound faith, and a disciplinarian." Wesley appointed Richard Boardman and Joseph Pilmore. They reached America in 1769. Before they sailed, Robert Williams, an Irish street preacher came on his own. Wesley wouldn't license him to preach, but allowed that he could preach under the authority of another licensed preacher. The Irishman sold his horse and sailed for the American Colonies.

He joined forces with a Maryland farmer/and lay preacher, Robert Strawbridge. Following the providence of God [*the pretty ways of Providence*] he arrived in Norfolk. As one of the circuit riders associated with the Petersburg Society, he formed the Brunswick circuit (26 preaching places) along the Roanoke River in Virginia and North Carolina. Gergain's Chapel, now beneath the waters of Lake Gaston in old Bute County NC, (now Warren County) was the center of it and is a cradle of Methodism in the

south.

Methodist Heritage in North Carolina

In the spring of 1772 this circuit rider, Robert Williams, crossed the Roanoke on a flat boat and stayed with Captain Coleman. The willow oak under which he preached stood in place for centuries. It fell in 2007. A wood carver has been commissioned to create a carving of a circuit rider from the wood of this tree. Jerusalem UMC (est. 1773) honors Robert Williams as their founder.

The spring meeting of The North Carolina Conference Historical Society along with The NCC Commission on Archives and History celebrated Methodism on the Roanoke. We gathered on the banks of Lake Gaston (formed by the waters of the Roanoke) on May 23, 2009. Folks came from all around for a dinner on the grounds. The Apple Yard of Maratuk where Bobby and Janie Coley have restored an 1800's farm house was a fine location. There was banjo music and gospel singing, heritage stories, bar-b-q and Brunswick stew. A circuit rider, accompanied by a trail ride of youth, arrived on horseback and preached in the farm yard. The Jerusalem/Warren Plains charge hosted the event.

There are two official United Methodist Heritage Landmarks within the boundaries of the North Carolina Conference. They receive financial support from the NCC Commission on Archives and History budget. Whitakers Chapel near Enfield was built in 1740 as an Anglican chapel. When, during the revolutionary war, the Anglican priests returned to England, Methodist Circuit riders made this a regular preaching place. Francis Asbury preached at Whitaker's Chapel at least three times, in 1786, 1789, and 1804. The Annual Christmas Service in December and Homecoming in June are well attended. The Green Hill House near Louisburg hosted several Annual Conferences and was visited often by Bishop Asbury and other itinerants. It stands in good repair.

The Revolutionary War ended with the Treaty of Paris in 1783. In 1784, when the Methodist Episcopal Church was founded, there were 15,000 Methodists served by 83 traveling preachers. It is reported that one half of them were in Virginia and North Carolina. Our Conference Historian, Dr. Bill Simpson, refers to Warren and Halifax Counties in the Rocky Mount district as the cradle of Methodism in the south. Let the churches of North Carolina Conference save and recall often their grand histories.

Some dates to remember in 2009.

June 29-July 2: The SE Jurisdictional Historical Society will hold its annual meeting at Lake Junaluska in conjunction with the 20th Anniversary Meeting of the Historical Society of the United Methodist Church. Rev. Arthur Warren, a NCC elder, is President of the SEJ Society and will preside at some of the sessions.

November 13-15: A Heritage Preservation Workshop will be offered at Junaluska.

John K. Bergland, Chairman

CAMPUS MINISTRIES

Report of Ministries among College Students at United Methodist-related campus ministry units and colleges/universities:

The North Carolina Conference UMC supports ministries among college students at six campuses of the University of North Carolina system and at four historically United Methodist-related colleges/universities. Four of the campus ministries are full-time United Methodist Wesley Foundations/Fellowships: UNC-Chapel Hill, Duke University, East Carolina University and NC State University. Two are cooperative campus ministries with Presbyterians and Baptists at UNC-Wilmington and NC Central University. For UNCPembroke, the Conference supports the ministry of First UMC-Pembroke on that campus. The College Chaplaincy Support Fund supports the religious life ministries of Louisburg College, NC Wesleyan College and Methodist University.

The Raleigh Wesley Foundation

In the recent best seller, *The Shack*, there is a line that states, "Life takes a bit of time and a lot of relationship." This might be an apt description of campus ministry at the Raleigh Wesley Foundation. In many ways, we strive to be an Acts 2 church. We truly practice "Radical Hospitality" in that all students have a place around our table. While most of our students are United Methodist, there are some who are not and some who have little or no church background. We are a place that welcomes the stranger (and the familiar) regardless of who they are, what they are, or where they are in their faith journey. Some are drawn by our "gastro-evangelism" but they stay because they find a place to belong and call home. They stay because they are nurtured personally and spiritually and form vital relationships that will continue to shape their lives. Kathryn, a student from

Goldsboro, says, "As a freshman, the Wesley Foundation was a place where I made some of my first and closest friends at college. Now, it is a place I can go every week to enjoy Christian fellowship and learn more about myself and about God. I can't imagine college life without the Raleigh Wesley Foundation."

We are also marked by passionate worship and value our role as a worshipping community. At least once a month, we use our weekly meeting time to share in worship that is diverse and to share in the celebration of Holy Communion. Worship is an important part of our retreats and mission trips as well. With the addition of our new worship center, we now have a "sacred space" where we can gather for worship or weekly vespers. The Robert Bryant Memorial Worship Center was made possible through donations from Wesley Foundation alumni and friends. It honors the memory of a former RWF student.

We are intentional about spiritual formation as well. We offer a number of small group experiences in addition to our weekly meeting; time set aside for Bible study, discussion and spiritual formation. This past fall we started a group called "Soul Tending" that focused on spiritual practices and disciplines. At least twice a year we plan weekend retreats to build community and strengthen faith. We have also started an informal discussion group called the "Upper Room Fellowship" which meets after our weekly dinner and meeting to discuss current events or topics that have an impact on our lives as Christians.

Finally, risk taking mission is also a vital part of our ministry. We believe that our students should be challenged to meet the needs of others through mission and service, both local and abroad. Each year we plan a mission trip, alternating between domestic and international trips, so that our students can be exposed to diverse cultures, lifestyles and environments. By expanding their perspectives, students learn that there are many of our brothers and sisters who are in need and for whom we should be concerned. In May of 2009 we will travel to Costa Rica to work through Volunteers In Mission. We have also participated in campus wide service events such as Shack-A-Thon to benefit Habitat for Humanity, Service NC State to help package over one million meals for Stop Hunger Now, and Service Raleigh.

Life does take a bit of time and we only have our students for a few years before they move on. In that short time, the Raleigh Wesley Foundation seeks to form vital relationships that will nurture, sustain, transform, and prepare the next generation of Church members and leaders. Skip, a student from Asheville, says, "I find the Wesley Foundation to be an enriching, fun group of university students who gather regularly for fellowship and worship. We are a Christian community in every sense!"

Kirk Oldham, Campus Minister

Duke Wesley Fellowship

After 25 years of sojourning on the Duke Campus every Sunday night for Wesley Worship (and sojourning is not all it's cracked up to be, especially when your reservation gets canceled at the last minute), Duke Wesley has pitched a tent at Asbury UMC, adjacent to Duke's East Campus. So, with the Duke Wesley house on the southeast corner and Asbury on the northwest corner of East Campus, we've got them surrounded. I expect the unconditional surrender of hedonism and licentiousness any day now. Until then we continue to go faithfully about the mission and ministry of embodying The United Methodist Church for Duke University. Our outpost in the basement of Duke Chapel continues to offer respite for sin-sick souls at the hub of the campus. In short, we are grateful to the congregation of Asbury for taking us under their wing, to the North Carolina Conference for providing some resources to model Christian Community, and to Duke University for extending hospitality of space. In each of these places lives are shaped because God is at work.

Jennifer E. Copeland, Ph.D.

United Methodist Chaplain and Director of the Wesley Fellowship, Duke University

Wesley Foundation of Greenville

January 1, 2008 – December 31, 2008

Our main service of the week continues to be Thursday nights. We have a home cooked meal, often prepared by different United Methodist Women's groups all around the Greenville District, at 6:00 PM. Our praise band then leads praise and worship for about 35 minutes and then we have a message by the campus minister or a program by the students.

The Wesley Singers is our main outreach to other churches. We did 11 praise concerts over the year. This is our biggest "commercial" for Wesley and a great opportunity for the students to express their faith and energy in positive ways.

In January we had 13 students involved in a Chrysalis weekend. In February we volunteered at the North Carolina Food Bank. In March we had two Spring Break mission teams. One group of 6 students went to New Orleans to do hurricane recovery work and a group of 19 went to the Dominican Republic. These are life changing opportunities for the students and well worth the effort and expenses. While in the DR we visited a

Haitian refugee village and took food for distribution. Crowds of people with bowls came in long lines up to our vans like something you only see on TV happening in countries like India. It was an experience our students will never forget.

Later in March we decorated five rooms in our building for people to walk through like some churches do for a haunted house, except we had a "House of Prayer". We had done this several years ago and it had gone over so well, we wanted to do it again. Each room featured a different type of prayer: confession, meditation, empowerment, healing, and intercession. For the meditation room we had a 30 foot labyrinth. For the empowerment room we had a reenactment of the day of Pentecost, complete with tongues of flame and a mighty wind. The highlight again this year was a Witness Wall where people could read the testimony of other students and post their own. These were really powerful. In the intercession room, not only could they pray for specific soldiers and missionaries by name as they looked at their picture, but then they could actually write them a letter and put it in a "mail box". Later, all the letters were taken to the Post Office.

In April we had 12 students go on our spring Spiritual Retreat. We went to Camp Rockfish. Our theme was the many different ways to worship God. Our closing worship service was a wonderful celebration of music, drama, mime, poetry, preaching and dance. Also in April we went to NC Wesleyan College and led music for our Conference's Youth Rally Day. We also did a Habitat work day.

In May our campus minister, his wife and 5 of our students and four students from other Wesley Foundations around the NC Conference went to Student Forum in Washington, DC. This was a great opportunity to get to know other students involved in "Wesleys" all across the country and to be challenged to reach out to those different than us and to take a stand for justice and equality in the name of Christ.

During June and July our campus minister and several of our students participated in 8 orientation sessions for incoming students. For the first time ever, we also participated in a new student orientation at Pitt Community College. We were the only religious organization there.

In August our student officer team held their annual planning retreat, where we planned out the year's activities. In late August we had 11 of our students participate in One Million Meals, sponsored by Stop Hunger Now. Joining with students from NC State and Carolina, we prepared and packaged one million meals to be served to the hungry all around the world. Dry ingredients were sealed in plastic bags along with directions for boiling in water. It was fun for us, as well as a powerful ministry to others.

In September we started a new Bible Study called Naked Flamingos, "exposing" a new topic that we would "fly" with each week. We also participated in a Habitat for Humanity fund raiser that raised \$20,000 through barbecue chicken dinners sales.

In October we worked at a homeless shelter.

In November we did a second spiritual retreat at Camp Rockfish, this time with 15 students. Our theme was "Spiritual Survival Kits". Everyone got a camouflaged kit with a devotional book, a set of "Christ Is Lord" prayer beads, a copy of In His Steps, a packet of prayer cards and a prayer journal.

In December we had our annual Christmas party at the home of our campus minister and his wife. After the party we went Christmas caroling around their neighborhood. For many of our new students it was their first time caroling!

Lindsay Norris, a junior, and member of Swansboro UMC, says, "My first few weeks at college were tough! I called my mom to come and take me home, but then I went to Wesley. I was welcomed with open arms. Mrs. Vickie (our campus minister's wife) said, 'You just let Wesley be your home-a-way-from-home.' I did just that and now it is the highlight of my week!"

Ashley Colley, a junior from Eden, NC, and raised Southern Baptist, says, "A friend invited me to an Ice Cream Social that Wesley was having for freshmen. I'm so glad I went. I didn't have much of a relationship with God back then, but everyone at Wesley has helped me develop and strengthen my walk with Christ so much now. I feel truly blessed to have Wesley and everyone who goes to Wesley in my life."

Chase Taylor, a pre-dental senior from Trinity UMC in Jacksonville, NC, writes, "Wesley is a place to fellowship and worship God with friends, but it's about more than just receiving. During my four years here, I feel God has worked THROUGH me, as well. For instance, I went on two spring break mission trips: one to Mississippi to do hurricane Katrina relief and the other to the Dominican Republic where we painted a church and did vacation Bible School with about 100 children. Wesley has helped me learn that being a Christian involves helping others who are less fortunate than me. I've truly been blessed to be a part of the Wesley Foundation."

Senior Randy Meisenhelder is a member of St. Joseph UMC in Pikeville. He writes, "The Wesley Foundation here at ECU has had a profound impact on my spiritual life. When I came to Wesley, I was already

a devout Christian, but I was living in the shallow waters of faith. Wesley has challenged me to step out in the deep water. I have grown immensely, realizing that there are gray areas in life and that is OK. I've learned I will never know enough about God or be able to do enough for Him to make up for the immeasurable grace He has shown me. I will soon graduate, but I will never forget or "leave" Wesley. I will support it with my heart, my finances and my prayers. Plus, Pastor Scott just assisted in my wedding with many of my Wesley friends present. Wesley is now closer than ever!"

Rev Scott Wilkinson, Campus Minister

Wesley Foundation at UNC-Chapel Hill

The ministry of UNC Wesley provides students a place to find and strengthen their own faith. Each year our Campus Minister asks us why we are United Methodists and we seek to ground ourselves in the Wesleyan tradition of grace and the Spirit of God. Our theme this year has been "Why we do what we do." We asked students what they wanted to know about church. We have learned about United Methodist tradition, baptism, doubt, sexuality, John Wesley, why we have creeds, why we care about Global health and the poor, why we go to church at all. We have discovered this year that we have a rich history, and that we are a diverse community with a vested interest in God's family.

Our ministry is defined by those fruitful practices of radical hospitality – we welcome students of every persuasion; passionate worship – designed by students for students; risk-taking mission – this year on the streets of New York City and in the desert of Arizona; intentional spiritual formation – two spiritual growth retreats, Bible study on the book of Romans, transition groups for first years and seniors, small groups to tackle questions of faith and discern God's direction for life; extravagant generosity – giving most obviously of the gift of time, logging nearly 7000 hours of volunteer service and leadership over the academic year.

All of our programming is planned by students. We serve communion, plan worship, write our newsletters, plan social events, lead weekly programs, plan our mission trips and outreach projects. We are the "emerging church" – laity and clergy in training, developing programs and skills and leadership identity for the church over the next fifty years. "What does Wesley mean to you?" Ask most students here at UNC Wesley this question and you will hear one word repeatedly: family. Students at UNC Wesley find their place in Christian family among other students. In and through this community we develop opened-minded, responsible, and invested young people – the future of the church.

Thank you, North Carolina United Methodists, for supporting us on our journey of faith!

Emily Osterhus, Student President and Jan Rivero, Campus Minister

NC Wesleyan College

I am currently serving in my sixth year as the chaplain at North Carolina Wesleyan College, and I love my ministry here so much that I would gladly retire from this position 15 years from now. At Wesleyan the chaplaincy became a fulltime position in 2005 as a hybrid faculty/staff slot, so I serve in the academic arena as well as in other forms of campus ministry, utilizing my M.Div. degree from Duke and my M.Ed. degree from N.C. State (along with my two bachelor's degrees). I am also working on a Doctor of Education degree from Southeastern Baptist Theological Seminary – it is scheduled for completion in May of 2011, and I am hoping that my dissertation on John Wesley's Theology of Discipleship and Spiritual Formation will be published.

I consider my classroom teaching work a genuine ministry. I intentionally choose to teach first year students in introductory religion courses for two main reasons. First, it is a prime opportunity to meet freshmen and develop lasting relationships with them. Second, the subject matter in an Introduction to Christianity class gives me a perfect opportunity to teach gospel truths in a non-threatening manner to many who have never heard the gospel presented rationally in an easily understandable format. Each of the four students who wrote testimonials for this report met me in Religion 101. I also teach College 101 orientation classes and take on the extra load as a freshman advisor because it increases my visibility on campus and opens doors for my ministry of counseling.

Additionally, I teach adult and traditional students at night in ADP (Adult Degree Program) classes. Now in my eleventh year of teaching ADP classes at two different institutions, I have mastered the format of graduate school style seminars which promote soul-searching discussion. Like my daytime classes, my ADP classes tend to be full, even at times of low enrollment at Wesleyan overall. In ethics and religion courses I am able to share the gospel in the Wesleyan theological tradition while staying true to the classic liberal arts format. This is exciting ministry for me! All of my course syllabi include an emphasis on love, respect and tolerance, and that is a keynote for the courses. Muslims, Bahais, Wiccans, atheists, agnostics and others of diverse theological perspectives have intentionally taken multiple elective classes with me because they have found the open minds, open doors and open hearts in the classroom.

Of course, my ministry as a chaplain includes pastoral counseling. I maintain office hours at least five days a week during the academic year, and sometimes on Saturdays and Sundays. Perhaps my most enjoyable ministry on campus is serving as a chaplain to the football team. At the request of the coaching staff I preach a pre-game message before every home game, and then spend the entire game on the sidelines with the Battling Bishops. Attendance at the pre-game service is voluntary, but includes 30-60 players and coaches. I have been requested by the head coach to perform the same function next season at home and away games. This ministry to the football team has opened up many opportunities on campus for the Fellowship of Christian Athletes, the Refuge Ministry and the NCWC gospel choir, the Voices of Triumph. I promote unity among the various Christian groups on campus through joint programming by co-sponsoring events such as concerts, renewal services, seminars, cookouts, Bible studies, service projects and retreats.

These programs and projects are important, and they do consume much of my time as the chaplain at NCWC. But people are more important than these programs or projects. Illustrative of this point, I include these testimonials from a representative sample of students involved in various campus ministry groups. They are as diverse as Wesleyan itself, recognized by US News and World Report as one of the three most racially diverse colleges in the South.

“Rev. Drum is a major presence on campus. He has had a massive impact on many students’ lives while he has been here. When I was a freshman, I took Rev. Drum’s REL 101 class because it had been recommended to me by one of my co-workers. I entered the class as a believer in God – believing that most of the time He was there, but sometimes I wasn’t so sure. When the class was finished, I left as someone who knew that God was with me at all times. Rev. Drum has helped me become stronger in my faith since then, and there are many others, including me, who don’t know what we would do without him.” – Jacob Strickland, junior, Richlands, NC.

-President, Refuge Campus Ministries

-President, Student Government Association (student body president).

“Professor and mentor to me, Reverend Drum has a ministry that transcends the reach of most others. A friend, a brother in Christ Jesus, a wise teacher in both spiritual and scholarly matters, he is truly a man of excellent moral fabric. Souls are saved every day, and through the Father working through this man who is one of your own, mine was brought back into the fold after a long absence.” –Jesse Tamez, sophomore, Castalia, NC.

-Youth Minister, Marvin UMC, Rocky Mount, NC.

“Rev. Drum has ministered the teachings of religion and everyday life throughout my time at North Carolina Wesleyan College. I had faded away from the Church upon arriving at NCWC, but Rev. Drum has inspired me in many ways through religion and leadership that has made me who I am today. I do not know what path I would have taken if it weren’t for the strong teachings, and lessons in and out of the classroom that he provided me with.” –Cheyenne Hall, senior, Stafford, VA.

-Women’s basketball player.

“Rev. Drum is very engaged with his students’ learning. He’s always teaching them using creative illustrations and he relates well with all the students. He’s also very patient. Rev. Drum always seems to have a smile on his face and an uplifting word of encouragement. Not only does he serve as a positive Christian role model in the classroom and during Bible study, but he’s also available for private counseling. On several occasions I’ve been able to come to him with my problems, and he’s helped steer me in the right direction with the proper praise, criticism or prayer that I need.”

-Ben Lilley, junior, Jamesville, NC.

-Southern Baptist lay preacher.

Chaplain Barry Page Drum

CHURCH AND SOCIETY

The North Carolina Board of Church and Society has long been a sounding board for our Annual Conference in matters where issues of faith and issues of society intersect. We have sought to teach and to lead in the making of caring and responsible disciples for the transformation of the world.

Often, we, as Christians, find ourselves at odds with the secular culture that surrounds us. The teachings of Jesus Christ draw us into this intersection where faith meets world in ways that usher in the kingdom of God.

Methodism was founded at the intersection of social activism and the life of faithful discipleship. Our church’s founder, John Wesley, set up societies that brought good news to the poor, release to the captives and set the prisoner free. The Board of

Church and Society seeks to live within the tension that calls us to examine society through the lens of Christological understanding.

During this new quadrennium, our goal is to empower the local church in theological (and practical) ways to respond to the socio-economic turmoil in which we find ourselves. We have embraced the four-fold path of developing leadership, creating places for new people, eliminating poverty and improving global health. This path, as embraced by the 2008 General Conference, is otherwise known as the four foci.

Our primary focus is on the concept of *Sabbath Economics*. **Sabbath economics** is an economic model championed by Christian economist Ched Myers. This model applies economic aspects of the Biblical "Sabbath" to modern socioeconomics. In the introduction of his book, Myers states that *God's people are instructed to dismantle, on a regular basis, the fundamental patterns and structures of stratified wealth and power, so that there is 'enough for everyone.* Foundational to Sabbath Economics is the Biblical understanding that we live, surrounded by God's abundant nature. God's grace, provision and love are all given in abundance. As children of God we are to share abundantly, as well. Therefore it becomes a question not just of the stewardship of our money but of our lives! As we embrace Sabbath Economics, we find ourselves working as fellow laborers with the poor to overcome the plight of poverty, not in the future, but now.

We seek to develop leaders and create places for new people through cluster group trainings in *Biblical Animation*. Biblical Animation is a process by which we are able to retell the message of the Bible as it relates to the geo-political world in which we live and worship. Jesus did not teach in a vacuum, nor do we! Jesus taught within a certain geo-political system. His teachings are directly applicable to our world situation today. Biblical Animation gives us a framework to understand the Bible's teachings as it relates to the least, the last and the lost, in our modern society; whereby our work in the intersection of faith and societal issues are strengthened and enhanced.

The leadership of our youth, and thus for the church, is enhanced by providing scholarship funds for our young people to attend the annual *Global Vision* event. This event is designed to help the youth of our Annual Conference to expand the scope of caring and ministry, beyond the local level, to a world-wide level, by participation in workshops at the United Nations and in Washington, DC.

And finally, our focus is on the intersection of Spiritual Development, Social Responsibility and Scriptural Engagement, as they are found in our United Methodist Social Principles. As we learn more about our Social Principles, we uncover truths about the inequalities of global health, injustice, poverty and exploitation. And as these truths are revealed, the local church will be empowered to carry on the work of Jesus Christ in the world in which we live.

For more information of the work of the Board of Church and Society please visit the general board's website at: www.umc-gbcs.org

Brian W. Wingo, Chairperson

EVANGELISM, COMMISSION ON

In obedience to the command of Jesus Christ and the mission of the United Methodist Church, the mission of the Commission on Evangelism is to make disciples of Jesus Christ to transform the world (Matt. 28:16-20 & ¶201). The Commission provides training opportunities and resources to equip clergy and laity to share the Gospel of Jesus Christ with all persons for the "Heart of Christian Ministry - Christ's ministry of outreaching love." (¶125).

During the past year, the Commission has provided grants for multi-district evangelism training events, multi-church local training workshops, and continuing education scholarships for the Congress on Evangelism. In Spring 2009, the 7th annual Academy of Christian Witness for Clergy was held at the Bergland Center at Camp Rockfish, with full scholarships, books, and resource materials provided to the participants. Each year, upon the recommendation of the District Superintendents, approximately 36 pastors are trained and inspired by 14 presenters with workshops including worship as evangelism, witnessing to post-moderns, pastoral leadership as evangelism, local missions as evangelism, spirituality of the pastor-evangelist, personal faith sharing, getting the Word out, and "taking it to the streets." In 2008, the Commission held the first Lay Academy of Christian Witness with 35 lay people participating in similar workshops to be equipped for evangelizing through their churches and in their communities.

The Commission on Evangelism continues to embrace the visions to which God has entrusted us for outreach, nurture, strengthening clergy and lay leadership, and equipping the saints for ministry through the Wesleyan model for making disciples of Jesus Christ to transform the world. The North Carolina Conference continues to be one of the few in the United Methodist Church to report annual net growth of membership. The Commission on Evangelism urges all United Methodists to be faithful to their calling and their membership vows, to go into the world and to witness to make disciples for Jesus Christ.

Carol Dean, Chairperson

MEDIA CENTER, COMMITTEE ON

The year of 2008-2009 marked the first completed year under the new system of requiring no additional fees for local churches to borrow materials from the conference resource center. Many first time churches participated by contacting the Media Center and borrowing materials. The most used resource of the whole collection which includes hundreds of video based programs, over 500 books, curriculum examples and leadership materials was the DVD based program, "What Does it Mean to Be United Methodist".

Other most used resources were Adam Hamilton's programs, especially "Christianity and World Religions", Rob Bell's series from NOOMA, and Bible Studies from Dr. James (Mickey) Efir. Contact is easy through e-mail, the Conference webpage and telephone.

Plans for continued transformation to DVD format and an increase in materials for training and enhancement of the Conference emphases are underway. Organizing for the move to the new facilities will be an exciting part of the work and planning for the Media Center in the coming year.

Laura L. Bailey, Director, NC Conference, Walton Memorial, Media Center

OLDER ADULT MINISTRIES, COMMITTEE ON

The committee seeks to be the focal point for aging issues which impact the program and ministry of the local church and the Annual Conference as a whole. The committee works to raise awareness of how, where, and why the church ought to be involved in ministry to, with, and by older adults. The committee has promoted the following services and learning programs:

The Conference Older Adult Ministries Web page offers ideas, news, networking and resources for Older Adult Ministry. A resource library is maintained in the Conference Media Center for use by local churches. Members of the committee are available to speak on issues pertaining to Older Adults and ministry to, with and by older adults.

- Each year in August, we encourage Older Adults and those working in the area of Older Adult Ministry to attend the SEJ Older Adult Conference at Lake Junaluska.
- We partner with other conference groups and agencies in the sponsorship of education and training of clergy and lay persons in the Spiritual Development of older adults. On May 13, 2009, the OAM Committee sponsored a 'Day Apart' held at St. James United Methodist Church in Greenville. The theme was, "Aging to Perfection". Worship, informational displays, workshops in many areas including nutrition, prayer, exercise, biblical storytelling, and networking opportunities were offered.
- A display table at annual conference provides resources and ministry ideas. A recommended reading list is compiled and distributed each year.

Nina Paul Vinson, Chairperson

SAFE SANCTUARIES, COMMITTEE ON

At Annual Conference in June, 2005 the following was adopted by the Annual Conference:

- a. Conference and district program agencies which work with programs for children and youth, in covenant with the United Methodist Church, within the following policy, in order that the abuse of children and youth in all conference and district related settings may be prevented to the fullest extent possible:
As a Christian community of faith, we pledge to conduct the ministry of the Gospel in a manner that assures the safety and spiritual growth of all children and youth and the adults who work with them. We will follow reasonable safety measures in the recruitment and selection of staff. We will implement prudent procedures of operation for all programs and events. We will educate those who work with children and youth in conference and district settings as to the use of all appropriate policies and procedures. We will have a clearly defined procedure for reporting suspected incidents of abuse that conform to the requirements of state law.
- b. Each and every local church will adopt and implement for themselves a safe sanctuary policy and procedures as outlined in the 1996 General Conference Resolution (***Book of Resolutions of the United Methodist Church, 1996, pp. 384-386***) for use in their present and future ministry with children and youth.
- c. A Conference ***Safe Sanctuaries Committee***, selected by the Conference Committee on Nominations, will provide oversight for the Conference safe sanctuary policy and procedures and resource the implementation of a safe sanctuary policy and procedures within local churches of the North Carolina Annual Conference of the United Methodist Church.

The Safe Sanctuaries Committee continues to give oversight to implementation of the Conference safe sanctuary policy and procedures and to provide resources to local churches. Annual review of charge conference reporting data for safe sanctuaries is conducted and follow-up and plans are made to resource local churches accordingly. In the fall of 2008, three regional workshops were held to give particular assistance to local churches in the areas of cyber safety and cyber ministry. The committee continues to plan for further training opportunities in this area particularly for those working with youth ministries.

An email listserv has been developed for local church safe sanctuaries coordinators. Periodically tips, reminders, resources and articles on various aspects of safe sanctuaries will be sent out to this email listserv. To subscribe to the listserv go to <http://listserv.nccumc.org/mailman/listinfo/safesanctuaries>.

The website resources continue to be updated for accessibility by local churches: www.nccumc.org/children/safe-sanctuaries.

Dorothy Funkhouser, Chairperson

UNITED METHODIST YOUTH

"With Heart, Soul and Mind" is the theme for the year 2009 in Conference youth ministry. This theme is focused on the Scriptures to love God with all our heart, soul, mind and strength. Our mission statement for Conference youth ministry is to *walk with youth in their journey to know Christ by creating an environment in which youth can experience Christian communion to hear the Gospel, to know God's love and to respond in faith by loving and serving others...for in all of this we are making disciples of Jesus Christ.* Through local church youth ministry with a variety of faces and programs and service projects; through districts offering opportunities for youth; with close to 8000 youth and adults participating in Conference youth events; and with the general church Division on Ministries with Young People, we can indeed focus on loving God with all that we are and all that we seek to be.

Youth (and adults) from across the Conference have participated in nine events over the year: PK Getaway, Confirmation Celebration, Global Vision, Kaleidoscope, Rally Day, Appalachian Trail Hike, Summer Breakaway, ACS-Annual Conference Session for Youth, and Pilgrimage. PK Getaway, held every other year, offered support and fellowship for the particular circumstances that "preacher's kids" face. The Confirmation Celebration offered an experience of the connectional church and the covenant vow to support the church through prayers, presence, gifts, service and witness to those in confirmation classes from local churches. Global Vision included a visit to Washington DC and New York City with a seminar to explore issues around poverty and globalization. Kaleidoscope is a Conference youth event that offers a spiritual life retreat for middle school youth. Rally Day was a bright and sunny spring afternoon that celebrated the place of youth within the life of the church. The Appalachian Trail Hike proved to be a mountaintop experience of God for those involved. Summer Breakaway and ACS offered times of worship and sharing experiences of fellowship and faith in small and large groups. Pilgrimage (with over 6000 in attendance from close to 300 churches) in the Crown Coliseum with challenging messages of God's call on our lives to know Christ and experience God's grace and then to *pass it on* and share that Gospel good news with others from Bishop Hope Morgan Ward and music by Chris Hughes and our own NC Conference youth will be a Pilgrimage not soon forgotten.

Youth Service Fund continues to be an avenue of mission for United Methodist Youth. Grants to such ministries with youth as Positive Attitude Youth Center in Burlington, ZOE Ministries in Africa, Jubilee Project in Tennessee, Footprints Youth Mission Camp at MERCI, Appalachian Service Project, Salkehatchie Summer Service in Durham, an oral history project in rural Mississippi, and the Society of St Andrew – Harvest of Hope program are possible only in as much as local churches support and contribute to Youth Service Fund. Youth Service Fund is money raised by youth and spent by youth to benefit youth. While the contributions to YSF at Conference youth events are very good, more support from local churches is needed to reach our goal each year of remaining a "Top 10 Conference" in the denomination and jurisdiction. We rejoice in the vision that local church youth ministries are living toward in areas of mission, service, study, outreach, fellowship and spiritual growth. We celebrate and give thanks to the Annual Conference and all the people within local churches giving support and encouragement to youth ministry. We pray for God's guidance and blessing as we seek to love God with all our heart, mind, and soul.

James Van Staalduinen, President

WORSHIP, COMMITTEE ON

"Worship the Lord in the beauty of His holiness." (Psalm 96:6)

The work of the Committee on Worship is centered in Christ. "To God be the glory, great things He has done, so loved He the world that He gave us His Son." We sing as we believe!

The Committee serves as the primary resource for the planning and conduct of liturgy and worship for the Annual Conference. In addition to the five services typically celebrated at the annual session in June, the Sacrament of Holy Communion is offered in the mornings. Liturgists, celebrants, musicians and preachers are chosen with the counsel and help of Bishop Alfred W. Gwinn, to reflect the church's reverence for God and the diversity of the Body of Christ. A joyful witness is presented through the singing, movement and prayers of the faithful.

The 2008 Conference welcomed the Rev. Dr. Marcia McFee as our Worship/Music leader. Musical interludes, teaching moments and development of our conference theme were seamlessly woven together to enhance the spiritual dynamic of the Annual Conference. A variety of musical styles was represented and a revised Wesleyan celebration of the Love Feast was offered.

Preparations for the 2009 Annual Conference are well under way at the time of this writing. Dr. Elise Eslinger is the Worship/Music Leader for this year's conference, bringing her many years of experience as a spiritual retreat leader, church musician, worship professor and recently, editor of the Upper Room Hymnbook. When the Conference convenes, again in Greenville, a new theme will be introduced for the quadrennium: "A Future with Hope." This year, a sub-theme or emphasis draws the NC Methodists together for "Learning." In the next three years, the emphasis will be on "leading," "loving" and

“living faithfully”. A new logo that announces the theme was designed by a member of the Worship Committee, Susan Southern.

While Annual Conference worship is a significant aspect of the Committee’s work, the Worship Committee also serves the needs of the local congregations and districts of the NCC. Committee members and Conference staff are available to facilitate workshops or to answer questions about liturgy, music, worship space and worship styles. The theology and tradition of the church shapes the presentation, while openness to the Holy Spirit allows for expressions of worship that are contemporary and culturally engaging.

The servant-leaders of the NCC Worship Committee are dedicated to excellence in worship and open to the guidance of the Holy Spirit in the planning and conduct of worship in every setting where the name of Jesus Christ is honored.

Bill Weisser, Chairperson

LEADERSHIP TEAM

THE LEADERSHIP TEAM SERVES TO EQUIP LEADERS WHO IMPLEMENT THE VISION.

ACADEMY FOR LEADERSHIP EXCELLENCE

The Academy for Leadership Excellence was established to provide mentoring, training and leadership development of church leaders in support of empowering the mission and ministries of the local church. It was born out of the passion to grow and strengthen the practical leadership skills of both clergy and laity, so that churches might more effectively fulfill the call of God to make disciples of Jesus Christ.

United Methodists in the North Carolina Annual Conference are confronted by five critical brutal facts. These include the fact that the growth of church membership has not kept pace with the population growth of our state. Second, many of our congregations are content to remain *status quo* faith communities. Third, many of our pastors are maintainers rather than leaders. Fourth, we are failing to recruit young clergy and fifth, many pastors lose their passion and motivation for ministry in their mid-careers.

In concert with the Bishop and the Cabinet and other church leaders, the Academy seeks to play a strategic role in addressing these and other leadership challenges within a changing cultural and religious landscape. These include the mentoring, coaching and support of new church planters; developing and growing the leadership skills of church leaders through identifying, assessing and discerning leadership gifts and by holding seminars and training events led by the most effective church leaders within our nation.

The vision of the Academy is to provide practical leadership skills not addressed in degree programs. Such skills include being an entrepreneurial, transformational leader; leading change; growing the team around you; ministry by strengths; finishing strong, enduring well; reviving languishing churches and managing fast growth in thriving churches.

A unique strategy of the Academy also embraces “taking the show on the road.” Training events are not only held at the Academy now located at Edenton Street United Methodist Church in Raleigh, but also throughout Annual Conference districts. The Academy Board is also committed to holding district town hall listening sessions designed to help identify the leadership concerns of local church leaders. The Academy seeks to be connectional but also ecumenical, including being open to learning about leadership skills and stories from servant leaders “outside the walls of the church.”

The Academy is Spirit-driven in its devotion to be faithful by responding proactively and prayerfully to what we believe is this God-inspired leadership investment vision. Along with Bishop Gwinn and the Cabinet, our Board and staff invite fellow United Methodists to seize imaginatively, sacrificially and joyfully this once-in-a-lifetime trust to make an eternal difference within the lives of those, who God would embrace in Jesus Christ. Together, let us impact the kingdom of God through the Academy of Leadership Excellence.

Brian Gentle, Interim, Executive Director

LAITY, BOARD OF

The primary purpose of the Conference Board of Laity is to make known the good news of God’s love and salvation through Jesus Christ, and to challenge, inspire and equip the laity of the North Carolina Annual Conference for ministry in the local church.

In the past year the District Lay Leaders have implemented training workshops for local church Lay Leaders, held District Lay Rallies to celebrate the ministries of laity, and ensured that Lay Speaker Training courses were offered in their districts. The “Healthy Congregations” assessments continue to be a focus for our Districts and Local Congregations. In many churches there is a real sense of expectation and anticipation growing as lay people discover new ways to extend radical hospitality, participate in passionate worship, risk-taking mission and ministry, and focused spiritual formation all for the purpose of making disciples of Jesus Christ for the transformation of the world!

Laity Sunday was promoted on the third Sunday in October by the General Board of Discipleship, and many congregations participated. However, because lay people are participating more in worship services throughout the entire year “Laity Sunday” has taken on different forms in some congregations.

Our Conference United Methodist Men, United Methodist Women, and United Methodist Youth sponsored many events aimed at spiritual enrichment, leadership development, and education (please refer to their individual reports).

Every year the opportunity to lift up an Outstanding Lay Ministry is given to each district. These will be celebrated at Annual Conference as we “shine the spotlight” on excellence in ministry. (Please refer to the following report to learn more) This year we will once again be recognizing the “Acts 2 Congregations” in response to a challenge set forth by Bishop Gwinn.

This year rather than the usual “Laity Event” we have traditionally held on the Friday night of Annual Conference, the Conference Board of Laity will be sponsoring speaker, writer and teacher Adam Hamilton as he joins our Annual Conference for a presentation on Friday afternoon and then again on Friday evening June 12th.

Over the last year, the Conference Board of Laity has continued to embrace the council of Bishop’s seven pathways as a means of making disciples of Jesus Christ for the transformation of the world and has begun to see its’ role in the life of the Annual Conference in a new light. Excitement is building as we discover fresh ways to live into this focus through our servant leadership. May our work together as disciples of Jesus Christ bring glory to God.

Emily Innes, Conference Lay Leader

LAY MINISTRIES OF THE YEAR

Burlington District: Hillsborough UMC – “Prayers and Squares Ministry”

Through this ministry small “prayer quilts” are made and distributed to people in need of comfort and support. The entire congregation is given an opportunity to participate by coming to the altar to pray for the needs of others and tie a knot in the quilt. Over the last 3 years 94 quilts have been given away. 20% of the quilts have been given to church members and 80% given to people all over the United States.

Durham District: McMannen UMC – “Reconciliation and Justice Ministries”

Members of McMannen UMC offer God’s love, mercy, and salvation to persons in prison through ongoing long and short term courses of Disciple Bible Study. 50 inmates at the Federal Prison and 50 young adults at Polk Correctional Institution have participated. The fruits of this ministry have resulted in 28 professions of faith. The congregation is also working with “at risk” children in the community.

Elizabeth City District: Elizabeth City District Churches – “Mobile Food Pantry”

This ministry brings together laity and clergy from several United Methodist Churches as well as other denominations in an effort to meet the physical and spiritual needs of the poor. In addition to supplying food through the mobile food pantry some ministry sites offer prayer and communion stations as options for those who come to receive. To date the ministry has feed over 3,400 families.

Fayetteville District: Solid Rock UMC—“Solid Foundations Inc.”

Solid Foundations Inc. has made it possible for Solid Rock UMC to minister to tens of thousands of people in several surrounding counties through a food pantry and three child care centers (two of which are located on public school campuses). Food is distributed to over 3,000 individuals every month and over 1,000 children are the recipients of high quality child care each month. Parents are also given the opportunity to learn or improve parenting skills.

Goldsboro District: Garris Chapel UMC – “Dana’s Wardrobe”

A member of Garris Chapel UMC who owns a bridal and formal wear retail store was inspired to begin a ministry that would provide new prom dresses free of charge for girls whose families couldn’t afford to purchase one. The owner of the store contacted other formal wear retailers throughout the eastern US with the idea and gowns began to flow in. Other members of Garris Chapel UMC contacted school counselors, church pastors and area social workers for the names of girls who might benefit from such a gift. They also scheduled the appointments and assisted the girls in their dress selection and alterations. Some accessories and make-up are also provided. Over 300 gowns have been collected for girls to attend the upcoming proms this year. Through this ministry the girls are shown Christian love and invited to church youth activities.

Greenville District: Salem UMC – “Kids for Jesus”

This ministry is focused on reaching the diverse children of the community and drawing them into the life of the church. A Wednesday night meal and ministry with children is held weekly as well as special holiday events. The outreach to the community is widespread and the events are publicized through the public schools and area day care centers. Also, the children are encouraged and inspired to participate in mission related activities. Worship attendance at the church has grown from 150 to 250 persons since the beginning of this ministry.

New Bern District: Bethlehem UMC – “Helping Hands Ministry”

Young people (under UMYF age) of Bethlehem UMC are organized and ministering to their small rural community. They are helping the elderly with chores, gardening, and clean-up projects. They also help with clean-up around the church and they regularly pick up trash along the highways. They make soup and deliver it to shut-ins. They also visit nursing homes and deliver flowers. Recently they collect canned goods for a community food pantry. Their mission is to devote time to their community and serve the Lord.

Raleigh District: Fuquay-Varina UMC – “Covenant Community Garden”

The Covenant Community Garden is a community of friends who seek to be in a covenant relationship with each other and with all of creation. It brings together people of different faiths, ages (especially children), races, and economic backgrounds from the Fuquay-Varina area to provide fresh, organic produce to those in the community who are hungry. Participants also learn an appreciation and understanding of how food is grown and are encouraged in healthy eating habits.

Rockingham District: Hickory Grove UMC – “Outreach Ministry”

Hickory Grove UMC was a small dying church that has now been revived through the leadership of a volunteer retired minister, a volunteer lay associate minister and the committed lay people of the congregation. The congregation is now growing and effective and through their outreach ministries are making a difference in their community for the sake of Jesus Christ. They are involved in lay evangelism visitation, ministries with the poor, food distribution, tutoring, computer classes, and GED classes for adults

Rocky Mount District: Jackson UMC- “Holiday Ministries”

Jackson UMC is a small rural church that is reaching out in ministry to their community. They express the love of Jesus Christ to their community by simply “just being out there at times when the community naturally gathers” to “be the church”. Two such times include the community Christmas parade during which members serve free hot cocoa and spend time in fellowship with those who come by or the Trunk or Treat event held on Halloween where people in the community are invited to come to the church parking lot for candy distribution, free food, and fellowship. At Thanksgiving the congregation held a thanksgiving dinner at the church and then also, delivered hot meals to those in the community who were shut-in. 135 meals were served.

Sanford District: Page Memorial UMC – “White Christmas Ministry”

This is a ministry of Page Memorial UMC which provides “Christmas” for families who would otherwise not be in a position financially or in some cases spiritually to provide a meaningful Christmas for their loved ones. In addition to gifts, food, and bibles, invitations to church as well as transportation to worship are offered.

Wilmington District: Pine Valley UMC – “Celebrate Recovery Ministry”

Celebrate Recovery, a Christ-centered Twelve Step ministry, began at Pine Valley in January 2006. This recovery ministry blends the gospel of Jesus Christ with the principles of the traditional twelve step programs and is open to anyone who has a “habit, hang-up or hurt,” needing God’s transforming power. The ministry has opened doors into the community and the healing power of Jesus Christ is evident as lives are being changed. Celebrate Recovery is growing each week as people are welcomed to a fellowship dinner, and worship with teaching and testimonies, followed by small groups. Every Friday night people gather to celebrate the recovery found only in the transforming power of Jesus Christ.

CHRISTIAN UNITY, COMMITTEE ON

I am deeply humbled to present my first report as the newly-elected Chairperson of the CCUIC for the quadrennium 2008-2012. Under the new structure approved by the 2008 NC Annual Conference, the CCUIC is represented within the Leadership Team of the Conference Connectional Table. The 2008 Southeastern Jurisdictional Conference elected several leaders from the NC Conference to the ecumenical board and commission:

Commission on Christian Unity and Interreligious Concerns

Rev. Edgardo Colon-Emeric

National Council on Churches of Christ in the USA General Board (Nominations Pool)

Rev. Patricia Archer

Sam Isley

Will Archer

Duncan McMillan

Rev. Laurie Hayes Coffman

Jeanne Rouse

Rev. Edgar De Jesus

Jimmie Shuler

Rev. Charles Michael Smith

As members together in the Body of Christ, we seek to “work toward the full reception of the gift of Christian unity in every aspect of the Church’s life and to foster approaches to ministry and mission that more fully reflect the oneness of Christ’s church in the human community. We also seek to “work for the establishment and strengthening of relationships with other living faith communities, and to further dialogue with persons of other faiths, cultures, and ideologies” (paragraph

1902 of the Book of Discipline). Our responsibilities are listed in paragraph 642 of the 2008 Book of Discipline, and our Commission is in connectional relationship with the General Commission on Christian Unity and Interreligious Concerns.

During 2008, three CUIC members attended the National Workshop on Christian Unity in Chicago, Illinois, an ecumenical event hosted by the Roman Catholic church with ten participating communions. This year, four CUIC members will attend the National Workshop on Christian Unity to be held in Phoenix, Arizona with an aim of continuing to raise up a new generation of ecumenical leadership.

In recent years, ecumenical ties between the UMC/Episcopal Church (USA) and UMC/ELCA (Evangelical Lutheran Church in America) have been strengthened through establishment of Interim Eucharistic Agreements. We are represented in the ongoing statewide Episcopal/United Methodist Dialogue, led through the years by the Rev. Dr. F. Belton Joyner and Dr. Pat Page. We also represent the North Carolina Conference in the House of Delegates of the NC Council of Churches. And the CCUIC sponsored an ecumenical dialogue during the Bishop's Day Apart in 2008 with Dr. Carl Braaten (Center for Catholic and Evangelical Theology) and Dr. Rollin Russell (NC Council of Churches) as the main presenters.

Finally, we affirm the work of many local congregations throughout the NC Conference in fostering Christian unity and strengthening our relationships with people of other faiths. Indeed, through our ministry, we seek "to advance and strengthen ecumenical and interreligious commitments that are essential to the Gospel of Jesus Christ, by forming and inspiring the clergy and lay leadership within the Annual Conference."

Edgar De Jesus, Chairperson

CLERGY CARE, COMMITTEE ON

Since 1971 the Committee on Clergy Care (*formerly the Committee on Pastoral Care*) has served clergy in the North Carolina Annual Conference by providing financial aid for **confidential professional counseling** and marriage and family enrichment. Beginning 2004, in keeping with our understanding of the call and ministry of those who serve the Church as commissioned minister, deacon, diaconal minister, elder, or licensed local pastor under appointment, the Committee is now referred to as the Committee on Clergy Care. The Committee is comprised of five members from the Board of Ordained Ministry (one of whom serves as chairperson); one representative from the Conference Clergy Living Committee; one representative from the Clergy Partners Association; and one Pastoral Counselor. Funding for grants and expenses of the committee is included in the budget of the Board of Ordained Ministry and the awarding of grants is dependent upon the availability of funds.

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 cover one-half of the 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 ministers' 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 (LPL)

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 Chairperson of the Committee on Clergy Care in the following manner:

1. The counselor or therapist requests an application form and instructions from the Office of Ministerial Relations. This request should be addressed in care of the Office of Ministerial Relations, PO Box 10955, Raleigh, NC 27605, or by calling either 919-832-9560 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 from the Clergy Care Committee and should request the counselor/therapist to contact the Chairperson of Clergy Care to negotiate an acceptable procedure if any problems arise concerning the process. The client, not the Clergy Care Committee, is responsible for all contracts, negotiated fees and payment of services that are provided.
4. **The deadline for submitting grant applications is December 20th** of the calendar year in which the services were provided.

In 2008, the Committee on Pastoral Care granted \$5,603.30 for counseling sessions. This represents 191 sessions with counselors and therapists during the calendar year. Grants processed in 2008 totaled 32, representing 94 sessions for clergy, 0 for cleric and spouse, 24 for spouse, 67 for children and 12 for clergy family together. Of these 32 grants, 6 received the 2008 maximum of \$400.00 in assistance and 10 received at least half to two-thirds of the maximum grant.

Deborah Wilkins, Chairperson

CLERGY COUNSELING AND CONSULTATION

The 2000 Annual Conference voted unanimously to establish and fund the Clergy Counseling and Consultation Service (CCCS) to provide support for our pastors and their families. It created this Commission to develop and oversee this program. Jane Clark Moorman, MSW, LCSW, BCD has served as Director since beginning the Service January 1, 2001.

The primary purposes of the CCCS are: 1) to meet the emotional/psychological needs of pastors and their families; and, 2) to provide mental health consultation for clergy to assist them in providing effective pastoral care, counseling, and leadership to members of their congregations. Ms. Moorman also provides round-the-clock assistance to pastors in caring for parishioners in crisis and handling other emergencies. There are no fees for CCCS services.

Ms. Moorman provides diagnostic assessment, counseling, psychotherapy, and referral services for clients within their own faith perspective. **In 2008, 185 persons from 148 clergy families (19% of our active clergy under appointment) utilized her services. She provided 1,063 direct counseling hours and 342 mental health consultations.** Clergy have received help for themselves, their families, and their parishioners in dealing with depression, anxiety, marital conflict, parent-child problems, spiritual concerns, addictions, sexual concerns, grief, moving/transition difficulties, professional identity, and congregation-related issues. A network of mental health providers and pastoral counselors across our Conference is continually updated for referral as needed.

Ms. Moorman adheres closely to a policy of strict confidentiality which guards the privacy of each person who contacts or uses the CCCS. No information is released to anyone without prior written authorization. The Director reports only to this Commission and this Commission reports only to the Annual Conference.

Services are available in five locations: In addition to the main office in **Durham**, Ms. Moorman provides services four or five days each month in satellite offices in **Washington, Edenton, Fayetteville, and Wilmington**. For further information, consultation, or an appointment, please call toll-free 866-440-4200 or locally 402-4200.

The 2008 Annual Conference voted to continue the director's salary in the 2010 budget it approved; however, due to significant budgetary shortfall, CF&A is now recommending that these funds be withdrawn. Mindful of our country's difficult economic downturn, this Commission is requesting a reduced budget to maintain these services that support our clergy and congregations in times of need. During the 2010 fiscal year, the Commission will be working with the Clergy Wellness Initiative to restructure the current Services to become integrated into a holistic approach to health. We believe that healthy clergy and healthy congregations are supported best when physical, spiritual, social, and psychological needs are fully addressed.

We appreciate the past support of the CCCS by the Annual Conference and anticipate moving forward as a strong partner in wellness.

Regina S. Dickens, Ed.D., Chair person

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), 8) honorable location.

The Conference Relations Committee 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. In any event, the person requesting the change and the Conference Relations Committee acting on the request must follow the requirements in *The Book of Discipline*.

The Book of Discipline 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.

Every spring (since 1987) the Conference Relations Committee has hosted a luncheon for those who will be retiring from the North Carolina Annual Conference at the June session of that year. At this luncheon, the retirees and their spouses are informed about various matters relating to their retirement such as insurance, housing, and pension benefits. This year's retirement luncheon was held at St. Luke United Methodist Church in Goldsboro on Tuesday, May 13, 2008.

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. **Insuring their Availability:** Efforts by the Board of Ordained Ministry to insure 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.
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 #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.

ENLISTMENT, COMMITTEE ON

A simple look at the ages and faces of clergy in The United Methodist Church, one has a better understanding of the statistical projections about the tremendous loss of clergy through retirement over the next eight to ten years.

In our conference, for example, over 100 clergy are currently eligible for retirement should they choose to do so. The means by which clergy are eligible for retirement are as follows:

- Mandatory retirement at age 72
- Early retirement
- Retirement base upon years of service

If these eligible clergy were to retire in the next 3-5 years, the Bishop and the Cabinet would be faced with an awesome void within the North Carolina Annual Conference.

The primary concern of the Committee on Enlistment is *to raise the awareness of our constituency within the bounds of the North Carolina Conference so that identification and enlistment of ordained ministers is an ongoing concern that touches every dimension of the body of Christ.* In keeping with this goal the Committee on Enlistment is ready to provide direction and encouragement in the process of clergy enlistment. More importantly, the primary responsibility for identifying youth, young adults, and second career individuals who are ready to answer God's call, falls upon local church pastors, laity in the local churches, and campus ministers.

All too often, some people place God's call to the ministry behind economic or security concerns. Sometimes a friend or a respected leader in a local church is more aware of a calling upon an individual than the person him or herself. One of the roles of individuals and Pastor-Parish Relations Committees in local churches is to confirm the claim of God upon those that are called by directing them to their local church pastors, District Superintendents, and District Committees on Ministry.

The Committee on Enlistment will continue to work closely with Bishop Gwinn and his Cabinet to find creative ways to help young people explore God's calling in their lives. This will include making appeals at conference youth events but we hope it also involves a more visible presence in our conference camps, campus ministries and other ministries to youth and young adults.

There are other spiritual encounters [opportunities] that have proven to be helpful in understanding a call to ministry, such as, Disciple Bible Study and Emmaus. Events like these have awakened and provided opportunities for so many to hear and respond to God's call.

The Committee on Enlistment encourages all pastors and laity to continue to be open to the Holy Spirit's leading in directing people to give thought and prayer to the possibility that God may be calling them to ordained ministry.

Al Horne, Chairperson

HISPANIC AND LATINO MINISTRIES, COMMITTEE ON

In a year of transition the Hispanic/Latino Ministries working with a new Committee took big steps towards equipping our leadership. This has been done through workshops, "Renuevame" gathering, Embrace Workshops and by our leadership pursuing their theological education at Duke Divinity School, retreats, and the Convocation in Greensboro by the Duke Endowment. We continue to reach out to the marginalized, the poor and oppressed through our 15 ministries and four Embrace districts: New Bern, Durham, Sanford and Burlington. We have received several grants that had been used for children's festivals called "Dia de los Ninos", and other development programs. Grants are our main funding source, but we intend to make that change. We have appropriated a lot of our budget towards youth programs that have included retreats in Florida, the Outer Banks and Marcha in the Southwest.

We have taken steps towards extending hospitality to our neighbors. We encourage people to join to join the Religious Coalition for Justice for Immigrants [www.welcometheimmigrant.org]. We also work towards making a rainbow of all people. To do this we participated in the first Black, Brown, and Beyond "conversation" at Duke Divinity School. Work has begun in the Goldsboro district with Rev. Gail Myers to be a Church of all people. A forum was held in which questions were answered

by Alex Lluch of the governor's office and the rights were explained by a representative of "El Pueblo." A representative from this institution is available to our conference, to do "Know Your Rights" workshops.

We intend to put emphasis in "Information." We intend to equip every leader with a laptop or Translator Kit. Our Director Rev. Cookie Santiago is leading us towards minimizing the animosity towards undocumented persons. She is overwhelmed by people making calls and sending E- Mails asking for financial, presence and legal help. We try to do our best to cooperate and support by putting the word out and with prayer and attending different activities.

We are thankful to the Duke Divinity School for providing a Field Ed Intern. We are always in the need of recruiting leadership but without adequate funds it becomes a challenge. But we are thankful to our conference , districts and churches that have responded to the Hispanic/Latino Community by providing resources and creative minds. We urge Our Conference as we pursue the seven pathways to make the Hispanic/ Latino Ministries and the community it ministers in North Carolina a priority to respond to. Our Office in Raleigh can be contacted to get any information concerning mandates or resolutions on immigration.

God is blessing our ministries and we are thankful to Bishop Al Gwinn, churches, clergy and lay people in the NC Conference for their increase awareness and desire to help and make a difference in the Hispanic/ Latino ministries and community. For such positive attitudes we are excited and encouraged. We look forward towards a new year in which we will help our Conference become God's bright beautiful rainbow. God bless you.

We All belong to One Family~ The Family of God

Sadot Mendez, Vice President Hispanic/ Latino Ministries

MINISTERIAL EDUCATION FUND, COMMITTEE ON

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 13 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 4,700 people are involved in 12 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.

Other institutions supported by Ministerial Education Funds are: *Boston University School of Theology, Boston, MA; Candler School of Theology at Emory University, Atlanta, GA; The Theological School at Drew University, Madison, NJ; Iliff School of Theology, Denver, CO; Gammon Theological Seminary, Atlanta, GA; Garrett-Evangelical Theological Seminary, Evanston, IL; Methodist Theological School in Ohio, Delaware, OH; Perkins School of Theology at Southern Methodist University, Dallas, TX; Saint Paul School of Theology, Kansas City, MS; Claremont School of Theology, Claremont, CA; United Theological Seminary, Dayton, OH; Wesley Theological Seminary, Washington, DC.*

ACTIVITY OF THE MINISTERIAL EDUCATION FUND:

<u>Raised in 2008</u>	\$629,232.00
· Portion Remitted to General Board of Higher Education and Ministry	\$494,434.00
· Portion retained by Board of Ordained Ministry in this conference	\$157,308.00
<u>Financial Assistance Granted (2008):</u>	
· Scholarships to Ministerial Candidates and Ministerial Education Grants (35)	\$116,460.00

Scholarships Granted to Candidates for Ordained Ministry:

Seminaries –35

Duke Divinity School	26
Asbury Theological School	4
Hood Theological Seminary	5

Undergraduate Schools – 2

Elizabeth City State University	1
Mount Olive College	1

David Brownlee, Chairperson

MONITORING AND ACCOUNTABILITY, COMMITTEE ON

The purpose of the Monitoring and Accountability Team is to seek a full and equal participation of the racial and ethnic constituency in the total life of the Conference through teaching, advocacy and by reviewing and monitoring the practices of the Conference to ensure racial Inclusiveness. Helping conference, districts or churches develop affirmative action and racial inclusiveness policies and a plan to achieve these goals. Also are functions of the Monitoring and Accountability Committee.

The ministry goal of the Monitoring and Accountability Team is to challenge, invite and call the Annual Conference in all of its leadership, ministry and practice to a full vision and recognition of human dignity, including race, gender, age and status.

The Monitoring Team would like to teach and engage our constituency toward a biblical and theological understanding of the dignity of all persons. The Monitoring Team has begun to monitor District events, The Conference Connectional Table and we will monitor our Annual Conference.

The Monitoring and Accountability Team will continue to advocate for inclusiveness - Building a community of Love and Justice for all.

Annie L. Fairley, Chairperson

NC PASTORS SCHOOL AND DUKE DIVINITY SCHOOL CONVOCATION

On October 13-15, 2008, 420 clergy gathered for the annual Convocation and Pastors' School at Duke Divinity School. The event focused on the theme *"For Such a Time as This: Christian Leadership in a Changing World."* The event featured inspiring lectures, seminars and worship services. Featured speaker Ron Heifetz, author and Harvard Professor, offered an insightful lecture. The Franklin S. Hickman Lecture was presented by Adam Hamilton, United Methodist pastor. A panel discussion with Bishops Al Gwinn, North Carolina Annual Conference; Janice Riggle Huie, Texas Annual Conference; Greg Palmer, Iowa Annual Conference; and Larry Goodpaster, Western North Carolina Annual Conference was held, as well. The Convocation preachers were Bishop Janice Riggle Huie, Bishop Greg Palmer and Bishop Larry Goodpaster. Fifteen different continuing education seminars enrolled over three hundred and forty participants. The seminars included *"But it Shall Not Be with You: Exercising Authority in the Church," "Theological Entrepreneurship: What's 'Christian' about Christian Leadership?" "Equipping the Saints for Ministry: Developing Lay Leaders in Your Congregation,"* and *"Deer Hunting with Jesus: Faithful Ministry in Blue-Collar Communities."*

The 2009 Convocation and Pastors' School will be held October 5-7, and will explore the changing identity of Christianity in a global context with Philip Jenkins, author and humanities professor; Os Guinness, author and co-founder of The Trinity

Forum; Kenda Creasy-Dean, assistant professor of youth, church and culture at Princeton Theology Seminary; and Tyrone Gordon, United Methodist pastor. A detailed brochure will be available from Duke Divinity School later this summer. Individuals are encouraged to contact the Center for Lifelong Learning for more information (<http://www.divinity.duke.edu/learningforlife>, email div-conted@duke.edu, phone 888-845-4216).

Amy Coles, Chairperson

PSYCHOLOGICAL TESTING AND BACKGROUND

The Conference Board of Ordained Ministry evaluates all prospective and continuing candidates in accordance with requirements in *The Book of Discipline 2008*. Those seeking to enter ordained ministry or licensed ministry undergo a comprehensive evaluation. One component of the evaluation process involves psychological testing and background investigation, conducted under the direction of the Committee on Psychological Testing and Background Checks.

Psychological testing serves two purposes: (1) It provides the individual with valuable information, feedback and guidance related to psychological health and wholeness. (2) It provides the Board of Ordained Ministry and District Committees with useful information as they evaluate and mentor prospective and continuing candidates to determine their fitness, potential, and promise for fruitful and effective service in ordained and/or licensed ministry.

Psychological evaluation services are being provided through a contract with Dr. Bert Lucas, a member of St. Luke United Methodist Church in Sanford, North Carolina. Dr. Lucas has done an outstanding job this past couple of years in providing this service, and the Committee is indebted to him for his guidance and counsel.

Expenses for psychological evaluations are borne by the Board of Ordained Ministry for those persons residing within the annual conference and for those transferring into the conference *when they are included with North Carolina Conference candidates for group testing*.

Background checks on prospective and continuing candidates are furnished through a contract with Kroll Background America, Inc. Each background check costs \$60.00 and the cost is borne by the applicant. The applicant is provided with a copy of their background check report once completed by Kroll.

On average the Committee processes 80 psychological tests and 90 background checks a year.

The other members of the Committee on Psychological Testing and Background Checks are the following persons: Liz Roberts, Valerie Balance, Marilyn Boyce, Richard Jackson, Andy Keck and Sam Lewis. I am very appreciative of the seriousness and dedication with which the Committee approaches its work. The Committee would like to thank Tim Russell for his guidance and wisdom, and Linda Bourey for her assistance with the administrative aspects of our work.

Liz Roberts, Chairperson

RESIDENCY IN ORDAINED MINISTRY, COMMITTEE ON

The North Carolina Conference Residency in Ordained Ministry (RIOM) program began in fulfillment of ¶417.3 of the 1984 *Discipline* requiring Annual Conferences to provide Counseling Elders for Probationers. Adjusting to changes in the mentoring process mandated by subsequent *Disciplines*, RIOM continues to provide an opportunity for probationary members to grow and find support as they live and learn through this opportunity of concentrated focus and reflection on ministerial theology and practice. Twenty years of experience with this program have demonstrated the great value in preparing probationers for Full Conference Membership.

The North Carolina Conference Board of Ordained Ministry uses a "Cluster Group Model" to meet the Disciplinary requirements for providing leadership and supervision for our probationary members. Probationers meet in small "cluster" groups throughout the probationary period. These groups are arranged, as often as possible, by geographical area in order to minimize travel time and facilitate greater fellowship. Cluster leaders are Elders who, by intention, are not members of the Board of Ordained Ministry. Recognizing that these cluster groups become an important source for collegiality and support, every effort is made to keep each participant in the same cluster throughout the probationary period.

Following the General Conference of 2008, a candidate can now complete his/her requirements for Deacon/or Elder in Full Connection within two (2) years by accepting a full-time appointment and participating in the RIOM process. *The Book of Discipline* provides a maximum time line of six (6) years to complete these requirements. Last fall our Board agreed to move to a two year probationary period, which necessitated changing the way our RIOM groups are structured. Year A will focus on Spiritual Disciplines, Leadership and Healthy Congregations. Year B will focus on helping candidates prepare for the oral and written work necessary for ordination.

Despite the change to a two year probationary period, certain candidates may be required by the Board of Ordained Ministry to spend an additional year or more "continuing" the probationary process. A continuance does not mean the probationer has

failed or that he/she does not have the gifts and grace for ministry. This continuance is better understood as an opportunity for the probationer to continue to grow in grace as they seek to answer God's call to ordained ministry.

In September of each year, Duke Divinity School sponsors a conference for candidates who are preparing for *Full Connection interviews* in the coming year. This annual seminar is led by faculty from the Divinity School and focuses on theology, worship, and pastoral concerns. Though not mandatory, we strongly recommend this time of reflection for all who are planning to come before the Board for Full Connection interviews. As a part of this seminar, participants are given the opportunity to meet with representatives from the Board of Ordained Ministry's interview committees to discuss their preparations for the coming year and to address questions they may have. Duke Divinity School also sponsors a seminar each October for candidates who are writing their first papers and seeking commissioning/probationary membership.

The Residency in Ordained Ministry Committee would like to offer a word of sincere thanks to: Donnie Jones, Duke Lackey, Hope Vickers, Tommy Sweeley, Bob Wallace, Charles Moseley, Grace Hackney, Jenny Wilson, Jim Bell, Jim Reed, Rich Greenway and Teresa Lawrence for their service as Cluster Group Leaders during the past conference year. These gifted servants have enabled our Annual Conference to offer candidates an enriching and worthwhile experience of growth and reflection. We, as a committee, are committed to helping candidates for Ordained Ministry in every way possible.

The Committee wants to express sincere thanks to the Reverend Timothy J. Russell, Director of Ministerial Relations and Assistant to the Bishop and to Linda Bourey, the executive assistant to the Director of Ministerial Relations for their guidance and assistance.

Ken Hall, Jr., Chairperson

SEXUAL ETHICS SUPPORT TEAM

The Board of Ordained Ministry was asked at the 1999 Annual Conference to implement a policy on professional sexual misconduct for the North Carolina Conference. Since this time the committee was organized and implemented the policy. The present committee is comprised of the following members: Francis Daniel (Chair), Jeff Severt, Judi Smith, Donna Thompson, Fred Hight, Sandra Ray and Chanequa Walker-Barnes.

The committee continued the training of sexual ethics support teams, persons available if the bishop wishes to deploy them to support persons who bring a complaint of sexual misconduct, to support persons against whom such complaints are made, and to support congregations which might be impacted by such circumstances. The careful training, coordinated by Mary Jane Wilson-Parsons, has prepared nine persons to serve as support team members.

In response to the request of the Board of Ordained Ministry in 2000, Bishop Edwards appointed The Reverend Mary Jane Wilson-Parsons to a less-than-full-time extension ministry as Coordinator of the Sexual Ethics Concerns. Her responsibilities include: 1) Design and implement training for SEST; 2) Make recommendations to and serve on the subcommittee of the Board of Ordained Ministry as a consultant and advisor to policy decisions; 3) Coordinate each SEST response, providing supervision to team members as needed; 4) Be available to consult with the bishop or members of the Cabinet regarding any instance of alleged clergy misconduct; 5) Provide outreach and education to members of the conference regarding the Sexual Ethics Policy and the role of the response team; 6) Be responsible for staffing the toll-free Clergy Ethics Hotline. This ministry began July 1, 2000, and is funded by the Board of Ordained Ministry.

Moral responsibility underlines the importance of our attention to this area of our life together. The sub-committee invites you to review the Sexual Ethics Policy (pgs. 248-250 of *The Journal 1999* – note: will be reprinted in 2007 journal). The policy is also available on disk from the Conference Secretary's Office. Awareness of and fulfillment of that policy will strengthen our covenant and will offer new avenues for grace in our lives.

The Sexual Ethics Support Team, in conjunction with the Bishop and the Cabinet, will provide opportunities for each clergy person to attend workshops that will provide continuing education to assist us in maintaining moral responsibility in our work as pastors. Each pastor will be notified in advance by his/her district superintendent regarding the location and dates for these meetings, and each pastor is required to attend. Opportunities for the laity to be involved either has been, or will be shared in the January Workshops, or at a time chosen by the district superintendent.

Plans for workshops to continue from time to time in the future in order that pastors may be assisted in maintaining moral responsibility as ministries are shared for the cause of Christ. Every new minister to the North Carolina Conference is required to attend Orientation Workshops that also include a one-day training in this area as they begin their ministry. This workshop will be held this year on August 6 at Garner United Methodist church.

This ministry is getting ready to undergo some restructuring to align it with other Sexual Ethics Support Teams across the denomination. In keeping with other annual conferences we will no longer have a paid person coordinating this effort. In light of that, we wish to sincerely thank Mary Jane Wilson-Parsons for her work in this area since 2000. We wish her well in her new appointment and will do our best to carry on the good work she began.

Francis Daniel, Chairperson

STRENGTHENING THE BLACK CHURCH, COMMITTEE ON

The Strengthening the Black Church for the 21st Century Committee is composed of seven members. Five of the members are new members of the committee coming on board for the first time in 2008. The committee is composed of four men and three women. The committee has been actively dialoguing with clergy and laity on strategies that can assist the Black Church in the North Carolina Conference in areas such as leadership, resources, training, evangelism, financial strategies, and community outreach. The committee has developed a tool to analyze the areas of need of the Black Church to accurately assess the status of the Black Church. Such an endeavor allows for strategic planning of events and strategies for the Black Church in the 21st Century.

The bi-annual Convocation on the Black Church will be held on September 17th through the 19th at Hay Street United Methodist Church in Fayetteville, North Carolina. The theme for the convocation is as follows: "Can These Dry Bones Live? The State of the Black Church in North Carolina. Our first session begins on Thursday with clergy only. The event is designed to introduce innovative strategies for continual revitalization and church growth for clergy and laity.

In conclusion, Strengthening the Black Church for the 21st Century Committee is working with the Office of Multicultural Ministries. Churches have been identified that can benefit from consultation and coaching insights. We are in collaboration with the General Board of Global Ministries: (Urban and Congregational Development); Strengthening the Black Church in the 21st. Century and the General Board of Discipleship Black Desk. We are excited about the possibilities for building stronger and more relevant ministries by providing professional development and training resources. Strengthening our Black Churches in North Carolina to become more effective in mission and ministry is our goal as we seek to make Disciples for Jesus Christ for the transformation of the World.

James H. Henderson, Chairperson

STEWARDSHIP TEAM

THE CHRISTIAN FORMATION TEAM SERVES TO EMPOWER MINISTRY.

COMMUNICATIONS, COMMITTEE ON

With the beginning of a new quadrennium, the Communications Committee seeks to improve communications in our Conference in the following ways:

- *By improving cross-connectional communication within the Conference and its leadership:* Members of the Communications Committee sit on the Conference Connectional Table (CCT) and all four of the Table's teams. They submit summaries to one another and to the CCT of the Team meetings. Notes from the CCT meetings will be more widely available through the Conference website and *The Advocate*.
- *By helping Conference groups, teams, and committees to have alternatives to face-to-face meetings when needed:* With the high cost of travel and ongoing improvements in technology, we hope to facilitate and encourage use of conference calls and web-meetings when face-to-face meetings are not necessary.
- *Through a new-and-improved Conference website and new tools for helping local churches with creating and improving websites:* We welcome a new full-time webmaster to the Conference staff! Derek Leek and his team have redesigned the Conference website at www.nccumc.org and they have included new social networking and calendaring tools. Derek will now be transitioning into doing more equipping of local churches with tools and resources to help them build or improve their own websites.
- *Training across our Conference in the new "Rethink Church" campaign:* You remember "Igniting Ministry" with its "Open Hearts. Open Minds. Open Doors." Media? "Rethink Church" is a new media campaign that builds on the unprecedented success of Igniting Ministry. The Communications Committee will be coming to your area to help train pastors and lay persons on how they can "Rethink Church" and how they can give communities ten-thousand new doorways into church life and participation.
- *Through excellent video production for local churches:* Many of you have shared your appreciation for the Conference's DVDs that you have been able to show in your churches. We plan to continue this very effective communication tool and build on it for the future, possibly through on-line "video ministry" training for local churches in and through increased use of "web videos" for Conference ministries.

Our new Conference Committee is comprised of excellent leaders from across our Conference, both clergy and laity, and we thank them for their faithful service. We thank the Conference for making it possible for our Executive Team to benefit from outstanding training at the 2008 meeting of the United Methodist Association of Communicators. The Conference has benefited tremendously from the effective communication of *The North Carolina Conference Advocate* in 2008 and we commend the Advocate Board and Editor, Bill Norton. And we thank our Conference Communications staff for being so dedicated and terrific: **Bill Norton, LeeAnne Thornton, Derek Leek, and Linda Smith**. Surely God has blessed us with a strong Communications ministry for such a time as this.

Taylor Mills, Committee Chairperson

EQUITABLE COMPENSATION

The *Book of Discipline* mandates that “there shall be in each annual conference a commission on equitable compensation” (§ 625), whose purpose is “to support fulltime clergy serving as pastors in the charges of the annual conference” (§625.2). Three 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.”

God calls persons to ministry to go into all the world, preaching, teaching and baptizing (Matthew 28:19), for without them the world would not have heard Christ preached (Romans 10:14). These are called to be stewards of the mysteries of God (1 Corinthians 4:1). The Church lifts up some persons for the role of clergy and ordains these persons to the work of pastoral ministry to be servants of the servants of God.

Those who are ordained to pastoral ministry answer affirmatively the historic question of John Wesley, (§330.17) “Are you determined to employ all your time in the work of God?” For such a called, set apart and committed clergy, the Church assumes an obligation to plan adequate support. The *Book of Discipline* is clear that “the primary responsibility for payment of pastoral salaries remains with individual pastoral charges (§625.5; see also §247.13). Pastoral charges carry a responsibility for clergy salaries as one expression of their missional and ministry presences in the community. We recognize that such a missional presence also includes faithful payment of apportionments in full as ministry beyond the local church.

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” (§330.18), 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 N.C. Annual Conference, we make the following recommendations, which we believe will help us move toward fairness for both local churches and pastors as together we support ordained ministry in The N.C. Annual Conference.

For the year **2009**, the average full-time salary increase was approximately **4.16%**. The CPI (Urban South) for the last twelve months ending December **2008** showed an increase of **4.2%**.

The Commission currently recommends a **4.16% (\$1,677)** increase in Salary, a **9.0% (\$200)** increase in Utilities, and a **0% (\$0)** increase in Travel. Including the recommended travel amount this represents a total increase of **4.0%** for the year **2010**. Our recommendation is based on several factors: (1) the average compensation from other conferences; (2) it more closely reflects the majority of salary increases for this conference; (3) shows concern for general economic trends.

I. Recommended Schedule of Minimum Compensation for 2010:

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	2009	2010
(Full Connection, Associate, Probationary, Local Pastor)		
Salary	\$40,319.00	\$40,319.00
STUDENT PASTORS (Local Pastors or Conference Members)		
Salary	\$26,207.00	\$26,207.00

B. Utilities Expense

It is recommended that *each local charge would provide at least \$2,400 for utilities expense*. Utilities have been defined in guidance from the Internal Revenue Service to be electricity, heat, water/sewer, trash pick-up, and local telephone expenses. In order to increase accountability surrounding utility payments and to help ease transitions during appointment changes, the Commission recommends that the local

church 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 the General Board of Pension/Health Benefits or housing allowance, if provided in lieu of a parsonage).

II. Principles Governing Eligibility for Equitable Compensation Funds:

The pastor'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:** In considering the base compensation for the charge, all income, including base compensation, bonuses, and other benefits not specifically excluded, are included as base compensation in determining appropriations from the Equitable Compensation Fund. Base compensation support for retired supply, interim supply, part-time local pastors, less than full-time conference members, or associate pastors in other than larger parish arrangement of churches will not be available. Equitable Compensation funds shall not be used to supplement amounts above minimum full-time compensation.
- B. **Annual Stewardship Campaign:** Churches receiving Equitable Compensation Funds shall conduct an annual financial/stewardship campaign in the second year of receiving Equitable Compensation funds, to accurately gauge the level of financial support the local church can reasonably expect from its members.
- C. **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.
- D. **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.*
- E. **Application for funds:** Churches or charges applying for Equitable Compensation Funds shall submit a request on the appropriate form, supplied by the district superintendent. The pastor, recording secretary of the charge conference, and the district superintendent, shall carefully analyze the request. The application form must have the signatures of the pastor, recording secretary of the charge conference, and the district superintendent 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.**

- F. 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 plans further 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.
- G. In some instances, for missional reasons, consideration may be given to make funds available for the deacon in full connection when the primary appointment is to a local church. (Discipline **2008**, paragraph **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 total 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.
- B. **Annual Reduction and Length of Time for Support:**
 - 1. The Commission further recommends that each charge which is receiving, or shall hereafter receive, Equitable Compensation Fund assistance, shall reduce this aid by at least twenty-five percent (25%) each year, until the charge has achieved full self-support in five (5) years.
 - 2. A minimum mandatory reduction of ten percent (10%) will be required each year.
 - 3. At the end of the fourth (4th) year an evaluation shall be conducted with the church and the district superintendent to evaluate the ability of the church to sustain a full time appointment in the future.
 - 4. After review by the cabinet and the Commission, an extension in the length of time for support can be granted for missional purposes.

The Commission wants to be clear at this point that its intent in this recommendation is that each charge will accept in full whatever increases are made in the minimum base compensation for their pastor each year and receive at least ten percent (10%) less each year in assistance from Equitable Compensation Funds than granted the previous year.

- C. **Merit Grant Supplemental to Base Compensation:** Each full-time minister, associate member, or member in full connection of The N.C. Annual Conference, serving full time, and who, in the opinion of the cabinet is rendering unusually effective service, may apply for a grant in the amount of \$400, when such clergy person's salary and utilities are equal to the Conference minimum base compensation.
 - 1. This grant must be applied for on an annual basis, with an annual incremental increase of \$400 per year, not to exceed \$2,000 per year, for five years of full-time service. This grant may not exceed a lifetime maximum of \$6,000. Special attention shall be given to ethnic pastors serving ethnic ministries (*Book of Discipline 2008*, paragraph **625.6**). Said incremental increase is to be administered by the Commission on Equitable Compensation upon the recommendation of the cabinet, approval by the charge conference, and the district superintendent.
 - 2. Further, the local church shall be responsible for all Clergy Pension Plan and Comprehensive Protection Plan (CPP) payments on incremental increase.
 - 3. This policy does not restrict the Commission on Compensation, upon the recommendation of the cabinet, from making additional grants in extraordinary circumstances.
- D. **Anticipated future funding needs:** The cabinet shall report to the Executive Committee of the Commission the anticipated Equitable Compensation funding needs immediately after the first appointment session prior to Annual Conference.

IV. The Commission reports that 16 charges received a total of **\$106,552.02** in compensation assistance in the year **2008**.

Para Rodenhizer Drake, Chairperson

FINANCE AND ADMINISTRATION, COUNCIL ON

I. Conference Budget to be Raised
January 1, 2010 to December 31, 2010

Ministry Teams	Approved				Approved		Requested	Increase (Decrease)	350% % Increase (Decr)	% of Total Apport
	Shortfall for 2008	Request 2007 Raised 2008 for 2009	Actual Raised 2008 for 2009	Shortfall for 2009	Request 2008 Raised 2009 for 2010	Request 2009 Raised 2010 for 2011				
1 ** World Service	\$44,469	\$2,028,837	\$1,936,078	\$92,759	\$1,964,827	\$1,976,647	\$11,820	0.60%	9.75%	
<i>Outreach Ministry Team</i>										
2 Criminal Justice & Mercy Ministries	\$371	\$11,730	\$11,194	\$536	\$11,730	\$11,400	(\$330)	-2.81%	0.06%	
3 Disciple Bible Outreach Ministries	696	30,000	28,628	1,372	30,000	30,000	0	0.00%	0.15%	
4 Disaster Response	209	9,250	8,827	423	10,000	16,200	6,200	62.00%	0.08%	
5 Asbury Homes Inc.	84	0	0	0	0	0	0	-	0.00%	
6 Methodist Home for Children	4,355	190,000	181,313	8,687	190,000	190,000	0	0.00%	0.94%	
7 Methodist Retirement Homes	6,533	200,000	190,856	9,144	200,000	200,000	0	0.00%	0.99%	
8 Golden Cross Fund	348	15,000	14,314	686	15,050	15,050	0	0.00%	0.07%	
9 Missions and Outreach	10,721	470,000	448,512	21,488	459,600	492,220	32,620	7.10%	2.43%	
10 Refugee & Immigration	0	0	0	0	11,000	11,000	0	-	0.05%	
11 Board of Institutions	12	500	477	23	500	500	0	0.00%	0.00%	
12 Disability Concerns	0	3,500	3,340	160	3,500	4,700	1,200	34.29%	0.02%	
Subtotal - Outreach Ministry Team	\$23,329	\$929,980	\$887,461	\$42,519	\$931,380	\$971,070	\$39,690	4.26%	4.79%	
<i>Christian Formation Team</i>										
15 Evangelism	\$580	\$45,000	\$42,943	\$2,057	\$45,000	\$99,955	\$54,955	122.12%	0.49%	
16 Church & Society	226	10,000	9,543	457	8,500	12,600	4,100	48.24%	0.06%	
17 Spiritual Life	0	0	0	0	6,500	12,800	6,300	-	0.06%	
18 Worship	93	4,000	3,817	183	4,000	5,200	1,200	30.00%	0.03%	
19 Higher Education and Campus Ministries	812	5,000	4,771	229	5,000	7,000	2,000	40.00%	0.03%	
13 ** College Chaplaincy Support Fund	10,694	275,000	262,427	12,573	275,000	275,000	0	0.00%	1.36%	
14 College Chaplaincy Support - Reserve	0	0	0	0	68,750	68,750	0	0.00%	0.34%	
20 Campus Ministry	9,841	475,000	453,283	21,717	475,000	501,400	26,400	5.56%	2.47%	
21 Youth Ministry	743	35,000	33,400	1,600	54,270	60,300	6,030	11.11%	0.30%	
22 Young Adults	0	0	0	0	4,050	4,050	0	-	0.02%	
23 Children's Ministries	464	20,000	19,086	914	17,505	19,450	1,945	11.11%	0.10%	
24 Older Adults	0	0	0	0	6,000	6,000	0	-	0.03%	
25 Education and Nurture	139	9,000	8,589	411	2,250	3,200	950	42.22%	0.02%	
26 Camp & Retreat Min Inc.	6,383	275,000	262,427	12,573	275,000	275,000	0	0.00%	1.36%	
27 Emerging Church Support	15,140	717,523	684,718	32,805	618,863	823,419	204,556	33.05%	4.06%	
28 Office of Congregational Dev. Sal & Ben	4,647	210,203	200,593	9,610	210,203	226,578	16,375	7.79%	1.12%	
29 Office of Congregational Dev.	1,335	58,877	56,185	2,692	58,877	63,000	4,123	7.00%	0.31%	
30 Archives & History	162	7,650	7,300	350	6,885	7,650	765	11.11%	0.04%	
31 Conference Media Center	0	0	0	0	5,000	6,300	1,300	26.00%	0.03%	
Subtotal - Christian Formation Team	\$51,260	\$2,147,253	\$2,049,080	\$98,173	\$2,146,653	\$2,477,652	\$330,999	15.42%	12.22%	
<i>Leadership Team</i>										
32 Multicultural Ministries Office	\$511	\$15,870	\$15,144	\$726	\$8,620	\$18,450	\$9,830	114.04%	0.09%	
33 Conference Plan of Inclusiveness Grants	1,137	50,000	47,714	2,286	50,000	50,000	0	0.00%	0.25%	
34 CPI Program		92,650	88,414	4,236	91,950	112,620	20,670	22.48%	0.56%	
35 Hispanic/Latino Ministries Office	232	13,720	13,093	627	12,700	12,700	0	0.00%	0.06%	
36 Monitoring & Accountability	86	3,700	3,531	169	3,700	3,700	0	0.00%	0.02%	
37 ** Ministerial Education Fund	15,302	659,379	629,232	30,147	679,565	676,660	(2,905)	-0.43%	3.34%	
38 Board of Ordained / Diaconal Ministry	3,892	168,510	160,806	7,704	176,210	190,700	14,490	8.22%	0.94%	
39 BODM: Sexual Ethics Salary & Benefits	1,128	49,250	46,998	2,252	0	0	0	-	0.00%	
40 BODM: Sexual Ethics Programs	348	18,200	17,368	832	21,875	21,875	0	0.00%	0.11%	
41 Seminary Visitation	46	2,000	1,909	91	2,000	2,000	0	0.00%	0.01%	
42 Bishop's Days Apart	186	8,000	7,634	366	8,000	8,000	0	0.00%	0.04%	
43 Laity	487	24,700	23,571	1,129	27,400	28,000	600	2.19%	0.14%	
44 Clergy Counseling & Consultation Office	574	0	0	0	0	0	0	-	0.00%	
45 Clergy Counseling & Consultation Sal & Ben	3,116	134,182	128,047	6,135	0	0	0	-	0.00%	
46 Episcopacy	28	1,200	1,145	55	1,200	1,200	0	0.00%	0.01%	
47 District Supt. Fund: Salaries & Pen. Ben.	34,404	1,497,073	1,428,627	68,446	1,497,073	1,549,470	52,397	3.50%	7.64%	
48 District Supt. Fund: Travel	2,467	102,000	97,337	4,663	104,000	104,000	0	0.00%	0.51%	
49 Dist. Supt. Fund: Cabinet Exp.	856	36,883	35,197	1,686	37,621	40,000	2,379	6.32%	0.20%	
50 Cabinet Discretionary Fund	116	5,000	4,771	229	5,000	5,000	0	0.00%	0.02%	
51 Bishop's Discretionary Fund	46	2,000	1,909	91	2,000	2,000	0	0.00%	0.01%	
52 Dir Ministerial Relations-Sal & Benefits	6,689	297,633	284,025	13,608	332,677	343,459	10,782	3.24%	1.69%	
53 Dir Ministerial Relations-Office	457	19,850	18,942	908	20,446	24,000	3,554	17.38%	0.12%	
54 Christian Unity	207	7,000	6,680	320	7,000	7,000	0	0.00%	0.03%	
55 NC Council of Churches	418	18,000	17,177	823	18,000	18,000	0	0.00%	0.09%	
65 Office of the Bishop Sal & Ben.	552	24,627	23,501	1,126	0	0	0	-	0.00%	
66 Office of the Bishop	679	30,165	28,786	1,379	30,881	31,000	119	0.39%	0.15%	

FINANCE AND ADMINISTRATION, COUNCIL ON

I. Conference Budget to be Raised
January 1, 2010 to December 31, 2010

Team Structure <i>Ministry Teams</i>	Approved			Shortfall for 2009	Approved		Requested	3.50% % Increase (Decr)	% of Total Apport
	Request 2007 Shortfall for 2008	Raised 2008 for 2009	Actual Raised 2008 for 2009		Request 2008 Raised 2009 for 2010	Request 2009 Raised 2010 for 2011	Increase (Decrease)		
56 Effective Ministry Program	\$928	\$25,000	\$23,857	\$1,143	\$25,000	\$25,000	\$0	0.00%	0.12%
57 Conference Staff Relations Comm	28	1,300	1,241	59	1,300	1,300	0	0.00%	0.01%
58 Nominations	12	500	477	23	500	1,000	500	100.00%	0.00%
Subtotal - Leadership Team	\$75,305	\$3,308,392	\$3,157,132	\$151,260	\$3,164,718	\$3,277,134	\$112,416	3.55%	16.16%
59 Stewardship	\$288	\$12,400	\$11,833	\$567	\$12,400	\$13,250	\$850	6.85%	0.07%
60 Annual Conf. Expense	3,343	150,000	143,142	6,858	160,000	178,000	18,000	11.25%	0.88%
61 Annual Conf. Registrar Sal & Ben	84	4,000	3,817	183	4,000	4,000	0	0.00%	0.02%
62 Conf. Secretary's Office	385	18,000	17,177	823	18,000	18,500	500	2.78%	0.09%
63 Conf. Secretary's Office Sal & Ben	1,943	87,918	83,898	4,020	88,000	91,080	3,080	3.50%	0.45%
64 Conference Journal/Printing	847	38,000	36,263	1,737	30,000	40,000	10,000	33.33%	0.20%
67 Communications	1,960	87,650	83,643	4,007	85,000	90,000	5,000	5.88%	0.44%
68 Publications: NC Conference Advocate	1,393	62,700	59,833	2,867	60,100	57,700	(2,400)	-3.99%	0.28%
69 ** General Administration	3,846	178,599	170,433	8,166	218,936	214,172	(4,764)	-2.18%	1.06%
70 ** SEJ Mission & Ministry	3,473	149,636	142,795	6,841	153,388	153,388	0	0.00%	0.76%
71 Conf. Treasurer's Office Sal & Ben	13,869	628,351	599,623	28,728	650,343	673,105	22,762	3.50%	3.32%
72 Conf. Treasurer's Office	3,551	164,300	156,788	7,512	227,525	217,860	(9,665)	-4.25%	1.07%
73 Treasurer Bonding & Insurance	151	7,500	7,157	343	8,300	10,790	2,490	30.00%	0.05%
74 Information Management Office	1,393	71,080	67,830	3,250	71,710	74,300	2,590	3.61%	0.37%
75 Information Management Sal & Ben	3,976	189,409	180,749	8,660	196,038	202,899	6,861	3.50%	1.00%
76 Conf. Board of Trustees	12	1,600	1,527	73	1,600	1,750	150	9.38%	0.01%
77 Contingency Fund	325	15,000	14,314	686	15,000	15,000	0	0.00%	0.07%
78 ** Meth. Bldg. Operating Fund	2,321	160,000	152,684.79	7,315	170,000	175,000	5,000	2.94%	0.86%
79 ** Meth. Bldg. Capital Fund	1,161	200,000	190,855.98	9,144	200,000	200,000	0	0.00%	0.99%
80 Episcopal Residence	116	10,000	9,543	457	15,000	15,000	0	0.00%	0.07%
81 Staff Housing	1,253	51,500	49,145	2,355	53,500	110,671	57,171	106.86%	0.55%
82 Legal Counsel	464	20,000	19,086	914	20,000	20,000	0	0.00%	0.10%
83 Minister's Transition Fund	5,959	120,672	115,155	5,517	0	0	0	0.00%	0.00%
84 Equitable Compensation	2,901	125,000	119,285	5,715	125,000	125,000	0	0.00%	0.62%
85 Minister's Moving Expense	2,553	110,000	104,971	5,029	185,000	185,000	0	0.00%	0.91%
86 Joint Comm. on Incapacity	11,698	504,000	480,957	23,043	416,000	461,058	45,058	10.83%	2.27%
87 Conf. Claimants -Retiree Insurance	56,866	2,700,000	2,576,556	123,444	2,700,000	2,700,000	0	0.00%	13.32%
88 In-coming WATS	79	3,900	3,722	178	3,900	4,200	300	7.69%	0.02%
89 General and Jurisdictional Conference	348	30,000	28,628	1,372	53,000	30,000	(23,000)	-43.40%	0.15%
90 CCM Office Meetings & Programs	2,785	114,500	109,265	5,235	116,750	120,250	3,500	3.00%	0.59%
91 CCM Staff Salaries and Benefits	23,583	1,066,752	1,017,980	48,772	1,105,913	1,145,000	39,087	3.53%	5.65%
Subtotal - Stewardship Team	\$152,926	\$7,082,467	\$6,758,656	\$323,811	\$7,164,403	\$7,346,973	\$182,570	2.55%	36.23%
<i>Conference Connectional Ministries</i>	\$302,820	\$13,468,092	\$12,852,330	\$615,762	\$13,407,154	\$14,072,829	\$665,675	4.97%	69.41%
92 <i>World Service & Connectional Ministries</i>	\$347,289	\$15,496,929	\$14,788,408	\$708,521	\$15,371,981	\$16,049,476	\$677,495	4.41%	79.15%
<i>Past Service Liability</i>									
93 ** Past Service Liability-Pensions	\$36,272	\$3,300,000	\$3,167,082	\$132,918	\$3,300,000	\$3,300,000	\$0	0.00%	16.28%
<i>Other General Conference</i>									
94 ** Episcopal Fund	\$12,770	\$530,583	\$506,633	\$23,950	\$533,704	\$543,697	\$9,993	1.87%	2.68%
95 ** Africa University Fund	2,387	57,981	54,502	3,479	60,675	60,416	(259)	-0.43%	0.30%
96 ** Black College Fund	13,053	262,561	246,591	15,970	271,105	269,946	(1,159)	-0.43%	1.33%
97 ** Interdenominational Coop.Fund	2,658	52,078	48,478	3,600	52,962	52,664	(298)	-0.56%	0.26%
98 <i>Total Other General Apportionments</i>	<i>\$30,867</i>	<i>\$903,203</i>	<i>\$856,204</i>	<i>\$46,999</i>	<i>\$918,446</i>	<i>\$926,723</i>	<i>\$8,277</i>	<i>0.90%</i>	<i>4.57%</i>
Grand Total All Funds	\$414,428	\$19,700,132	\$18,811,694	\$888,438	\$19,590,427	\$20,276,199	\$685,772	3.50%	100.00%
Total General Conference	\$94,484	\$3,770,018	\$3,591,948	\$178,070	\$3,781,774	\$3,794,202	\$12,428	0.33%	18.76%
Total Jurisdictional Conference	\$3,473	\$149,636	\$142,795	\$6,841	\$153,388	\$153,388	\$0	0.00%	0.75%
Total Pensions & Conference Claimants	\$93,138	\$6,000,000	\$5,743,638	\$256,362	\$6,000,000	\$6,000,000	\$0	0.00%	29.59%
Total Annual Conference	\$223,333	\$9,780,478	\$9,333,314	\$447,164	\$9,832,692	\$10,448,993	\$673,344	6.97%	50.94%

** - Budget Raised and Spent in the same year.

Ila. Actual Operating Budget for 2008

<i>Ministry Circles</i>	Carry Over from 2007	Raised in 2007	Total Approved Supplement	Operating Budget for 2008	Actual Expenditures 2008	2008 Remain Balance
1 **World Service	\$0	\$1,871,408	\$92,759	\$2,028,837	\$2,028,837.00	\$0
<i>Mission Development</i>						
2 Criminal Justice & Mercy Ministries	1,563	15,629	4	17,196	17,196.46	0
3 Disciple Bible Outreach Ministries	0	29,304	0	29,304	29,304.00	0
4 Evangelism	2,058	24,420	0	26,478	25,541.74	936
5 Church & Society	952	9,524	0	10,476	10,256.17	220
6 Disaster Response	0	8,791	0	8,791	5,228.77	3,562
7 Asbury Homes Inc.	0	3,516	0	3,516	3,516.00	0
8 Methodist Home for Children	0	183,285	0	183,285	183,285.00	0
9 Methodist Retirement Homes	0	274,930	0	274,930	274,929.96	0
10 Golden Cross Fund	0	14,652	0	14,652	14,652.00	0
11 Multicultural Ministries Office	0	21,489	0	21,489	17,355.10	4,134
12 Conference Plan of Inclusiveness Grants	53	47,863	0	47,916	44,750.00	3,166
13 Missions and Outreach	0	451,179	10,721	461,900	461,837.86	62
14 Hispanic/Latino Ministries Office	0	9,768	0	9,768	9,768.00	0
15 CM Task Forces	0	0	2,295	2,295	2,295.48	0
Subtotal - Mission Development	\$4,626	\$1,094,349	\$13,021	\$1,111,996	\$1,099,916.54	\$12,080
<i>Spiritual Formation and Leadership Development</i>						
16 ** Ministerial Education Fund	\$0	\$643,970	\$22,610	\$659,379	\$649,979.08	\$0
17 Board of Ordained / Diaconal Ministry	0	163,808	0	163,808	156,446.95	7,361
18 BOM:Sexual Ethics Salary & Benefits	4,747	47,472	1,128	53,347	30,188.38	23,159
19 BOM:Sexual Ethics Program	1,465	14,652	0	16,117	12,384.44	3,732
20 Seminary Visitation	195	1,954	0	2,149	973.39	1,175
21 Bishop's Days Apart	781	7,814	1,821	10,416	10,415.82	0
23 Stewardship	863	12,112	0	12,975	12,936.64	39
24 Laity	2,051	20,513	0	22,564	22,536.13	27
25 Worship	391	3,907	0	4,298	2,898.99	1,399
26 Higher Education and Campus Ministries	0	34,188	0	34,188	5,470.23	28,717
27 ** College Sustaining Fund	0	450,056	185,750	460,750	448,177.00	12,573
28 Campus Ministry	0	414,159	11,659	425,818	425,817.60	0
29 Youth Ministry	0	31,257	0	31,257	31,255.00	2
30 Children's Ministries	1	19,536	0	19,537	19,534.00	3
31 Education	586	5,861	0	6,447	5,458.67	988
32 Camp & Retreat Min Inc.	0	268,617	6,383	275,000	275,000.00	0
33 Clergy Counseling & Consultation	0	24,171	0	24,171	22,841.20	1,329
34 Clergy Counseling & Consultation Sal & Ben	30,082	131,115	3,116	164,313	131,132.73	33,180
35 Wellspring Programs	1,563	15,629	0	17,192	3,000.00	14,192
Subtotal - Spiritual Form. & Lead. Develop.	\$42,725	\$2,310,789	\$232,466	\$2,403,723	\$2,266,446.25	\$127,877
<i>Episcopal</i>						
38 Episcopacy	\$0	\$1,172	\$0	\$1,172	\$125.22	\$1,047
39 District Supt. Fund: Salaries & Pension Ben.	28,941	1,447,846	0	1,476,787	1,427,899.93	48,887
40 District Supt. Fund: Travel	450	103,838	0	104,288	79,403.52	24,885
42 Dist. Supt. Fund: Cabinet Exp.	0	36,027	48,000	84,027	68,751.61	15,275
43 Cabinet Discretionary Fund	305	4,884	0	5,189	0.00	5,189
44 Annual Conf. Expense	0	140,707	33,343	174,050	173,751.41	299
45 Annual Conf. Registrar Sal & Ben	0	3,516	84	3,600	3,600.00	0
46 Conf. Secretary's Office	0	16,215	0	16,215	13,227.84	2,987
47 Conf. Secretary's Office Sal & Ben	0	81,789	1,943	83,732	78,215.82	5,516
48 Conference Journal/Printing	482	35,653	847	36,982	29,248.82	7,734
49 Bishop's Discretionary Fund	195	1,954	0	2,149	0.00	2,149
50 Dir Ministerial Relations-Sal & Benefits	0	281,508	6,689	288,197	262,667.92	25,529
51 Dir Ministerial Relations-Office	0	19,223	0	19,223	16,918.48	2,305
52 Monitoring & Accountability	361	3,614	0	3,975	2,558.71	1,416
53 Christian Unity	869	8,693	0	9,562	7,519.37	2,043
54 NC Council of Churches	0	17,582	0	17,582	17,582.04	0
55 Office of the Bishop Sal & Ben.	2,324	23,242	0	25,566	5,312.00	20,254
56 Office of the Bishop	0	28,571	0	28,571	26,898.41	1,673
57 Emerging Church Support	100,000	637,160	0	737,160	637,483.18	99,677
58 Office of Congregational Dev. Sal & Ben	0	195,546	4,647	200,193	136,022.73	64,170
59 Office of Congregational Dev.	5,617	56,165	0	61,782	38,570.18	23,212
Subtotal - Episcopal	\$139,544	\$3,144,905	\$95,554	\$3,380,003	\$3,025,757.19	\$354,246

Ila. Actual Operating Budget for 2008

<i>Ministry Circles</i>	Carry Over from 2007	Raised in 2007	Total Approved Supplement	Operating Budget for 2008	Actual Expenditures 2008	2008 Remain Balance
<i>Communications</i>						
60 Communications	\$1,183	\$82,490	\$0	\$83,673	\$82,171.20	\$1,502
61 Archives & History	587	6,838	0	7,425	6,271.71	1,153
62 Publications: NC Christian Advocate	0	58,607	0	58,607	58,607.00	0
Subtotal - Communications						
63 ** General Administration	\$0	\$161,847	\$8,166	\$178,599	\$178,599.00	\$0
64 ** SEJ Mission & Ministry	0	146,163	6,841	149,636	149,636.00	0
65 Conf. Treasurer's Office Sal & Ben	37,513	583,669	13,869	635,051	635,050.97	0
66 Conf. Treasurer's Office	0	149,449	53,551	203,000	196,058.81	6,941
67 Treasurer Bonding & Insurance	0	6,349	0	6,349	6,349.00	0
68 Information Management Office	95	58,607	0	58,702	58,150.81	552
69 Information Management Sal & Ben	848	167,317	3,976	172,141	171,904.53	236
70 Conf. Board of Trustees	0	488	0	488	488.00	0
71 Contingency Fund	1,368	13,675	-10,605	4,438	0.00	4,438
72 ** Meth. Bldg. Operating Fund	0	97,679	0	160,000	152,684.79	0
73 ** Meth. Bldg. Capital Fund	0	48,839	0	200,000	190,855.98	0
74 Episcopal Residence	0	4,884	0	4,884	4,884.00	0
75 Staff Housing	0	52,747	20	52,767	52,767.00	0
76 Legal Counsel	1,954	19,536	0	21,490	7,041.59	14,448
77 Minister's Transition Fund	0	250,762	0	250,762	250,762.00	0
78 Equitable Compensation	12,210	122,099	0	134,309	108,654.42	25,654
79 Effective Ministry Program	0	39,072	0	39,072	39,072.00	0
80 Minister's Moving Expense	0	107,447	27,369	134,815	133,897.53	918
81 Joint Comm. on Incapacity	49,230	492,302	0	541,532	399,735.84	141,796
82 Conf. Claimants -Retiree Insurance	0	2,393,134	0	2,393,134	2,393,134.00	0
83 In-coming WATS	0	3,321	0	3,321	3,321.00	0
84 Conference Staff Relations Comm	117	1,172	350	1,640	1,639.43	0
85 Board of Institutions	49	488	0	537	261.42	276
86 General and Jurisdictional Conference	0	14,652	0	14,652	14,652.00	0
87 Nominations	49	488	4,296	4,834	4,833.11	0
88 Office Meetings & Programs	\$11,721	\$117,215	\$0	\$128,936	\$86,474.38	\$42,461
89 Staff Salaries and Benefits	226	992,448	10,000	1,002,674	972,466.66	30,208
Subtotal - Conference Connectional Ministries						
	\$103,433	\$4,936,187	\$107,833	\$5,366,153	\$5,154,433.23	\$195,260
Subtotal - Conference Connectional Ministries						
	11,947	1,109,663	10,000	1,131,610	1,058,941.04	72,669
World Service & Connectional Ministries						
	\$304,045	\$14,615,237	\$551,633	\$15,572,027	\$14,781,381.16	\$764,787
<i>Past Service Liability</i>						
II ** Past Service Liability-Pensions	\$0	\$3,263,728	\$0	\$3,300,000	\$3,167,081.75	\$0
<i>Other General Conference</i>						
III ** Episcopal Fund	\$0	\$479,841	\$23,950	\$530,583	\$530,583.00	\$0
IV ** Africa University Fund	0	55,585	3,479	57,981	57,981.00	0
V ** Black College Fund	0	249,466	15,970	262,561	262,561.00	0
VI ** Interdenominational Coop.Fund	0	48,385	3,600	52,078	52,078.00	0
Total Other General Apportionments						
	\$0	833,278	46,999	903,203	903,203.00	0
Grand Total All Funds						
	\$304,045	\$18,712,242	\$598,632	\$19,775,230	\$18,851,665.91	\$764,787
Total General Conference	\$0	\$0	\$170,534	\$3,770,018	\$3,760,618.08	\$0
Total Jurisdictional Conference	\$0	\$0	\$6,841	\$149,636	149,636.00	0
Total Pensions & Conference Claimants	\$0	\$0	\$0	\$5,693,134	5,560,215.75	0
Total Annual Conference	\$304,045	\$0	\$421,257	\$10,162,442	\$9,381,196.08	\$764,787

** Funds that are raised and paid out in the same year.

IIb. Actual Operating Budget for 2009

	Carry Over from 2008	Raised in 2008	Total Approved Supplement	Operating Budget for 2009	09 Budget/ 08 Budget % Change	09 Budg/ 08 Actual % Change	% of Total
<i>Ministry Teams</i>							
1 ** World Service	\$0	\$1,936,078	\$0	\$1,964,827	-3.16%	-3.16%	9.95%
<i>Outreach Ministry Team</i>							
2 Criminal Justice & Mercy Ministries	0	11,194	0	11,194	-34.91%	-34.91%	0.06%
3 Disciple Bible Outreach Ministries	0	28,628	0	28,628	-2.31%	-2.31%	0.14%
4 Disaster Response	883	8,827	0	9,710	10.45%	85.71%	0.05%
6 Methodist Home for Children	0	181,313	0	181,313	-1.08%	-1.08%	0.92%
7 Methodist Retirement Homes	0	190,856	0	190,856	-30.58%	-30.58%	0.97%
8 Golden Cross Fund	0	14,314	0	14,314	-2.31%	-2.31%	0.07%
9 Missions and Outreach	0	433,243	0	433,243	-6.20%	-6.19%	2.19%
10 Refugee & Immigration	0	15,268	0	15,268	100.00%	100.00%	0.08%
11 Board of Institutions	48	477	0	525	-2.21%	100.88%	0.00%
12 Disability Concerns	0	3,340	0	3,340	100.00%	100.00%	0.02%
Subtotal - Outreach Ministry Team	\$931	\$887,461	\$0	\$888,392	-10.84%	-10.49%	4.50%
<i>Christian Formation Team</i>							
15 Evangelism	\$936	\$42,943	\$0	\$43,879	65.72%	71.79%	0.22%
16 Church & Society	220	9,543	0	9,763	-6.81%	-4.81%	0.05%
17 Spiritual Life	0	6,203	0	6,203	100.00%	100.00%	0.03%
18 Worship	382	3,817	0	4,199	-2.30%	44.85%	0.02%
19 Higher Education and Campus Ministries	477	4,771	0	5,248	-84.65%	-4.06%	0.03%
13 ** College Chaplaincy Support Fund	0	262,427	0	275,000	-40.31%	-38.64%	1.39%
20 Campus Ministry	0	453,283	21,717	475,000	11.55%	11.55%	2.41%
21 Youth Ministry	2	33,400	0	33,402	6.86%	6.87%	0.17%
22 Young Adults	0	2,982	0	2,982	100.00%	100.00%	0.02%
23 Children's Ministries	3	19,086	0	19,089	-2.30%	-2.28%	0.10%
24 Older Adults	0	4,080	0	4,080	100.00%	100.00%	0.02%
25 Education and Nurture	859	1,527	0	2,386	-62.99%	-56.29%	0.01%
26 Camp & Retreat Min Inc.	0	262,427	12,573	275,000	0.00%	0.00%	1.39%
27 Emerging Church Support	68,472	684,718	0	753,190	2.17%	18.15%	3.81%
28 Office of Congregational Dev. Sal & Ben	20,059	200,593	0	220,652	10.22%	62.22%	1.12%
29 Office of Congregational Dev.	5,619	56,185	0	61,804	0.04%	60.24%	0.31%
30 Archives & History	730	7,300	0	8,030	8.15%	28.04%	0.04%
31 Conference Media Center	0	3,340	0	3,340	100.00%	100.00%	0.02%
Subtotal - Christian Formation Team	\$97,759	\$2,058,624	\$34,290	\$2,203,246	-4.24%	6.55%	11.16%
<i>Leadership Team</i>							
32 Multicultural Ministries Office	\$1,514	\$15,144	\$0	\$16,658	-22.48%	-4.01%	0.08%
33 Conference Plan of Inclusiveness Grants	3,166	47,714	0	50,880	6.19%	13.70%	0.26%
34 CPI Program	0	88,414	0	88,414	100.00%	100.00%	0.45%
35 Hispanic/Latino Ministries Office	0	13,093	0	13,093	34.04%	34.04%	0.07%
36 Monitoring & Accountability	353	3,531	0	3,884	-2.29%	51.79%	0.02%
37 ** Ministerial Education Fund	0	629,232	0	679,565	3.06%	4.55%	3.44%
38 Board of Ordained / Diaconal Ministry	7,361	160,806	0	168,167	2.66%	7.49%	0.85%
39 BODM: Sexual Ethics Salary & Benefits	4,700	46,998	2,252	53,950	1.13%	78.71%	0.27%
40 BODM: Sexual Ethics Programs	1,737	17,368	0	19,105	18.54%	54.27%	0.10%
41 Seminary Visitation	191	1,909	0	2,100	-2.30%	115.70%	0.01%
42 Bishop's Days Apart	0	7,634	0	7,634	-26.71%	-26.71%	0.04%
43 Laity	27	23,571	0	23,598	4.58%	4.71%	0.12%
45 Clergy Counseling & Consultation Sal & Ben	12,805	128,047	6,135	146,987	-10.54%	12.09%	0.74%
48 Wellspring Programs	0	0	0	0	-100.00%	-100.00%	0.00%
46 Episcopacy	115	1,145	0	1,260	7.52%	906.34%	0.01%
47 District Supt. Fund: Salaries & Pension Ben.	48,887	1,428,627	0	1,477,514	0.05%	3.47%	7.48%
48 District Supt. Fund: Travel	9,734	97,337	0	107,071	2.67%	34.84%	0.54%
49 Dist. Supt. Fund: Cabinet Exp.	15,275	35,197	0	50,472	-39.93%	-26.59%	0.26%
50 Cabinet Discretionary Fund	477	4,771	0	5,248	1.14%	100.00%	0.03%
51 Bishop's Discretionary Fund	191	1,909	0	2,100	-2.30%	100.00%	0.01%
52 Dir Ministerial Relations-Sal & Benefits	18,840	284,025	13,608	316,473	9.81%	20.48%	1.60%
53 Dir Ministerial Relations-Office	1,894	18,942	0	20,836	8.39%	23.16%	0.11%
54 Christian Unity	668	6,680	0	7,348	-23.15%	-2.28%	0.04%
55 NC Council of Churches	0	17,177	0	17,177	-2.30%	-2.30%	0.09%
65 Office of the Bishop Sal & Ben.	2,350	23,501	0	25,851	1.11%	386.65%	0.13%
66 Office of the Bishop	1,673	28,786	0	30,459	6.61%	13.24%	0.15%
56 Effective Ministry Program	0	23,857	0	23,857	-38.94%	-38.94%	0.12%
57 Conference Staff Relations Comm	0	1,241	0	1,241	-24.36%	-24.33%	0.01%
58 Nominations	0	477	0	477	-90.13%	-90.13%	0.00%

IIb. Actual Operating Budget for 2009

<i>Ministry Teams</i>	Carry Over from 2008	Raised in 2008	Total Approved Supplement	Operating Budget for 2009	09 Budget/ 08 Budget % Change	09 Budg/ 08 Actual % Change	% of Total
Subtotal - Leadership Team	\$131,958	\$3,157,132	\$21,995	\$3,361,418	1.11%	9.39%	17.02%
<i>Stewardship Team</i>							
59 Stewardship	\$39	\$11,833	\$0	\$11,872	-8.50%	-8.23%	0.06%
60 Annual Conf. Expense	0	143,142	25,000	168,142	-3.39%	-3.23%	0.85%
61 Annual Conf. Registrar Sal & Ben	0	3,817	183	4,000	11.11%	11.11%	0.02%
62 Conf. Secretary's Office	1,718	17,177	0	18,895	16.53%	42.84%	0.10%
63 Conf. Secretary's Office Sal & Ben	3,573	83,898	4,020	91,491	9.27%	16.97%	0.46%
64 Conference Journal/Printing	7,734	36,263	0	43,996	18.97%	50.42%	0.22%
67 Communications	1,502	83,643	0	85,145	1.76%	3.62%	0.43%
68 Publications: NC Conference Advocate	0	59,833	0	59,833	2.09%	2.09%	0.30%
69 ** General Administration	0	170,433	0	218,936	22.59%	22.59%	1.11%
70 ** SEJ Mission & Ministry	0	142,795	0	153,388	2.51%	2.51%	0.78%
71 Conf. Treasurer's Office Sal & Ben	0	599,623	28,728	628,351	-1.06%	-1.06%	3.18%
72 Conf. Treasurer's Office	0	156,788	40,000	196,788	-3.06%	0.37%	1.00%
73 Treasurer Bonding & Insurance	0	7,157	0	7,157	12.73%	12.73%	0.04%
74 Information Management Office	552	67,830	0	68,382	16.49%	17.59%	0.35%
75 Information Management Sal & Ben	0	180,749	8,660	189,409	10.03%	10.18%	0.96%
76 Conf. Board of Trustees	0	1,527	0	1,527	212.88%	212.88%	0.01%
77 Contingency Fund	1,431	14,314	0	15,745	254.78%	100.00%	0.08%
78 ** Meth. Bldg. Operating Fund	0	152,685	0	170,000	6.25%	11.34%	0.86%
79 ** Meth. Bldg. Capital Fund	0	190,856	0	200,000	0.00%	4.79%	1.01%
80 Episcopal Residence	0	9,543	0	9,543	95.39%	95.39%	0.05%
81 Staff Housing	0	49,145	0	49,145	-6.86%	-6.86%	0.25%
82 Legal Counsel	1,909	19,086	0	20,995	-2.31%	198.15%	0.11%
83 Minister's Transition Fund	0	115,155	0	115,155	-54.08%	-54.08%	0.58%
84 Equitable Compensation	11,928	119,285	0	131,213	-2.31%	20.76%	0.66%
85 Minister's Moving Expense	0	104,971	0	104,971	-22.14%	-21.60%	0.53%
86 Joint Comm. on Incapacity	48,096	480,957	0	529,053	-2.30%	32.35%	2.68%
87 Conf. Claimants -Retiree Insurance	0	2,576,556	0	2,576,556	7.66%	7.66%	13.05%
88 In-coming WATS	0	3,722	0	3,722	12.07%	12.07%	0.02%
89 General and Jurisdictional Conference	0	28,628	0	28,628	95.39%	95.39%	0.14%
90 CCM Office Meetings & Programs	10,927	99,722	0	110,649	-14.18%	27.96%	0.56%
91 CCM Staff Salaries and Benefits	20,208	1,017,980	57,000	1,095,188	9.23%	12.62%	5.55%
Subtotal - Stewardship Team	\$109,617	\$6,749,113	\$163,591	\$7,107,876	2.69%	7.38%	36.00%
I World Service & Connectional Ministries	\$340,265	\$14,788,408	\$219,876	\$15,525,759	-0.30%	5.04%	78.63%
<i>Past Service Liability</i>							
II ** Past Service Liability-Pensions	\$0	\$3,167,082	\$0	\$3,300,000	0.00%	4.20%	16.71%
<i>Other General Conference</i>							
III ** Episcopal Fund	\$0	\$506,633	\$0	\$533,704	0.59%	0.59%	2.70%
IV ** Africa University Fund	0	54,502	0	60,675	4.65%	4.65%	0.31%
V ** Black College Fund	0	246,591	0	271,105	3.25%	3.25%	1.37%
VI ** Interdenominational Coop.Fund	0	48,478	0	52,962	1.70%	1.70%	0.27%
Total Other General Apportionments	\$0	\$856,204	\$0	\$918,446	1.69%	1.69%	4.65%
Grand Total All Funds	\$340,265	\$18,811,694	\$219,876	\$19,744,205	-0.16%	4.73%	100.00%
Total General Conference	\$0	\$3,591,948	\$0	\$3,781,774	0.31%	0.56%	19.15%
Total Jurisdictional Conference	\$0	\$142,795	\$0	\$153,388	2.51%	2.51%	0.78%
Total Pensions & Conference Claimants	\$0	\$5,743,638	\$0	\$5,876,556	3.22%	5.69%	29.76%
Total Annual Conference	\$340,265	\$9,333,314	\$219,876	\$9,932,487	-2.26%	5.88%	50.31%

IIc. Contingency Reserve Fund**2008****Income**

Interest on Checking	\$5,999
Interest on Investments	\$77,893
Interest on Metho. Found.	\$326,359
Net Reclaim Last Year	\$424,522
Other Receipts	\$0
Post Audit Receipts	\$2,303

\$837,075**Distributions**

2008 Budget Supplements	\$214,744
2008 Non-Budget Supplements	\$61,258
2009 Budget Supplements	\$219,876
2009 Non-Budget Supplements	\$0
Interest Paid	\$48
Audit Adjustments(Budget Reclaimed)	\$954

\$496,880**Change in Net Assets (rounded)****\$340,196**

Iic. Contingency Reserve Fund

<u>Budget Supplements:</u>	<u>2008</u>	<u>2009</u>
**World Service	92,759	0
Criminal Justice & Mercy Ministries	4	0
Missions and Outreach	10,721	0
CM Task Forces	2,295	0
** Ministerial Education Fund	22,610	0
BOM: Sexual Ethics Salary & Benefits	1,128	2,252
Bishop's Days Apart	1,821	0
** College Sustaining Fund	185,750	0
Campus Ministry	11,659	21,717
Camp & Retreat Min Inc.	6,383	12,573
Clergy Counseling & Consultation Sal & Ben	3,116	6,135
Dist. Supt. Fund: Cabinet Exp.	48,000	0
Annual Conf. Expense	33,343	25,000
Annual Conf. Registrar Sal & Ben	84	183
Conf. Secretary's Office Sal & Ben	1,943	4,020
Conference Journal/Printing	847	0
Dir Ministerial Relations-Sal & Benefits	6,689	13,608
Office of Congregational Dev. Sal & Ben	4,647	0
** General Administration	8,166	0
** SEJ Mission & Ministry	6,841	0
Conf. Treasurer's Office Sal & Ben	13,869	28,728
Conf. Treasurer's Office	53,551	40,000
Information Management Sal & Ben	3,976	8,660
Contingency Fund	-10,605	0
Staff Housing	20	0
Minister's Moving Expense	27,369	0
Conference Staff Relations Comm	350	0
Nominations	4,296	0
Conference Connectional Ministries		
Staff Salaries and Benefits	10,000	57,000
** Episcopal Fund	23,950	0
** Africa University Fund	3,479	0
** Black College Fund	15,970	0
** Interdenominational Coop.Fund	3,600	0
<i>Grand Total All Funds</i>	598,632	219,876

**FINANCE AND ADMINISTRATION, COUNCIL ON
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
 - Past Service Liability - Pensions
 - 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 – Pensions, Episcopal Fund, and all other apportionments; district work fund; 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; Ten Dollar Club; 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; 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 Response Committee and the Resident Bishop.
3. Effective July 1, 2004, new congregations shall be assigned an apportionment beginning in the year in which the church is chartered (Year A in the following table). The new and projected charter dates for all new churches shall be reported annually by the Office of Congregational Development 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. It is the intent of CFA that 50% of supplemental funds available be designated for the retirement of our current liabilities. 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 17, 2009**.
 6. The percentage payout rate for local churches shall be based upon payment of all six 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, 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 Colleges, Africa University, Interdenominational Cooperation, General Administration), Past Service Liability Fund, Jurisdictional Conference, and Methodist Building Routine and Capital Maintenance Funds will be raised and paid out in the same year. College Sustaining Fund will be raised and paid out in the same year until funds are received in advance equivalent to one year's budget. This transition will take place over 4 years beginning in 2010 and ending in 2013 operating budgets. 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), area banks, and with specific minority 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 and Table II reports for **2009** shall be due to the statistician no later than **January 31, 2010**.
- H. The Council may enact its own bylaws governing meetings, quorum, and other matters of procedure as authorized in the *Discipline, Para. 610.5.b*.
- I. The Council shall maintain a central treasury for all Conference agencies as authorized by *Para. 611.11 of the 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 and should be completed by June 30 annually, 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 Treasurer and will require ratification by CFA at its next meeting.

IV. 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 Ten Dollar Club 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 College; 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.

V. 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. Salary is defined as cash salary plus nonvouchered allowances. **The 2010 salary for district superintendents will be \$100,388.**

VI. ORGANIZATION and PROCEDURE *(presented for information only)*

- A. The audit for **2009** will be by McGladrey & Pullen, Raleigh, NC.
- B. The president, vice-president, secretary, and treasurer of the CFA shall serve as the executive committee of the Council. The Council shall elect two additional members to the executive committee from its voting membership.
- C. The Conference treasurer will include in the monthly financial reports, for any given month, all monies received in the office by 8:30 a.m. on 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 by 8:30 a.m. on the following workday.
- D. The treasurer may approve minor overexpenditures of a budget line item up to \$5,000 or 5% of the line item, whichever is less. A request for such overexpenditure shall be submitted in writing in advance and shall state the reason for the request. The overexpenditure 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 \$1,000 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 may be reported in whole or in summary form in the *Conference Journal* and shall remain on file in the treasurer's office. 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 by the Past Service Funding Plan adopted jointly by the Board of Pensions and the CFA which are not raised by the Board of Pensions annual budget requests.
 - 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 direct the Conference treasurer to forward it to the membership via mail or email with a recommendation for action.
- I. Interest shall be paid to/from the Board of Pensions, 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.
- J. Retroactive adjustments for transfer or posting delays will be made to the Board of Pensions and the Insurance Fund accounts for earnings calculations.
- K. Funds in excess of operational needs for the Board of Pensions and the Insurance fund are invested in the United Methodist Foundation, Inc. of the N.C. Conference the Board of Pensions and Health Benefits or other socially balanced investment funds as deemed appropriate by the Council.
- 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 and the Past Service Liability. 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, then only supplements to meet payroll for existing positions may be considered. 2. If reserves are above 20% and below 30% of operating budget, then only supplements to meet payroll for existing positions, ministries and unfunded liabilities 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, 2009: There may be a called meeting in conjunction with Annual Conference if necessary to elect officers or conduct other business.
September 1, 2009: An optional meeting to be held if necessary to consider general business matters.
November 3, 2009: An optional meeting to be held if necessary at the call of the President.
December 1, 2009: To consider apportionment matters and supplemental appropriations for salaries.
January 22, 2010: 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 2, 2010: 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 2, 2010: To consider the budget to be recommended to Annual Conference which will be raised in the subsequent year and spent in the year following that. Additionally, the CFA policy recommendations to the Annual Conference are adopted.
- O. **Dates to Remember:**
July 17, 2009: Apportionments sent to the Districts.
September 10, 2009: Requests for the **2012** budget, to be adopted at the **2010** Annual Conference, due in the Treasurer's Office.
November 4, 2009: Requests for supplemental appropriations for the **2009** operating budget due in the treasurer's office.

January 13, 2010: Annual Conference and General Church remittances must be received by 8:30 A.M. in order to receive credit for **2009**. *(Subject to change based on GCFA final closing date.)*

January 22, 2010: Requests for supplemental appropriations for the **2010** operating budget due in the treasurer's office.

January 30, 2010: Tables I, II and III due to the Conference statistician.

VII. 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 and the BPP. 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 employees pay and remitted to the General Board of Pensions by the treasurer's office within ten business days after receiving the bill from the General Board of Pensions.

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 UMLife Options plan is a death and disability plan for lay employees.**
2. **The UMLife Options 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.**

Danny Allen, President

INCAPACITY, COMMITTEE ON

The Joint Committee on Incapacity acts as the advocate for those pastors in the North Carolina Conference who are forced by physical or emotional incapacity to seek temporary or permanent relief from their appointment. The committee is given the responsibility to study the problems of incapacity within the Conference, to provide a continuing personal ministry to those who are incapacitated, and to make recommendations to the appropriate agencies of the Conference for each pastor or deacon seeking Incapacity Leave, including the source of their disability income. **The Joint Committee on Incapacity has begun a study of the utilization of incapacity 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 incapacity benefits as one part of efforts to ensure the long-term sustainability of our support for clergy on incapacity leave.**

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

The following recommendations are presented to the **2009** session of the North Carolina Annual Conference:

I. General Policies

- A. The Joint Committee on Incapacity, through the Conference Treasurer's Office, will make available upon request the necessary forms for any full time pastor or deacon to make application for Incapacity Leave. In all cases the applications must be completed by the pastor or deacon, the physician, chair of the Joint Committee on Incapacity, Conference benefits officer, and the district superintendent before the request for Incapacity Leave can be acted upon. Whenever possible incapacity 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 Incapacity: For the first 24 months, an active participant will be considered incapacitated for the purposes of the Comprehensive Protection Plan or the Basic Protection Plan 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 mental or emotional disease 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 Incapacity Leave secures a disability claim kit from the Conference Treasurer's Office. The applicant completes Form A, has his or her physician complete Form B, completes the applicant's portion of Form C, and submits all these forms to the Conference Treasurer's Office for completion. Unum reviews the claim and recommends a determination to the General Board of Pension and Health Benefits who retains the authority to approve or deny a claim.
- E. We recommend that pastors applying for Incapacity Leave be approved only when the General Board of Pension and Health Benefits grants their request for incapacity benefits through the Comprehensive Protection Plan.
- F. The Annual Conference and Conference Board of Pensions (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 the General Board of Pension and Health Benefits for all pastors receiving incapacity 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 the General Board of Pension and Health Benefits for all pastors receiving incapacity benefits from the Comprehensive Protection Plan.
- H. Hospital Insurance, and Life Insurance shall be paid by the Joint Committee on Incapacity both for those approved by the General Board of Pension and Health Benefits and those approved by the Joint Committee on Incapacity who are pastors receiving incapacity benefits from the Comprehensive Protection Plan according to Section II, below.

- I. Pastors on Incapacity Leave are reminded to investigate the penalties by the Social Security Administration if they do not elect to come under Medicare at age 65. Participation in Medicare Part A and B is required at the earliest possible date in order to receive full health insurance benefits.
- J. Effective July 1, 2008, we recommend that a lump sum grant of \$4,300 be made at the beginning of Incapacity Leave. This grant will be available only one time in a pastor's years of service.
- K. The Joint Committee on Incapacity will review the progress of each pastor or deacon on Incapacity 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 disabled circumstances.
- L. We recommend the following pastors to be continued on Incapacity Leave:
 - 1. Wilson Edward Barber, P O Box 4931, Emerald Isle, NC 28594 252/354-5635
 - 2. Camille O. Yorkey Compton, 112 Market St. #1, Wilmington, NC 28401 919/345-4129
 - 3. John M. Crowe, 212 Mimosa Park Drive, Goldsboro, NC 27534 919/759-2146
 - 4. Ronnie Richard Dawson, PO Box 247, Holly Ridge, NC 28445 336/213-1771
 - 5. Faye West Ethridge, P O Box 635, Battleboro, NC 27809 252/442-0876
 - 6. Tommy Lewis Evans, 2201 Drake Court, Graham, NC 27253 336/263-4773
 - 7. Robert Flynn, 188 Bayberry Ln., Smithfield, NC 27577 919/631-2519
 - 8. Doris T. Fox, 1020 Nicholson Road, Sanford, NC 27332 919/499-6364
 - 9. Victor L. Galipi, 11101 Candlewick Road, Bailey, NC 27807 252/234-4251
 - 10. David William Girod, 515 Crissman Ave., Elon, NC 27244 336/266-9362
 - 11. Dennis Joseph Glennon, 254 Scotland County Line Rd., Hamlet, NC 28345 910/582-7386
 - 12. Sherwood Auburn Godwin, 4909 Pinevilla Street, Grifton, NC 28530 252/524-0874
 - 13. Larry Stephen Grady, 78 Gilbert Street, Marion, NC 28752 828/659-1502
 - 14. Susan Harsh-Cafferty, 82 Willowbridge Drive, Durham, NC 27707 919/401-9492
 - 15. Lawrence Clayton Higgins, 136 Derby Park Ave., New Bern, NC 28562 252/633-0046
 - 16. Bobby Lee Jordan, 2085 Osborne Road, Hamlet, NC 28345 910/205-0473
 - 17. Teresa Lawrence, 140 Old Gate Rd., Fayetteville, NC 28314 910/867-8746
 - 18. Michael W. Leburg, 14024 Leo Rd. (SR 1), Leo, IN 46765 765/432-7215
 - 19. Ronda Lee-Torres, 507 Stornoway Dr., Southern Pines, NC 28387 910/944-2292
 - 20. Carolyn Wilkins Lucas, 1100 Clarendon St., Apt. 602, Fayetteville, NC 28314 919/977-0923
 - 21. John Clifton Lupton, 231 Shepard St., Havelock, NC 28532 252/524-1367
 - 22. David Ophanalia Malloy, 11841 Barnes Bridge Road, Laurinburg, NC 28352 910/277-0505
 - 23. Hector Manuel Millan, 2721 Lead Crystal Ct., Raleigh, NC 27610 919/836-8472
 - 24. Lon William Miller, 156 Pond Rd., Rocky Point, NC 28457 910/251-9266
 - 25. John Edward Morrison, 321 Loblolly Dr, Vass, NC 28394 910/245-2492
 - 26. William Rickman Pinner, 1521 Harvey Johnson Rd, Raleigh, NC 27603 919/773-0116
 - 27. Clinton William Spence, 1308 Shady Lane, Durham, NC 27712 919/477-7323
 - 28. John Albert Trotter, 427 Glenwood Avenue, Burlington, NC 27215 336/229-1855
 - 29. Clarence Arthur Wall, 217 Blair Drive, Angier, NC 27501 919/639-7651
 - 30. Debra Starling Watson, 622 Highland Park Dr., Eden, NC 27288 336/623-5912
 - 31. LaVerne Blue Womack, Jr., 10760 Taylor Rd, Laurinburg, NC 28352 910/610-1248
- M. We recommend the following pastors to be placed on Incapacity Leave for the first time:
Ronnie Richard Dawson, Effective June 1, 2008
- N. Who have been placed on Incapacity Leave since the last Annual Conference?
Ronnie Richard Dawson, Effective June 1, 2008
- O. Who have had their Incapacity Leave terminated since the last conference session?
NONE
- P. Who are to be removed from Incapacity Leave at this Annual Conference?
NONE
- 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 Incapacity Leave to maintain good fellowship and provide for pastoral opportunities.

II. Incapacity Policies Related to Life and Health Insurance

- A. Insurance Coverage — Participants approved for Incapacity Leave must be covered under the Conference life and/or health insurance plan immediately preceding the approval date of Incapacity Leave in order to have life and/or health insurance coverage after the appointment of Incapacity Leave.

- B. Five Year Rule — Participants must be covered for five consecutive years immediately prior to the date of retirement in order to retain health insurance benefits after retirement.
- C. Life Insurance –
 - 1. The life insurance premiums are paid by the Joint Committee on Incapacity.
 - 2. Current participants on Incapacity Leave who are enrolled in the life insurance are covered as follows: \$25,000 life coverage, \$10,000 on eligible dependents.
- D. Health Insurance –
 - 1. The health insurance premiums are paid in full by the Joint Committee on Incapacity until the participant is Medicare eligible due to age and eligible to retire. Upon reaching Medicare eligibility due to age and eligibility to retire, clergy receiving CPP benefits will receive the same contribution towards the health insurance premium as if they were retired.
 - 2. If the participant is enrolled in Medicare (part A and/or B) due to Incapacity, 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. Participation in Medicare Part B is required at the earliest possible date in order to receive full 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. The Conference health insurance will coordinate with Medicare as primary, the Conference plan as secondary whenever possible.

Ralph Brown, Chairperson

INSURANCE, COMMITTEE ON

I The Insurance Committee is to be made up of representatives from the following boards and agencies: 2-Board of Pensions; 1-Board of Pensions Chair; 2-Board of Ordained Ministry; 2-Joint Committee on Incapacity; 2-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 insurance terminates upon retirement of the subscriber.
- C. The 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 are subject to health questions and must be approved by MetLife.

E. LIFE INSURANCE CLAIMS PAID IN 2008:

Death Claims Paid in 2008:

Auman, James A	\$ 5,000.00
Capps, Clingman C.	\$ 5,000.00
Davis, Herman F.	\$ 5,000.00
Epps, Ralph I.	\$ 5,000.00
Harrell, Haywood L.	\$ 5,000.00
Kinley, Grady L.	\$ 5,000.00
Millwood, Paul C.	\$ 5,000.00
Murray, Eric O.	\$ 5,000.00
Peele, Luther M.	\$ 5,000.00
Roberts, John M.	\$ 5,000.00
Butson, Sharon	<u>\$ 10,000.00</u>

TOTAL BENEFITS PAID \$60,000.00

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. A Health Fair will be sponsored by the Insurance Committee on a biannual basis. The Insurance Committee encourages everyone to take advantage of this service in 2009.
 4. The Insurance Committee will donate \$1,000 for handicap camperships on an annual basis.
- B. Policy and Rules
1. Effective January 1, 2004, the North Carolina Conference offered a Preferred Provider health insurance plan administered by Blue Cross Blue Shield of North Carolina. Benefits will include health, dental, pharmacy, mental health, Medical Reimbursement Accounts, Dependent Day Care Accounts, and life insurance. Details may be obtained by contacting the Benefits Manager in the Treasurer's Office, 800-849-4433.
 2. 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 31 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.
 3. A change of life circumstances (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 Raleigh is 1-800-849-4433 where staff persons continue to provide personal attention to insurance matters.
 4. Effective January 1, 2004, health insurance for the subscriber may continue for 18 months after employment is terminated provided that full payment of the monthly premiums is made in advance. The continuation of life insurance beyond the termination of employment is not permitted by the life insurance carrier.
 5. Adding new family members must be completed within 30 days of the qualifying event.
 6. Participants applying at any time other than the initial enrollment period (30 days from the date first eligible) would be subject to the one year pre-existing conditions clause. Submission of a valid Certificate of Insurance may eliminate or decrease this 12 month clause. The exception to this rule would be possible by a change in life status causing loss of coverage: divorce, death of spouse, loss of spouse's employment, reduction of hours regarding spouse's coverage.
 7. 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.
 8. Retired participants should sign up for Medicare parts A and B upon reaching the Medicare eligibility age. The Medicare Companion Plan is the only plan offered to retirees past this age. Medicare becomes the primary payer, with the Conference plan as secondary.
 9. A participant must be covered in the Conference insurance for five consecutive and uninterrupted years immediately prior to retirement to retain health benefits after retirement. All participants enrolled on January 1, 2001 will be prorated under this rule.
 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
 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 should 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. The one-year waiting period for pre-existing conditions will apply to all reinstatements where a lapse in coverage occurs.
 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 Group Health and Life Insurance Plan with the intent of providing coverage for the active and retired 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, probationary and commissioned probationary members, associate members, student local clergy, part-time local clergy, interim supplies (covered as lay employees) serving full-time or part-time (half-time or greater making one-half of minimum salary as determined by the Pension Worksheet line 7) and working at least 30 hours per week 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 on Leave of Absence, provided a written request to retain benefits is submitted to the Benefits Manager 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 Pensions Report Section B.
 2. Post retirement health 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 with 60 consecutive months enrollment immediately preceding the date of retirement for funding eligibility.
- 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. Incapacity Leave Appointments
1. Clergy placed on Incapacity 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 Incapacity Leave.
- G. Clergy eligible for life and health insurance through the North Carolina Conference benefits under option V. A-C.1 (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 lay employees will be billed in full for all premiums associated with retirement insurance benefits. The Annual Conference is not responsible for the premiums of local church retired lay staff.
- 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 Manager within 30 days of the termination of employment or loss of appointment.
 3. The life insurance cannot be continued.
 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 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 I above, and meet the required eligibility rules and regulations.
- VI. Historically, the Insurance Committee has developed rates based on maximum actuarially projected claims. The Insurance Committee may use funds in excess of the plan's operational needs to fund post retirement benefits.

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. Health and Life Insurance Monthly Rates

Health Church Portion	\$918.02
Health Personal Portion	
Single	\$133.45
Parent/Child	\$247.01
Family	\$339.98
Life Insurance (paid by salary-paying unit)	
Single	\$14.50
Family	\$18.75

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

James Mentzer, Chairperson

ITINERANT CLERGY MOVING EXPENSE, COMMITTEE ON
Effective Date June 1, 2009

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

- I. Eligibility
 - A. Pastors of local churches continuing under appointment to local churches within the Conference, district superintendents, and Conference ministerial staff whose salaries are paid from the Conference treasurer's office.
 - B. Pastors in section I.A. 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.
 - C. Pastors in section I.A. who retire from serving appointment or who assume approved incapacity leave or return into active service from approved incapacity leave.
 - D. Widows or widowers of those identified in section I.A. upon moving from place of appointment to new residence.
 - E. Pastors moving into an appointment in the North Carolina Conference to assume full time or student appointments under section I.A.
 - F. Interim Supply pastors
 - G. Pastors being appointed to leave of absence are entitled to moving expense for one leave of absence.
 - H. 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.
- I. Persons moving who are not defined above will not be eligible to make claim.
- II. Payment of Claims
 - A. 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:
 1. Active itinerant clergy in section I.A., I.B., I.E., I.F., I.G. and I.H. (except retiring clergy, widows, widowers, and clergy couples) will receive reimbursement of costs up to \$2,000.00 with submission of paid receipts for actual moving expense.
 2. Retiring itinerant clergy, widows, or widowers will receive reimbursement of costs up to \$3,000.00 with submission of paid receipts for actual moving expenses. The retirement amount may be granted upon request when taking incapacity leave in lieu of receiving the retirement benefit at retirement.
 3. Itinerant clergy couples will receive reimbursement of costs up to \$2,400.00 with submission of paid receipts for actual moving expenses. If only one member of the clergy couple is re-appointed, section II.A.1. will apply.
 - B. 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.
 - C. Reporting and Payment Requirements
 1. IRS guidelines require that moving expense reimbursements be reported on a W-2. Based on recommendation from legal counsel and their consultations with the Internal Revenue Service, we recommend that the W-2 be issued by the local church. The Conference Treasurer will provide to the local church all moving expense information to be reported on the W-2. The Conference Treasurer will make payment to the new local church appointment. The new local church will pay the clergy and include the moving expense on the W-2 that they issue to the pastor at the end of the year. In absence of a new appointment, payment will be made to and reported by the old appointment.
 2. The Conference Treasurer will make this payment upon receiving the Itinerant Clergy Moving Expense Requisition form signed by the person receiving reimbursement and approved by the sending District Superintendent, along with appropriate receipts to substantiate the expenses.
 3. The pastor should send the completed document, "So You're Moving" checklist to the sending District Superintendent. This will fulfill the 2008 *Discipline*, Paragraph 2532.4, 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.”

4. 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 to inspect the parsonage involved and give an impartial recommendation.
 - D. The Conference treasurer will make an advance payment up to a \$600.00 to eligible itinerant clergy to cover the expense of deposit and fees for moving expenses prior to their move, upon approval by the district superintendent. 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 included in W-2 information provided to the local church by the Conference Treasurer for inclusion on the W-2.
 - E. No additional claim can be made against a local church, district, or the Conference for payment of moving expenses.
 - F. Reimbursable expenses include the cost of boarding and moving domestic animals, the moving of recreational vehicles, boats, etc., moving household and personal goods, travel as defined in II.B., lodging, packing, crating, in-transit storage and insurance, labor costs, and any other expense necessary to physically move household items. Expenses which are not reimbursable include meals, purchase of household items, or any other item not reasonable or necessary for the move.
 - G. 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.
 - H. Reimbursement will be considered a qualified, non-taxable fringe benefit not subject to income and self-employment tax when:
 - Your move is 50 or more miles from the old appointment to the new appointment and
 - Your new appointment is full time for at least 39 weeks during the first 12 months at the new location.If your appointment does not meet the above conditions, then the reimbursement will be reported as taxable for both income and employment tax. However, if your reimbursement is treated as taxable income, an additional stipend in the amount of 20% of the taxable income portion will be provided. The maximum stipend will be no more than 20% of the applicable limit stated in section II.A.
- III. Review Committee
- A. There will be a Review Committee consisting of two persons appointed by the chairperson of the Council on Finance and Administration, one district superintendent appointed by the Bishop, the Conference treasurer, the director of Ministerial Relations and the chair of the Moving Expense Committee.
 - B. The Review Committee will consider and have final authority over any questionable or disallowed claim or special claim beyond allowances set in the approved plan.

Jane Johnson, Chairperson

PENSIONS, BOARD OF

Report A - General Information

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

A. To be paid by the General Board of Pension and Health Benefits:

Ministers:

1. Howard M. Wilkinson, an amount equal to two years of credit.
2. Richard Arthur Lewis, an amount equal to ten years times the 1970 rate.
3. Rev. Luis "Lucho" Reinoso, an amount equal to \$858 per month as a missional special grant effective 7/1/08 plus health and life insurance premiums less the minimum retiree contribution. The surviving spousal missional special grant will be reduced by 25%.

Surviving Spouses:

1. Doris Dellinger Reynolds, build up to 20% of the denominational average compensation for 1982 with 2% annual increase.

B. To be paid from the Pension support Fund:

Surviving Spouses:

1. Charlotte Calloway Dingus, total annual benefit \$385.00, paid in 12 monthly payments.
2. Mary Frances Ham Evans, total annual benefit of \$3,240.00, 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. We concur with the following ministers for Incapacity Leave:

- A. Wilson Edward Barber - Continued, Effective July 1, 1994
- B. Camille O. Yorkey Compton – Continued, Effective September 1, 2006
- C. John Marshall Crowe - Continued, Effective July 1, 2003
- D. Ronnie Richard Dawson – Continued, Effective June 1, 2008
- E. Faye West Ethridge - Continued, Effective September 1, 2004
- F. Tommy Lewis Evans - Continued, Effective September 1, 2003
- G. Robert Flynn – Continued, Effective May 1, 2008
- H. Doris T. Fox - Continued, Effective July 1, 2004
- I. Victor Louis Galipi - Continued, Effective March 1, 2002
- J. David William Girod – Continued, Effective July 1, 2007
- K. Dennis Joseph Glennon, Continued, Effective December 1, 2006
- L. Sherwood Auburn Godwin - Continued, Effective January 1, 1999
- M. Larry Stephen Grady - Continued, Effective March 1, 2004
- N. Susan Harsh-Cafferty - Continued, Effective July 1, 2002
- O. Lawrence Clayton Higgins - Continued, Effective February 1, 2005
- P. Bobby Lee Jordan (AM) - Continued, Effective July 1, 2001
- Q. Teresa Lawrence – Continued, Effective December 1, 2007
- R. Michael W. Leburg - Continued, Effective July 1, 2006
- S. Ronda Lee-Torres - Continued, Effective December 1, 2001
- T. Carolyn Wilkins Lucas - Continued Effective October 1, 2006
- U. John Clifton Lupton, Jr. - Continued, Effective March 1, 2006
- V. David Ophanalia Malloy – Continued, Effective July 1, 2006
- W. Hector Manuel Millan - Continued, Effective July 1, 2004
- X. Lon William Miller - Continued, Effective February 1, 2002
- Y. John Edward Morrison – Continued, Effective July 1, 2005
- Z. William Rickman Pinner - Continued, Effective September 1, 2000
- AA. Clinton William Spence - Continued, Effective September 1, 2000
- BB. John Albert Trotter - Continued, Effective October 1, 1999
- CC. Clarence Arthur Wall - Continued, Effective March 1, 2003
- DD. Debra Starling Watson - Continued, Effective November 1, 2001
- EE. LaVerne Blue Womack, Jr. - Continued, Effective July 1, 1997

We recommend the following pastors to be placed on Incapacity Leave for the first time:

Ronnie Richard Dawson, Effective June 1, 2008

Who have been placed on Incapacity Leave since the last Annual Conference?

Ronnie Richard Dawson, Effective June 1, 2008

Who have had their Incapacity Leave terminated since the last Annual Conference?

NONE

Who are to be removed from Incapacity leave at this Annual Conference?

NONE

III. Claimants removed from responsibility roll by death:

A. Rosemary Todd Wynn – June 5, 2008

B. Walton Needham Bass, Sr – June 7, 2008

C. John Robert Blue – June 8, 2008

D. Georgia Reid Dodson – June 17, 2008

E. Ruth Craft Tyson – June 18, 2008

F. James Albert Auman – June 28, 2008

G. Grady Lee Kinley – June 30, 2008

H. Sharon Trueman Butson – July 1, 2008

I. Doris Elaine Faircloth – July 1, 2008

J. Ruby Humphries Jones – August 7, 2008

K. Clingman Carter Capps - August 7, 2008

L. Flossie Gillespie McNair – August 13, 2008

M. John Hammond Crum – September 20, 2008

N. John Milton Roberts – November 8, 2008

O. Marie Harriett Poole Rouse – November 13, 2008

P. Pinear (Pat) Windley Epps – November 23, 2008

Q. Susan Webb Lutz Allred – December 10, 2008

R. Jamie Pocahontas Jones Ports – February 9, 2009

S. Frances Shearon Thompson – February 12, 2009

T. Charles Spence Hubbard – February 16, 2009

U. Doris Jean Johnson – February 21, 2009

V. Marjorie Jean Fisher King – February 23, 2009

W. Evelyn Sawyer Mansfield Cook – April 2, 2009

X. Clyde McGee Creech – January 12, 2009

Y. John Reed – May 2, 2009

IV. New Claimants:

A. Samuel Wynn - June 5, 2008

B. Emma Deane Simmons Bass - June 7, 2008

C. Linda Lane Blue - June 8, 2008

D. Josephine A. Boone Auman - June 28, 2008

E. John D. Butson - July 1, 2008

F. Robert Anthony Faircloth - July 1, 2008

G. Patricia Lewis Capps - August 7, 2008

H. Kay Sugg Crum - September 20, 2008

I. Leatrice Creech – January 12, 2009

J. Betty Reed – May 2, 2009

V. Ministers retiring this year (Years of Service listed are according to the GBOPHB records):

A. Par. 358.1 (Mandatory Retirement – Age 72)

NONE

B. Par. 358.2a (Early Retirement - 20 or more years under appointment)

SANDRA JEAN CONNER (Age 54, 20 years under appointment with 0.0 years of North Carolina credit, 17.5 years of MPP/CPP, and 2.5 years of CRSP)

C. Par. 358.2b (Retirement with Actuarially Reduced Benefits - Age 62 or 30 years under appointment)

WILLIAM THOMAS COTTINGHAM III (Age 62, 35 years under appointment with 7.5 years of North Carolina credit, 25 years of MPP/CPP, and 2.5 years of CRSP)

JOHN QUINTON COVINGTON (Age 61, 30 years under appointment with 2.5 years of North Carolina credit, 25 years of MPP/CPP, and 2.5 years of CRSP)

- WALTER LAWRENCE GRAVES** (Age 64, 23 years under appointment with 0.0 years of North Carolina credit, 20.5 years of MPP/CPP, and 2.5 years of CRSP)
- HAROLD HARVEY HARBIN, JR** (Age 62, 20 years under appointment with 0.0 years of North Carolina credit, 17.5 years of MPP/CPP, and 2.5 years of CRSP)
- CHARLES MALCOLM HERRING** (Age 57, 35 years under appointment with 8.5 years of North Carolina credit, 25 years of MPP/CPP, and 1.5 years of CRSP)
- ROY KEITH NANNEY** (Age 61, 31 years under appointment with 3.5 years of North Carolina credit, 25 years of MPP/CPP, and 2.5 years of CRSP)
- CAROL ELIZABETH NOY** (Age 64, 17.50 years under appointment with 0.0 years of North Carolina credit, 12.5 years of MPP/CPP, and 2.0 years of CRSP) [*3 years in New England Conference*]
- JOHN WENDELL WENBERG, JR** (Age 63, 32 years under appointment with 4 years of North Carolina credit, 23.5 years of MPP/CPP, and 2.5 years of CRSP) [*2 years in South Carolina Conference*]
- JAMES EDWARD WILLIAMS** (Age 61, 35.75 years under appointment with 0.0 years of North Carolina credit, 9.5 years of MPP/CPP, and 2.5 years of CRSP) [*23.75 years in Western Pennsylvania Conference*]
- D. Par. 358.2c (Regular Retirement – Age 65 or 40 years under appointment)
- SIMEON DUFRENE CUMMINGS** (Age 65, 25 years under appointment with 3.5 years of North Carolina credit, 19.0 years of MPP/CPP, and 2.5 years of CRSP)
- GAYLE CARLTON FELTON** (Age 67, 26 years under appointment with 0.0 years of North Carolina credit, 0.0 years of MPP/CPP, and 0.0 years of CRSP)
- HAYWOOD WRENN GILLIKIN** (Age 66, 24 years under appointment with 0.0 years of North Carolina credit, 21.5 years of MPP/CPP, and 2.5 years of CRSP)
- JACK WARD PAGE, JR** (Age 66, 22 years under appointment with 0.0 years of North Carolina credit, 19.5 years of MPP/CPP, and 2.5 years of CRSP)
- NEAL EDDINS WINGFIELD** (Age 65, 16 years under appointment with 0.0 years of North Carolina credit, 13.5 years of MPP/CPP, and 2.5 years of CRSP)
- E. Par 358.2d Ad Interim Retirement
- a. Par. 358.2a (Early Retirement - 20 or more years under appointment)
- MILTON BAILEY COLLIER, JR** (Age 61, 27.75 years under appointment with 0.25 years of North Carolina credit, 25 years of MPP/CPP, and 2.5 years of CRSP) **Retired February 18, 2009.**
- b. Par. 358.2b (Retirement with Actuarially Reduced Benefits - Age 62 or 30 years under appointment)
- MILTON EARL LITTLE** (Age 64, 20.5 years under appointment with 0.0 years of North Carolina credit, 18.5 years of MPP/CPP, and 2.0 years of CRSP) **Retired January 1, 2009.**
- CHARLES KENNETH MORRISON** (Age 60, 35.5 years under appointment with 8.5 years of North Carolina credit, 25 years of MPP/CPP, and 2.0 years of CRSP) **Retired January 1, 2009.**
- ALBERT CLAYTON SMITH** (Age 63, 33.25 years under appointment with 7.5 years of North Carolina credit, 23.75 years of MPP/CPP, and 2.0 years of CRSP) **Retired January 1, 2009.**
- c. Par. 358.2c (Regular Retirement – Age 65 or 40 years under appointment)
- JAMES WILLIAM CAVINESS, JR** (Age 67, 36.5 years under appointment with 9.5 years of North Carolina credit, 25 years of MPP/CPP, and 2.0 years of CRSP) **Retired January 1, 2009.**
- DURWARD DOUGLAS JESSEE** (Age 63, 40.75 years under appointment with 11.5 years of North Carolina credit, 25 years of MPP/CPP, and 2.25 years of CRSP) [*2 years in Kentucky Conference*] **Retired March 1, 2009.**
- ROBERT COX TILLEY** (Age 69, 16 years under appointment with 0.0 years of North Carolina credit, 14.25 years of MPP/CPP, and 1.75 years of CRSP) **Retired September 1, 2008.**
- F. Par 358.2 Local Pastors retiring this year
- a. Par. 358.2a (Early Retirement - 20 or more years under appointment)
- NONE
- b. Par. 358.2b (Retirement with Actuarially Reduced Benefits - Age 62 or 30 years under appointment)
- RONNIE LEE RIVENBARK** (Age 62, 12 years under appointment with 0.0 years of North Carolina credit, 9.5 years of MPP/CPP, and 2.5 years of CRSP)
- c. Par. 358.2c (Regular Retirement – Age 65 or 40 years under appointment)
- ROBERT R. BANDY** (Age 65, 5.5 years under appointment with 0.0 years of North Carolina credit, 3 years of MPP/CPP, and 2.5 years of CRSP)
- MARY ELLEN BENDER** (Age 70, 13.0 years under appointment with 0.0 years of North Carolina credit, 10.5 years of MPP/CPP, and 2.5 years of CRSP)

ROSE CRUMPLER HICKS (Age 65, 10 years under appointment with 0.0 years of North Carolina credit, 7.5 years of MPP/CPP, and 2.5 years of CRSP)

CLAUDE THOMAS NETHERCUTT (Age 65, 7.5 years under appointment with 0.0 years of North Carolina credit, 5 years of MPP/CPP, and 2.5 years of CRSP)

VI. We recommend that the expense account of the Board of Pensions and such independent consultation expense as necessary during 2009-2010 be paid from funds designated as Administrative Expense in the Board of Pensions Budget.

VII. Extension Ministries (¶1506.4h):

A. With pension credit by the Annual Conference - (CRSP/CPP Funds will be transferred from the Pension Budget to the various offices and agencies toward the payment of CRSP and CPP in 2009 and 2010. The purpose of the transfer is to more accurately reflect actual staffing costs of the respective offices and agencies and also to more accurately reflect the actual cost for retiree benefits and past service liability in the Pension Fund.)

Jennifer Copeland

John Farmer

Jo Elaine Harris (FD)

Greg Jenks

Lawrence E. Johnson

James G. Mentzer

Kirk B. Oldham

Jan Rivero

Tim Russell

Josefina (Cookie) Santiago

Mary Anne Shivers

Scott T. Wilkinson

B. With pension responsibility on the agency/institution served:

Sally Bates

Margaret Ann Biddle

Eileen Bisgrove (FD)

Robert Brewer

Cheryl Brown

Wesley F. Brown

Betty Ann Buckley (FD)

Janet Buffaloe

Christie Anne Burley (PD)

Carolyn Burrus

Leonard C. Byers II

Dennis M. Campbell

Lisa Brown Cole

Edgardo Colon-Emeric

Karen Crutchfield

Alice Wade Davis (PE)

J. Van Dickens

Samuel W. Dixon, Jr.

Barry Drum

Amanda Fleishman Wilson (PD)

Leland Jan Fogleman

Alvester I. Gales, Jr.

Coleman Lane Glaze

Edith Lee Gleaves

J. Milton Hadley, Jr.

Shana D. Harrison

Mary Martha Hatch

David Heinze

Phyllis Hicks

Tamsey Phillips Hill

Randy A. Hillman

William S. Hoyle

Pamela J. Hudson

David O. Jenkins

Brenda Jones (PE)

Andrew Keck (FD)

Anita J. Kimbrough

D. Brent Laytham

Jerry D. Lewis

Linda Logston (FD)

Roger Loyd

Audrey Holmes Lynge

David Malcolm

Barbara Price Mann

W. Joseph Mann

Leslie Marsicano

Sam Francis Martin III

Yuko Ueda Miller (PL)

Deborah A. Morgan

James H. Pace

Rosanna Panizo Valladares

Rhonda Parker (PE)

Michael Pasquarello

Tamsey Phillips Hill (PD)

Mary Jane Pierce Norton

Betty Poole

Joan M. Purcell

Michel Courtney Randall

James A. Rawlings, Jr.

Ellen Webb Rose (PL)

Michael W. Safley

Richard Shannonhouse

Michele R. Shields

David Sluder

Bruce E. Stanley

Judith S. Stephens (FD)

Berry L. Taylor II

Carla Scanlan Viereg

Kelly Walker-Jones

Brenda Walton

Denise Conner Waters (FD)

Julia Webb-Bowden

Malcolm C. Willingham

Ben Witherington

VIII. Recommendations regarding service credit:

A. The Conference Board of Pensions voted at its October 30, 2008, meeting to grant five (5) years of Pre-1982 pension credit to Horace Ferguson.

B. The Conference Board of Pensions voted at its October 30, 2008, meeting to grant half (1/2) year of Pre-1982 pension credit to Stephen W. Johnson.

C. The Conference Board of Pensions voted at its October 30, 2008, meeting to make Patrick Welch's pension in the NC Annual Conference from 1991-1993 whole.

Report B Recommendations for the Pension Program and Post Retirement Benefits

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

D. 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 the General Board of Pension and Health Benefits (GBOPHB).

E. 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). Participation in the Clergy Retirement Security Program requires that an Annual Conference maintain its PSR to at least 0.9% of the CAC. The 2009 CAC for the North Carolina Conference is \$65,199. The 2009 PSR is \$601 or 0.92% 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 approximately 4.6% over the past 10 years. We estimate future PSR increases to average approximately 5.0% each year.

F. 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 the GBOPHB 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. The GBOPHB 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 2009 Funding Plan, GBOPHB and the Conference use an assumed earnings rate of 7.0%.

The General Board of Pension and Health Benefits has determined that the portion of the pre-82 plan liability attributable to North Carolina Annual Conference is \$51,933,655 with a 5.0% PSR increase assumption based on a 2009 PSR of \$601. Plan funds currently held with the General Board of Pension and Health Benefits have a value of \$20,526,150 as of January 1, 2007 (for 2009 funding plan).

The difference between the total plan liability and current plan funding is \$31,407,505. 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 13-year period, ending December 31, 2021. The minimum annual contribution due December 31, 2009 is currently estimated to be \$2,491,386.

G. Funding Plan for 2009: 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 annual apportionments from the local churches as the primary source for pre-82 pension funding. Our Conference expects to receive annual apportionments in an amount of \$3,300,000 for 2009 through 2011, then increasing \$200,000 each year through 2015. Apportionments of \$4,100,000 are expected for the year 2015. The present value of the expected apportionments is \$19,120,434. This apportionment funding was originally approved by the 1991 Annual Conference.

The Conference maintains a General Deposit Account with the General Board of Pension and Health Benefits that has a value of \$9,526,080.32 as of January 1, 2009. 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 funding. The current value of these accounts are \$1,633,599 as of January 1, 2009. Both the interest and principal from these sources are available to meet future contribution requirements.

The Superannuate Endowment fund has a value of \$273,921.80 as of January 1, 2009. All of it is available except for the original balance of \$87,195.39, from which interest only is available.

The **2009** funding plan as of January 1, **2007** is summarized below:

Supplement One Liability:

Assuming A PSR Increase of 5.0%	\$51,933,655
Current Plan Funding as of 1/1/07	\$20,526,150
Unfunded Plan Liability as of 1/1/07	\$31,407,505
Projected Unfunded Plan Liability as of 1/1/09	\$28,916,119

Additional Plan Assets:

Present Value of Future Apportionments.....	\$19,120,434
General Deposit Account (GBOPHB).....	\$9,526,080
Conference Managed Liquid Asset Accounts	\$1,633,599
Conference Superannuate Endowment Fund (GBOPHB).....	\$273,922
Total Additional Plan Assets.....	\$30,554,035

Proposed Past Service Rate: The **2010** CAC for the North Carolina Conference is **\$66,579**. We propose that the past service rate beginning January 1, **2010** be increased to **\$626** per service year, or **0.94%** of the CAC. Assuming 5% future PSR increases and 7.0% investment earnings, this increase creates an unfunded liability of **\$51,397,194**. The minimum annual contribution due December 31, **2010** is currently estimated to be **\$2,603,119**.

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

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 the General Board of Pension and Health Benefits multiplied by the annual interest rate. The current assumed interest rate is 7.0%. Therefore, the funding percentage rate for **2010** is 10.4% of Plan Compensation.

B. 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.

C. Plan Compensation is calculated by the GBOPHB 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 the General Board of Pension and Health Benefits to be 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.

D. 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.

E. 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.

F. 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)

- A. 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, whose charges are paying at least minimum full-time salary.

1. Death Benefits provide \$50,000.00 as the benefit paid on the death of an eligible active participant. Upon retirement at any age, death benefits drop to \$17,467.80 for the year 2009 and \$18,102.30 for 2010. This is 30% of the DAC.
 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 2009 is \$58,226 and for 2010 is \$60,341) 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 the General Board of Pension and Health Benefits, 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. Pastors who have been approved for a leave of absence for military service and who were enrolled in the CPP prior to the date of their leave will continue to be enrolled in the CPP under optional Conference enrollment.
- B. 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 the General Board of Pension. For 2009 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). ¶1506.19 in The Book of Discipline 2008.

V. Implementation of the Program

The benefit program adopted by your Conference Board of Pensions 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, 2007
FULL TIME (Conference Member/Local Pastor) – 10.4% of Plan Compensation for CRSP – Defined Benefit portion and 3% of Plan Compensation for CRSP - Defined Contribution portion and 2% of Plan Compensation for CPP (up to 2% of 200% of the DAC)
STUDENT (Conference Member/Local Pastor) 10.4% of Plan Compensation for CRSP – Defined Benefit portion and 3% of Plan Compensation for CRSP - Defined Contribution portion
LESS THAN FULL TIME (Conference Member/Local Pastor) 10.4% of Plan Compensation for CRSP – Defined Benefit portion and 3% of Plan Compensation for CRSP - Defined Contribution portion
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 to the General Board of Pension and Health Benefits for his/her personal tax paid or tax deferred contributions of at least 3%. (The following, Item VI, was approved by the 1997 Annual Conference to be placed in effect at the conclusion of the Session of the Annual Conference, Year 2000:)

VI. Policies Related to Life and Health Insurance

- A. The 2010 budget needed to fund health and life insurance, pension grants, administration, etc., is \$2,700,000.
- B. Eligibility Policies
1. Five-Year Rule: A participant must be covered under the health insurance plan for five consecutive years immediately prior to the date of retirement in order to retain health insurance benefits after retirement.
 2. 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.

3. 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 (Report B Section VI B2). 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 VI D and E.
4. All retired clergy, spouses and surviving dependents must enroll in Medicare part A and part B when first eligible.
5. Effective August 1, 1992, Pastors who discontinued ¶313.1, or Probationary Members, ¶327.6, as well as Conference Members who are retired involuntarily, ¶358.3, who are granted Honorable Location, ¶359; 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, ¶362 are ineligible to receive retirement health or life insurance benefits when payments from the General Board of Pension and Health Benefits begin. [Paragraphs noted are from The Book of Discipline, 2008]

C. Retirement prior to January 1, 2004

Clergy persons who retire prior to January 1, 2004 from the North Carolina Annual Conference will be subject to the current rate policy as outlined below. Effective January 1, 2004, there will be a minimum monthly contribution of \$10 per participant (for all surviving dependents and retirees with a clergy retirement date prior to January 1, 2004). The following policies apply:

1. Before the retired clergy person and/or spouse reach the age of Medicare eligibility (currently 65 years of age), the retired clergy person will pay the amount of premium that he/she paid in the year in which he/she retires. The Conference Board of Pensions will pay the difference between the clergy person's payment and the costs of his/her health insurance. The retired clergy person must continue to pay the amount of premium that he/she paid in the year of retirement until both the retired clergy person and his/her spouse reach the age of Medicare eligibility. Billings will be made monthly from the Treasurer's Office.
2. If a clergy person who, prior to retirement, has been covered as a single individual for the purposes of health insurance, wishes at the time of retirement to add family members to his/her health care plan, he/she must pay the premium applicable to that type of coverage for the year in which he/she retired. The retired clergy person must continue to pay that amount of premium until both the retired clergy person and his/her spouse reach the age of Medicare eligibility.

A clergy person who retires from the North Carolina Annual Conference with less than twenty (20) 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-five (35) years of service and receives pension benefits provided at least twenty of the thirty-five years of pension credit is in the North Carolina Annual Conference. Retired clergy persons and/or dependents with less than twenty years of earned pension credit in the North Carolina Annual Conference will be responsible for the monthly insurance premiums as described in #1 above, with the remaining monthly portion shared by the retired clergy person and/or dependents and the Conference Board of Pensions, based on the following formula:

Years of Pension Credit	Individual Contribution	Board of Pension's Contribution
1	95%	5%
2	90%	10%
3	85%	15%
4	80%	20%
5	75%	25%
6	70%	30%
7	65%	35%
8	60%	40%
9	55%	45%
10	50%	50%
11	45%	55%
12	40%	60%
13	35%	65%
14	30%	70%
15	25%	75%
16	20%	80%
17	15%	85%
18	10%	90%
19	5%	95%
20	\$10 Minimum	Remaining Premium

This payment formula remains in effect throughout the participant's lifetime (clergy person or surviving dependent).

D. Retirement after January 1, 2004

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

Effective January 1, 2004 the following schedule(s) will apply to all retired clergy and their eligible dependents, whose retirement date is January 1, 2004 or later.

1. Medicare Eligible (retiree and/or dependents)

Years of NC Pension Credit	Individual Contribution	Board of Pension Contribution
0-4	Not Eligible	Not Eligible
5-9	80%	20%
10-14	70%	30%
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%

2. Age Less than Medicare Eligible (retiree and/or dependents)**

Years of NC Pension Credit	Individual Contribution	Board of Pension Contribution
0-4	Not Eligible	Not Eligible
5-9	80%	20%
10-14	70%	30%
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%

3. **The minimum monthly premium billed to the individual will be no less than the active monthly personal portion of the premium for the applicable coverage type.

- E. Retirement after January 1, 2007 (revised June 2008)
(Eligibility policies can be found in Report B, Section VI B.)
1. Effective January 1, 2007 the Conference Board of Pensions will fund only the % above as applied to the Medicare Companion plan rate. Retirees and/or dependents not yet Medicare eligible age will be responsible for the difference between the funded amount as calculated based on the above table(s) and the remaining cost of full coverage.
 2. The above % of the Medicare Companion plan premium will be applied to the total active family rate until both the retiree and spouse attain the Medicare eligibility age.
 3. Participants who retired under provision E1, (2007 rule) will have their rates re-calculated effective July 1, 2008 to comply with the new E2 provision.

- F. 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 health 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 with a minimum of 60 months immediately preceding retirement.
2. The retiree must participate in the NC Health Plan for 60 consecutive months immediately prior to the date of retirement.
3. Clergy with 60 months of participation in the NC Health Plan immediately prior to retirement, but less than 180 months in the plan (over the course of career) will have access to the NC Health Plan and contribute the full cost of the plan.
4. The retiree may only cover dependents that are covered at the time of retirement.
5. Funding will be based on the chart printed below:

Years of NC Pension Credit/Yrs in NC Ins. Plan	Individual Contribution	Board of Pension's Contribution
0-4	Not Eligible	Not Eligible
5-9	80%	20%
10-14	70%	30%
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%

- G. Newly appointed Clergy (licensed, commissioned or ordained receiving first time appointment) effective July 1, 2009
1. Post retirement health 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 with 60 consecutive months enrollment immediately preceding the date of retirement for funding eligibility.
 2. Participants who meet the 60 consecutive months enrollment but do not meet the 180 months minimum will have access to the plan with no funding from the Conference Board of Pensions. 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:

Years in NC Insurance Plan	Individual Contribution	Board of Pension's Contribution
0-4	Not Eligible	Not Eligible
5-14	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%

H. 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 Pensions does not provide life insurance for dependents of retired clergy.

I. 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. Health insurance will be provided for the spouse and eligible dependents 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.*

J. 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 Pensions 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 Pensions 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 health insurance plan at the time of the retired clergy's death in order to receive health insurance benefits under the current health insurance plan.
2. Surviving spouses currently enrolled who married the clergy person after the clergy person's retirement, can remain covered by the health insurance plan. The Board of Pensions grants a flat rate of \$150.00 monthly towards the cost of the surviving spouse's coverage. The remaining premium will be the responsibility of 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 payment schedule applicable prior to the death of the clergy person.
4. Effective January 1, 2001 retired clergy persons may not add new dependents to the health insurance plan.

VII. Intent

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

VIII. Dental Insurance

The Board of Pensions recommends that retired ministers covered under the health insurance plan have dental insurance. Dental benefits became available on July 1, 1987.

IX. Maximum Lifetime Benefit Under the Medicare Companion Plan. The lifetime maximum under the current Medicare Companion Plan is \$5,000,000 for each participant.

X. Special Provisions

The North Carolina Annual Conference Board of Pensions is hereby authorized, at its discretion, to arrange with the General Board of Pension and Health Benefits 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 3.3 and CPP Plan Document Section 3.2.)

XI. 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 or Disabled Clergypersons of the North Carolina Conference

The North Carolina Conference (the "Conference") adopts the following resolutions relating to rental/housing allowances for active, retired, 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, and disabled Clergypersons are considered to be deferred compensation and are paid to active, retired, and disabled Clergypersons in consideration of previous active service; and

WHEREAS, the Internal Revenue Service has recognized the Conference (or its predecessors) as the 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 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 the General Board of Pension and Health Benefits (“GBOPHB”), any amounts received from the Minister’s Transition Fund (MTF) and including amounts received in this respect from the Duke Endowment, during the year 2009 and 2010 by each active, retired, 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 or disability payments to which this rental/housing allowance applies will be any pension or disability payments from plans, annuities, or funds authorized under the Discipline, including such payments from the GBOPHB and from a commercial annuity company that provides an annuity arising from benefits accrued under a GBOPHB plan, annuity, or fund authorized under the Discipline, that result from any service a Clergyperson rendered to this Conference or that an active, a retired, or a disabled Clergyperson 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 Clergyperson 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 active, retired, or disabled Clergyperson’s pension or disability as part of his or her gross compensation.

NOTE: The rental/housing allowance that may be excluded from a Clergyperson’s gross income in any year for federal 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 Clergyperson’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 Clergyperson 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. As specified in Rev. Rul. 71 280, 1971 C.B.92, “the only amount that will qualify for exclusion under section 107(2) of the Code as ‘rental allowance’ is an amount equal to the fair rental value of the home, including furnishings and appurtenances such as a garage, plus the cost of utilities.”

Beginning in 1984, there is no longer a sick pay or disability income exclusion available with respect to disability benefit payments. Therefore, the full amount of disability benefit payments will be taxable income to the recipient beginning in 1984.

Please Note: There is no place on your 1040 Tax Form to list this Housing Exclusion. The General Board of Pension and Health Benefits has provided a sample statement to be used: “I received \$ _____ from the General Board of Pension and Health Benefits, Incorporated in Missouri; and/or from a commercial annuity company that provides an annuity arising from benefits accrued under a GBOPHB plan, annuity, or fund authorized under the Discipline and \$ _____ from the Duke Endowment (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 clergyperson, 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.

Report D Ministers’ Transition Fund

1. **The Principles of the Fund** - 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 has usually been provided, to the retired relationship in which the minister provides his or her housing. The Fund is established by apportionments to each local church in the Outreach Ministries-Fair Share Apportionments and by assessments to each minister who has membership in the Fund. Since all churches contribute to this Fund, it is the desire of the North Carolina Annual Conference of The United Methodist Church that all ministers participate in the Fund. The Conference does not interpret the churches’ support of the Ministers’ Transition Fund as an additional benefit for their ministers, but as a benefit for all ministers of the Conference. Therefore, the only funds to which a minister can make personal claim are those that he or she contributed to the Fund.

The Conference vigorously emphasizes that the purpose of this Fund is to assist the minister’s retirement transition and not to be an emergency fund available for any other purpose. All participant elections available shall be irrevocable. The Fund is 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 is also intended to meet the requirements of a retirement income account under section 403(b)(9) of the Code. The Plan shall be interpreted, wherever possible, to comply with the applicable terms of the Code and all applicable formal regulations and rulings issued under the Code.

- II. **The Conference Treasurer** - The Treasurer of the North Carolina Conference (the "Conference Treasurer") shall serve as Treasurer and custodian of this Fund. He or she shall promote this work, receive funds from pastors and charges, and keep permanent records of assessments received and benefits paid.
- III. **Eligibility for Membership** - Membership in this Fund is not mandatory. Each ministerial member of the North Carolina Annual Conference (associate, full, probationary, or full-time local pastor) who is serving full time in a charge or as a district superintendent, a Conference ministerial staff person, or others who are appointed to serve at a North Carolina Annual Conference Institution (Methodist Retirement Home, Inc.; Methodist Home for Children, Inc.; Louisburg College; Methodist College; North Carolina Wesleyan College) or other Episcopal appointment of the North Carolina Annual Conference shall be eligible to join.

In order to remain an active, participating member, the ministerial member of the North Carolina Annual Conference (associate, full, probationary, or full-time local pastor) must continue to serve full time in a charge or other appointment. A full-time local pastor may continue as a member of the Fund only during the time he or she is serving under episcopal appointment. Students under episcopal appointment who have previously served full time and who intend to return to full time service are eligible to continue. Those ministerial members on disability leave, leave of absence, or Conference members with less than full time service, may continue to be active, participating members by meeting the provisions discussed hereafter.

Ministerial members who transfer into the Conference or new ministers receiving appointments for the first time are eligible to join the Fund in January of the year following the Annual Conference session in which their credentials were recognized. Ministers in these categories applying for membership will be assessed on the basis of their total salary and utility allowances for the six months between July 1 and December 31 computed to a twelve-month amount.

Each new member of the Fund shall file an application form. Upon filing of application for membership and paying the recommended assessment for one year, his or her membership becomes effective. The deadline for enrollment for all ministers is January 31 of each year.

IV. **Apportionments and Assessments**

- A. **Conference Contributions** — Funds shall be placed in the Annual Conference budget annually as approved by the Annual Conference. This budgeted amount will be apportioned to charges on the same basis as all other Conference budget items. Funds may also be placed in the fund through special contribution by Annual Conference boards or committees. All such budget or other contributions shall become part of the Fund.
- B. **Minister Contributions** - Each minister in a pastoral appointment who participates in the Fund shall be assessed and pay into the Fund on an after-tax basis one percent (1%) of all salary and utility allowances he or she receives each year from the charge he or she is serving and/or Conference sources. (Salary also includes Equitable Salary Fund payments, Duke Endowment Funds, and missionary sources.) Such contributions may be paid in monthly installments by check or electronic bank drafts.
- C. **Council on Finance and Administration Contributions** - The Council on Finance and Administration shall make provision for payment into the Fund an amount equal to one percent (1%) of salary and utility allowances usually paid by the charge for district superintendents and ministers appointed as Conference staff.
- D. **District Superintendent and Conference Ministerial Staff Contributions** - District superintendents and Conference ministerial staff shall be assessed and pay into the Fund on an after-tax basis one percent (1%) of their salary and utility allowances.
- E. **All Other Ministers** - All other ministers who participate in the Fund shall be assessed and pay into the Fund on an after-tax basis a sum equivalent to two percent (2%) of their annual salary and utility allowances or two percent (2%) of the Conference Average Salary, whichever is greater.

- II. **Deadline For Receipt of Assessment** - The plan (fiscal) year of the Ministers' Transition Fund shall be the same as that of the Annual Conference fiscal year, January 1 through December 31. No later than November 1 of each year, the Conference Treasurer shall notify all members their assessment is due. Each member of the Fund shall submit payment for the required assessment no later than January 31 of each year. Such contributions may be paid in monthly installments by check or electronic bank drafts. Assessments received after January 31 will be returned to the minister. If he or she has been a member less than ten (10) years, this lack of payment extends the period for one additional year before dividends can be received. If the minister has been a member over ten (10) years, he or she will receive no dividends for the year involving lack of payment. If any member of the Fund fails to pay his or her required assessment for three consecutive years, he or she shall be required to withdraw from membership in the Fund.

VI. **Base Benefits** - Base benefits shall be paid to retired members of the Transition Fund as follows:

If retired at the end of one year of membership	\$200.00
If retired at the end of two years of membership	300.00
If retired at the end of three years of membership	400.00
If retired at the end of four years of membership	500.00

If retired at the end of five years of membership	600.00
If retired at the end of six years of membership	700.00
If retired at the end of seven years of membership	800.00
If retired at the end of eight years of membership	900.00
If retired at the end of nine years of membership	1,000.00
If retired at the end of ten years of membership	1,100.00
If retired at the end of eleven years of membership	1,200.00
If retired at the end of twelve years of membership	1,300.00
If retired at the end of thirteen years of membership	1,400.00
If retired at the end of fourteen years of membership	1,500.00
If retired at the end of fifteen years of membership	1,600.00
If retired at the end of sixteen years of membership	1,700.00
If retired at the end of seventeen years of membership	1,800.00
If retired at the end of eighteen years of membership	1,900.00
If retired at the end of nineteen years of membership	2,000.00
If retired at the end of twenty years of membership	2,100.00
If retired at the end of twenty-one years of membership	2,200.00
If retired at the end of twenty-two years of membership	2,300.00
If retired at the end of twenty-three years of membership	2,400.00
If retired at the end of twenty-four years of membership	2,500.00
If retired at the end of twenty-five years of membership	2,600.00

VII. Allocation of Dividends After Ten Years of Membership -After ten years of membership, and beginning with the eleventh year, the base benefit to be paid is increased by dividends credited to the members account. Any funds, **except as provided below**, including apportionments, assessments, forfeitures and earnings thereon, remaining after benefits have been paid to eligible members for the plan year shall be divided into equal parts, in the case of members who remained members through the year, and portions of such equal parts in the case of members who have retired during the year and who are entitled to a part-year allocation, as described below, and credited to the accounts of those who have been participating members for more than ten years and are not in arrears for the previous year.

A reserve equal to ten percent of the members' payments and dividend fund balances as of December 31 each year shall be maintained. Unrealized gains on investments shall be reserved and are not generally eligible to be distributed as annual dividends. The Hearing Committee may supplement the annual dividend from such reserves to maintain the declared dividend in an amount consistent with previous year levels when such action is deemed appropriate considering current investment returns and current economic conditions. The purpose of maintaining these reserves is to insulate the members in any year from market fluctuations and preserve the ability of the fund to consistently provide for housing needs in their retirement.

In the event a member retires during a year after completing ten years of membership, such member **may elect to** submit payment to the Fund of that portion of their assessment for the year equal to the product of (1) the assessment the member would have paid had the member not retired, and (2) a fraction, the numerator of which is the number of whole months in the year prior to the date the member retires, and the denominator of which is 12. If a member pays the assessment described in the preceding sentence, the account of the member shall also receive as an allocation of dividends for such year an amount equal to the product of (1) the amount of dividends which would be credited to the account of such member had the member not retired during such year, and (2) a fraction, the numerator of which is the number of whole months in the year prior to the date the member retires, and the denominator of which is 12.

VIII. Limitations on Contributions Pursuant to the Internal Revenue Code

A. **In General** - The contributions for any calendar year allocated to a member's account under Articles VI and VII on behalf of a member under all Qualifying Retirement Plans in which the member participates shall not exceed the member's Limit on Annual Additions as determined in subsection B of this Article VIII. The provisions of this Article VIII are intended to provide the limit on the amount of contributions to this Fund which are excludable from the gross income of the member pursuant to Code section 415, and shall be interpreted in a manner consistent with that Code section.

B. **Limit on Annual Additions Under Code Section 415**

1. A member's Limit on Annual Additions shall for any calendar year be an amount equal to the lesser of:
 - (a) 100% of the member's includible compensation within the meaning of Code section 415(c)(3)(E) in such calendar year, or
 - (b) \$49,000, or such greater amount as is permitted under Code section 415(c) as adjusted under Code section 415(d)(1)(B).

For purposes of determining a member's Limit on Annual Additions, in the case of a member who has more than 50% control of an employer (a "Controlled Employer") within the meaning of Code section 415(h), contributions to a plan

of the Controlled Employer that constitute annual additions (as defined in Code section 415(c)(2)) to the member shall be treated as contributions to this Plan.

2. A member's "includible compensation" for purposes of paragraph (1), above, shall mean the amount of compensation received from an employer within the meaning of Code section 403(b)(3) and 414(e) which is includible in gross income, computed without regard to Code section 911 for the most recent period ending not later than the close of the taxable year which is counted as a one year period of service as defined under paragraph (3) below. Such term shall not include any amount received by a former member after the fifth taxable year following the taxable year in which such member was terminated, or utilities to the extent such amounts are not includible in compensation pursuant to Code section 107.

3. A member's "period of service" for purposes of paragraph (2) above shall be expressed as a number equal to the member's number of full years of service plus one-twelfth for each one month period of service in addition to his or her full years of service. Part-time service of a member shall be taken into account as the percentage of such service that is equal to the percentage of full-time service served.

Notwithstanding any provision of this Article VIII.B to the contrary, the Limit on Annual Additions of a member who has made an election under Code section 415(c)(7) shall be determined under such Code section and the regulations issued thereunder.

C. Prohibition on Before-Tax Salary Reduction Contributions - Before-tax contributions under a salary reduction agreement shall not be permitted under this Fund.

IX. **Death Benefits** - When a participating member of the Fund dies, the Treasurer shall pay to his or her designated beneficiary or beneficiaries, otherwise to his or her estate, the full amount of the base benefit payments plus the dividends, if any, added to his or her account. In the event that a minister dies prior to the eleventh year of membership, the designated beneficiary or beneficiaries, or otherwise the estate, shall receive the full amount of the base benefit payments plus the assessments contributed by the participating member. In no case would the beneficiary, beneficiaries or estate receive less at the time of the ministers death than the member's assessments plus simple interest credited annually at the rate of The United Methodist Foundation, Inc., cumulative dividend yield for the most recent four quarters prior to the date of death.

X. **Designation of Beneficiary** - Each member shall provide the Conference Treasurer the name(s) of the beneficiary or beneficiaries to whom the death benefits described in Article IX are to be paid in the event of death. The designation shall be indicated on a form provided by the Conference Treasurer. A designation shall not be effective unless such form has been duly completed and filed with the Conference Treasurer. In the absence of a designated beneficiary, benefits shall be paid to the member's estate.

XI. **Irrevocable Election Regarding Distribution of Funds** - Members actively serving must make, prior to attaining age 59 1/2, an irrevocable election to either terminate from the Ministers' Transition Fund beginning with the Annual Conference following the attainment of age 60 or to defer termination from the Fund until retirement, as defined in the Book of Discipline, 2008, ¶¶358.1, 358.2a, 358.2b, 358.2c. Such irrevocable election is the responsibility of the member and must be made in writing to the Conference Treasurer by age 59 1/2. Forms can be obtained upon request from the Conference Treasurer. Should the member fail to make the irrevocable election, the member will not terminate from this Fund until retirement.

IV. **Payment of Benefits**

A. **In General** - At retirement or early termination from the Fund, members who have accrued the same number of years of service credited under the Fund (during the same calendar years) will have exactly the same accrued benefit and will receive exactly the same benefit regardless of their total individual contributions. Notwithstanding any other provision of this Fund, all payments under this Fund must be made at least as rapidly as required under section 401(a)(9) of the Code and any proposed or final regulations thereunder, including but not limited to the incidental death benefit requirements of Code section 401(a)(9)(G).

In no case would the member receive less at retirement than the member's assessments plus interest computed at the United Methodist Foundation, Inc. cumulative dividend yield for the four most recent quarters prior to the retirement date.

1. **Ministers With Less Than Ten (10) Years.** For ministers retiring between January 1 through Annual Conference, and who retire or terminate from this Fund with less than ten (10) years credit in the Fund shall be paid in a single lump sum immediately following the session of the Annual Conference at which he or she retires or terminates. For ministers retiring between Annual Conference and December 31, payment shall be paid between January 1 and January 10 of the year following the year in which the minister terminates or retires. The benefit shall be the base benefit as prescribed in the table for retired members under Article VI plus minister contributions

- 2. Ministers With Ten (10) or More Years.** A minister who retires or terminates from this Fund with ten (10) or more years credit in the Fund must make an irrevocable election to receive benefit payments under one of the following options. This irrevocable election must be made no later than ninety days prior to the retirement month or month of termination due to early retirement or disability. For either option selected, total benefit payments shall be the base benefits as prescribed in the table plus the dividends credited. Interest will accrue on the principal balance beginning on the later of the retirement date or July 1 of the retirement year and will continue until the account is paid in full. The interest rate will equal the United Methodist Foundation, Inc. cumulative dividend yield for the four most recent quarters. All payments excluding the payment of member assessments shall be subject to income tax.
- (a) Two payment option:** The first payment shall be equal to the cumulative amount that the member has paid in assessments. The second payment shall be the remainder of dividends and base benefit payment earned during their membership and interest accrued.
- (b) Six payment option.** The first payment shall be equal to the cumulative amount that the member has paid in assessments. The remaining payments shall be five equal annual installments of the remaining dividends and base benefit payment earned during their membership and interest accrued. The six payment option shall not be available to a member following attainment of age 70.

For ministers retiring between January 1 and Annual Conference, under either option, the first payment shall be paid within 15 working days following the adjournment of the Annual Conference following the ministers' retirement or termination from the Fund. The second and subsequent payments shall be paid annually between January 1 and January 10 of each year following the year in which the minister terminates or retires until the account is paid in full.

For ministers retiring between Annual Conference and December 31, the first payment and second payment for either payment option shall be paid between January 1 and January 10 of the year following the year in which the minister terminates or retires. Unless the minister selects the six payment option, the account shall be disbursed in full in the first January after retirement. If the six payment option is selected, the four remaining installments shall be paid annually between January 1 and January 10 of each subsequent year until the account is paid in full.

B. Direct Rollovers

1. This Article XII.B applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Fund to the contrary that would otherwise limit a distributee's election under this Article XII.B, a distributee may elect at the time and in the manner prescribed by the plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
2. **Definitions:**
 - (a) Eligible rollover distribution:** An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for (a) a specified period of ten years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code as made applicable by section 403(b)(10) of the Code, any amount that is distributed upon hardship, and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).
 - (b) Eligible retirement plan:** An eligible retirement plan is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity contract described in section 403(b) of the Code (including custodial accounts described in section 403(b)(7) of the Code and retirement income accounts described in Section 403(b)(9) of the Code), a qualified plan described in section 401(a) or 403(a) of the Code, or an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state which agrees to separately account for amounts transferred to such 457(b) plan from this Fund, that accepts the distributee's eligible rollover distribution
 - (c) Distributee:** A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.
 - (d) Direct rollover:** A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

3. Within a reasonable time before making an eligible rollover distribution from the Fund, the Conference Treasurer shall provide or cause to be provided the written explanation to the distributee required by Code section 402(f).
- XIII. **Disability Leave** - A minister who is approved for and placed on Disability Leave granted by the Conference may elect to:
- A. Continue as an active member and pay two percent (2%) of the disability pay received from all sources. Should Disability Leave be granted between sessions of Annual Conference, 2% of the disability pay received from all sources computed to a 12 month amount shall be paid.
 - B. Be treated the same as a transferring member.
 - C. Receive benefits the same as a retiring member.
 - D. Terminate from the Fund and receive all benefits within thirty (30) days following the granting of Disability Leave.
- The minister shall notify the Conference Treasurer in writing of his or her choice of option within ten (10) days following the granting of Disability Leave. In no case would the member receive less than the member's assessments plus interest, determined as described in Article IX.
- XIV. **Leave of Absence** - A minister who is approved for and placed on Leave of Absence by the Conference may elect to:
- A. Continue as an active member by paying 2% of the Conference Average Compensation while on leave.
 - B. Be treated the same as a transferring member under Article XVI.
Conference Average Compensation means the Conference Average Compensation as determined annually by the General Board of Pensions.
- XV. **Less Than Full Time Service** - A Conference member who is approved for less than full time service by the Conference may elect to:
- A. Continue as an active member for no more than three years by paying 2% of the Conference Average Compensation (within the meaning of Article XIV) while serving less than full time.
 - B. Withdraw from the Fund according to the provisions of Article XVII.
- XVI. **Membership Transferring** - Any ministerial member who leaves the North Carolina Conference by transfer to another annual conference of The United Methodist Church cannot make any further payment to the Fund. He or she may leave his or her account (including dividends, if any) in the Fund until retirement. If this is done, the benefit under this Fund will be computed as of the date of transfer from the North Carolina Conference with interest determined in the manner described in Article IX, determined from the date of transfer to the date of retirement. If the account is left, and the minister returns to the North Carolina Conference, he or she may reinstate his or her payments and dividend earnings, effective at the time of transfer back into this Conference.
- XVII. **Withdrawing From The Fund Prior to Retirement** - If a member desires to withdraw from the Fund prior to retirement, upon a written request to the Conference Treasurer, he or she shall receive the amount he or she has paid into the Fund, plus interest determined in the manner described in Article IX each year he or she was participating in the Fund. Amounts in the members account in excess of the amount determined under the preceding sentence shall be forfeited and reallocated as dividends for the year of forfeiture pursuant to Article VII. Each member whose membership is terminated in the Fund in any way will provide the Conference Treasurer with a statement indicating that he or she has received the funds for which he or she is eligible, and that he or she is no longer a member of the Fund. Any minister leaving the North Carolina Conference to join another denomination other than The United Methodist Church will be required to withdraw from the Fund and payment will be made to the minister according to the formula set forth in the first paragraph of this Article XVII.
- XVIII. **Reinstatement** - A member who has withdrawn from the Fund may not be reinstated, but is required to begin anew as though he or she were a new member. A minister shall not be permitted to rejoin the Fund more than two (2) times during his or her ministerial career.
- XIX. **Hearing Committee**
- A. **The Committee** - A Hearing Committee consisting of the Board of Pensions Executive Committee, Conference Treasurer, Director of Ministerial Relations, Conference Controller, and the Conference Insurance Group Administrator shall have authority to act on behalf of the Board of Pensions between Annual Conference sessions concerning matters that relate to, but are not specifically covered by, this constitution of the Ministers' Transition Fund. The Plan Administrator for the Fund for other plan administrative matters and matters delegated by the Hearing Committee shall be the Conference Insurance Group Administrator. Determinations by the Hearing Committee, the Board of Pensions or the Plan Administrator shall be conclusive and binding on all persons and shall be afforded the maximum deference permitted by law.
 - B. **Claims Procedure** - If a claim is wholly or partially denied, the Hearing Committee shall furnish the member or beneficiary with written notice of the denial within sixty (60) days of the date the original claim was filed. This notice of denial shall provide:

1. The specific reason or reasons for denial;
2. Provide specific reference to pertinent plan provisions on which denial is based;
3. A description of any additional information needed to perfect the claim and an explanation of why such information is necessary; and
4. An explanation of the plan's claims procedure.

The member or beneficiary shall have sixty (60) days from receipt of denial notice in which to make written application for review by the Hearing Committee. The Hearing Committee shall issue a decision on such review within sixty (60) days after receipt of an application for review as provided in the preceding sentence. Such decision on review shall be made in writing and shall include specific reasons for the decision written in a manner calculated to be understood by the claimant. All decisions and denials of claims by the Hearing Committee shall be afforded the maximum deference permitted by law.

XX. **New Rules and Constitutional Provisions** - The rules and guidelines of this constitution supersede all previous Conference legislation regulating this Fund. The Annual Conference, at any time or from time to time, may amend any or all of the provisions of this constitution without the consent of individual members of the Fund. No amendment shall have the effect of modifying any benefit election of any member in effect at the time of such amendment or modifying the benefit of any member who retired prior to the date of such amendment, unless the amendment expressly so provides. The Annual Conference established this Fund with the intent that it will be maintained for an indefinite period of time. However, the Annual Conference reserves the right to terminate the Fund, in whole or in part, at any time. No amendment, modification or termination of the Fund shall adversely affect the members benefits accrued for his or her retirement at the time of termination of the Fund.

XXI. **Miscellaneous Provisions**

- A. Prohibition Against Diversion** - Subject to Code section 414(p), there shall be no diversion of any portion of the assets of the plan other than for the exclusive benefit of members and their beneficiaries.
- B. Delegation of Authority** - The Board of Pensions, Conference Treasurer and the Hearing Committee may authorize any agent or agents to carry out their duties, and may employ such counsel, auditors, and other specialists and such clerical, actuarial and other services as it may require in carrying out the provisions of the Fund.
- C. Notification of Mailing Address** - Each member and other person entitled to benefits hereunder shall from time to time file with the Conference, in writing, such persons post office address and change of post office address. Any check representing any payment due hereunder, and any communication forwarded to a member of beneficiary at the last known address as indicated by the records of the Conference shall constitute adequate payment to such person and be binding on such person for all purposes of the plan. The Conference, Board of Pensions, Conference Treasurer and Hearing Committee shall not be under any obligation to search for or ascertain the whereabouts of any such person.
- D. Unclaimed Benefits** - If any benefits payable to, or on behalf of, a member are not claimed within a reasonable period of time from the date of entitlement, as determined by the Hearing Committee, and if the member cannot be located at his or her last provided mailing address, such member shall be presumed dead and the post-death benefits, if any, under this plan shall be paid to his or her beneficiary if he or she is then living and can be located. If the member's beneficiary is not then living or cannot be located, or if no beneficiary was effectively named, the member's account shall be forfeited and treated as dividends pursuant to Article VII.
- E. Facility of Payment** - Whenever, in the Hearing Committees opinion, a person entitled to receive any payment of a benefit under the plan is under a legal disability or is incapacitated in any way so as to be unable to manage such person's financial affairs, the Hearing Committee may, to the extend permitted by law, make payments directly to the person, to the person's legal representative, or to a relative or friend of the person to be used exclusively for such person's benefit, or apply any such payment for the benefit of the person in such manner as the Hearing Committee deems advisable. Any benefit payment (or installment thereof) made in accordance with the provisions of this shall completely discharge the obligation for making such payment under the plan.
- F. Commingling of Assets** - The assets of the Fund may be commingled in a common fund made up of such accounts or in a common fund with other amounts exclusively devoted to church purposes, provided that the part of such fund which equitably belongs to the plan shall be separately accounted for and cannot be used for or diverted to purposes other than for the exclusive benefit of employees and their beneficiaries. The reasonable costs of administering an account may be charged against the account. Such costs may include the reasonable costs of administering a retirement income program of which the account is a part, including costs associated with informing employees and employers of the availability of the program.
- G. Governing Law** - This plan shall be administered, and its validity, construction, and all rights hereunder shall be governed by the Book of Discipline of The United Methodist Church, and by the laws of the State of North Carolina to the extent not in conflict with such Book of Discipline. If any provisions of the plan shall be held invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

H. Limitations on Liability - The Conference, Conference Treasurer, Board of Pensions and members of the Hearing Committee shall not be liable to any person or entity for any of their acts carried out hereunder in good faith and based upon the information available at the time.

J. Donald Phillips, Chairperson

STEWARDSHIP, COMMISSION ON

As we face the economic challenges of today, we are reminded that Christians do not resort to worry and fear; instead we become better stewards of that which our God has so generously given us. That is the foundation and spirit of the Stewardship Commission.

Our Mission Statement is "To make disciples for Jesus Christ by proclaiming the sovereignty of God, crying out for deliverance from debt, training good stewards, and equipping church leaders to do the same." This is the focus of our annual Stewardship Seminar, where new clergy assemble to receive training, information and support as they begin to lead congregations in making disciples and building sound stewardship ministries. It is also the heartbeat of the ministries that we are encouraging local churches to embrace. In order for a church to have sound stewardship, we must encourage individual stewardship commitments from each of our members and this encouragement begins with empowering the membership with information and resources.

The Stewardship Commission is prepared to assist each local church, pastor and lay leadership with trainings, resources and references that will allow them to become equipped to build sound stewardship ministries at their churches, which include the stewardship of time, resources and financial gifts. Let us move forward, pledged to build stronger stewards and healthier congregations.

Gypsie Murdaugh, Chairperson

TRUSTEES, BOARD OF

The Board of Trustees of the Annual Conference is charged with responsibilities vital to the mission and ministry of the Conference as defined in paragraphs 2512- 2516 of the 2008 *Book of Discipline*. These include holding legal title and managing Conference property; receiving and holding bequests and donations; receiving and managing closed or abandoned churches and other property; recommending action to the Annual Conference regarding sale, lease or acquisition of property to serve the Conference interests and mission; and intervening to protect Annual Conference interests.

THE UNITED METHODIST BUILDING RELOCATION

Building Project Update

The relocation of the United Methodist Building as approved at the 2008 session of the North Carolina Annual Conference is well underway. The Board of Trustees has been working diligently since June 2008 to begin the programming and design phase of the project. Comments and suggestions were received from all over the annual conference and were used by the design team during this important first step. The Board of Trustees has selected several groups to assist with the project including Grubb & Ellis|Thomas Linderman Graham as the development consultants, HagerSmith Design, PA as the architect and Centurion, Inc., as the construction contractor. The facility will be on Waterfield Ridge Place in Garner and is located just off of Greenfield Parkway at the intersection of Interstate 40 and Highway 70. The design team, with the assistance of our architect HagerSmith Design, PA, has approved the exterior design, interior space plan and preliminary materials and colors for the new building. The building will be positioned at the north end of the lot with the driveway coming in from Waterfield Ridge Place on the south end of the lot. The site plan has been approved and all pertinent permits have been attained to begin site construction. The driveway will be shared with the adjacent property and will include a bridge to cross a small creek on the south side of the property. The site plan includes provisions to retain many of the existing trees and maintaining the natural look of the lot as much as possible.

Work to begin the bridge and clearing for the driveway began in mid-May. A ground breaking ceremony was held on May 29, 2009. The building will be approximately 33,500 square feet overall and will include space for lease to three tenants. The construction site and building permit applications were filed with the Town of Garner in May and the site permit has been approved. Initial site construction should be completed during June 2009 allowing for building construction to begin during July 2009. Building construction permits are under review by the Town of Garner and are anticipated to be approved prior to the expected building construction start date. The design and overall project progress is on schedule with an anticipated building completion date in April 2010.

Building Green

The building design process has included discussions of ways to build that will make the new facility environmentally friendly. Decisions based on these discussions have placed this facility in a good position to earn Leadership in Energy and Environmental Design (LEED) certification as a green building from the U.S. Green Building Council. Some of the decisions made leading to this position include building positioning on the lot, use of recycled materials and recycling building waste, energy efficient windows, landscape irrigation, and much more. The application for LEED certification will be prepared during the building construction and, upon favorable vote by the US GBC, will be awarded after facility construction has been completed. The NC Conference will be among the first in the conference area to attain this certification and will lead by example in demonstrating careful stewardship of the many blessings given us, including the environment.

Property Update

The 2008 session of the NC Annual Conference approved the sale of the United Methodist Building and the land upon which it sits as well as the adjoining Wade Avenue property holding the apartments owned by Raleigh Townhomes, Inc. The Glenwood Avenue property was sold on August 13, 2008, including the United Methodist Building and the approximate 2.5 acres of land on which it sits. The portion of the United Methodist Building used by the Annual Conference was leased back for up to 18 months while the new building is being constructed. The due diligence period for the Wade Avenue property began just after the closing of the first property and the sale of the second tract was due to close in February 2010.

During this due diligence period on the Raleigh Townhomes property, issues arose and the renegotiated terms of the purchase contract were not beneficial to the NC Conference. The Conference Board of Trustees would not agree to terms that were not favorable to the NC Conference and the purchase contract expired. The result of this is that a listing agreement has been signed and the property is now on the market for sale. The Conference Board of Trustees has been in consultation throughout this ongoing process and voted to give authority to the Executive Committee to proceed with listing the property for sale during a conference call on March 16. The Conference Board of Trustees will consider carefully any offers received through this listing process and will update the Annual Conference as progress is made throughout this process.

CLOSED CHURCHES

- Charity – Goldsboro District – purchase contract pending for sale of property.
- Turkey – Goldsboro District – purchase contract pending for sale of property.
- Walstonburg – Greenville District – parsonage sold and purchase contract pending for sale of church property.
- New Hope – Rocky Mount District – church closing June 30, 2009 – property will be received by Conference Board of Trustees.
- Hoffman – Sanford District – offer accepted for sale of remaining land from Department of Transportation purchase of easement and church building in 2008.

The Board of Trustees continues to receive local church property as they are closed in compliance with the Discipline.

CONFERENCE PARSONAGES AND EPISCOPAL RESIDENCE

The Board of Trustees currently provides four Conference staff positions with housing allowances in lieu of parsonages. Funding available to pay the staff housing allowances is provided through the Conference budget as well as earnings on investments held from previous parsonage sales. Market value of those investments is currently \$885,004 as of December 31, 2008.

The Episcopal Residence is maintained by the Board of Trustees and funding provided by the conference apportionments and the Episcopal Fund, which is managed by the General Council on Finance and Administration. The new residence obtained in 2004 still needs minimal maintenance and the Trustees will make future recommendations as needed.

FREDERICK AND CLOSS PEACE WARDLAW BEQUEST

In August of 2002, the Trustees received a bequest from the estate of Frederick and Closs Peace Wardlaw in the form of some fourteen acres with dwelling on the Virginia shoreline of Kerr Lake with the stated preference of providing a retreat or renewal location for clergy of the Conference. With concurrence of the estate trustees in 2003, the property was sold for \$500,000 and a new lot in a gated community, Somerset Plantation, near Williamsboro, NC, was purchased. The remaining funds of the sale, \$351,437.02 are held for future consideration of an appropriate way to honor Frederick and Closs Peace Wardlaw. These funds are invested with the United Methodist Foundation and have a market value of \$304,406 as of December 31, 2008.

PROPERTY INSURANCE

Property insurance for the NC Annual Conference property continues to be insured through the denomination's Property and Casualty Trust

(PACT), a self-insured property insurance captive. In order to facilitate participation in the trust for local churches in North Carolina, a new non-profit insurance agency corporation was formed to provide the insurance administration for the PACT program in North Carolina. That corporation is named North Carolina Conference Property and Casualty Insurance Trust, Inc.

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.

The Trustees are continuing to evaluate options for full insurance participation for all local churches in North Carolina and will continue to advocate for adequate and cost-effective solutions to the special circumstances faced by North Carolina churches due to coastal exposure. Recommendations from the Trustees for insurance options will be brought to local churches throughout the year as PACT plan design changes are made.

BOARD OF TRUSTEES

The Conference Board of Trustees seeks to be faithful stewards of the assets of the North Carolina Conference. Complete reports of the financial activities and assets held by the Conference Board of Trustees are available in the audited financial statements of the Conference. We will continue to manage property of the Conference to the best of our ability in compliance with the Discipline and welcome the suggestions, ideas and input of every person in this Conference. We thank you for your faithful support of the work of the Conference and seek your prayers for the work that is given to us.

Cashar Evans, Jr., President