



To: National Association of Annual Conference Treasurers
From: 2009-2012 Apportionment Structure Study Group
Date: September 3, 2010
Subject: Proposals Concerning General Church Apportionments

Dear Sisters and Brothers:

We send you greetings as we continue our work as the 2009-2012 Apportionment Structure Study Group. Over the past six months, we have been sharing our initial thoughts with members of the Bishops' Call to Action Steering Committee, the general secretaries of our denomination, and other leaders within our Church. We now wish to include you in those conversations.

To stir your interest, and encourage you to read the rest of this letter, we are proposing the following:

1. **Emphasize financial stewardship** as a top priority throughout The United Methodist Church.
2. **Establish only one general Church fund** to support the work of the general Church: The United Methodist Fund. Eliminate all general Church Special Sundays with Offerings.
3. **Adopt an "income-based" system** as the local church's proportional gift for the general Church.

Now that we have your attention, who are we? Our study group was formed in response to action of the 2008 General Conference (Calendar Item 1225):

The General Council on Finance and Administration will form a study group in conjunction with the Connectional Table, to explore alternative structures for the apportioned general funds of the United Methodist Church. The GCFA is to recommend to the 2012 General Conference a structure of these funds that more nearly conforms to the missional focus of the denomination. In addition, this recommendation will include the methods by which these funds will be apportioned to the annual conferences. Representation in this study group should include, in part, jurisdictional conference, annual conference, and local church perspectives.

We strongly affirm the primary mission of The United Methodist Church to make disciples of Jesus Christ for the transformation of the world. We agree that the primary way to make disciples is by strengthening local congregations, enhancing the work of annual conferences, and enabling our general Church to support the vital ministries of local congregations. Our funding system is simply a way to raise the funds necessary to do the work God has given United Methodists to do.

At least three groups have looked at apportionments over the decades. Many of you have seen that work. Those groups reviewed our United Methodist theology of giving and made adjustments to the

apportionment formula. Nevertheless, we continue to use the basic system in place since 1972. The previous study groups also accurately predicted financial circumstances that are quickly unfolding throughout our denomination. Most agree that we have reached the “tipping point” in both real and inflation adjusted dollars available for the general Church, and the percentage of funds going to the general Church from local congregations continues to fall. The current formulas used to calculate general Church apportionments are based on past expenditures, and difficult to understand by many. We believe that our current model of funding no longer works well in our changing denomination. A change in these policies may help to reconnect us as United Methodists.

We believe that it is critical that the 2012 General Conference authorize fundamental reforms lest we find ourselves in a deeper financial crisis. Even more importantly than responding to the current financial crisis, however, a change in the apportionment system is the right thing to do. We feel strongly that the general Church must be bold. We must engage our membership in a new understanding of apportionments that will move us toward a system that is more easily understood, interpreted, and embraced to strengthen our entire connection. Our goal is to create a new way of aligning, apportioning, and supporting financially the general ministry of The United Methodist Church in ways that are biblical, Wesleyan, simple, affordable, transparent, and missional.

We believe that your perspectives as annual conference treasurers are vital as we continue our work. Two annual conference treasurers are members of our Study Group -- Jim Allen and Bill Brownson. We now need all your responses as we continue our work.

First and foremost, we believe that we must have a significantly stronger emphasis on financial stewardship throughout our denomination. We seek a systematic approach to encourage all United Methodists to be generous at every level of the connection. We call for a renewal of the concept of Christian generosity throughout our denomination.

In alignment with this recommendation, we need better communication from the general Church that is more cost-effective, coordinated, and compelling. The United Methodist Church has many wonderful stories to tell about how our denomination is changing lives and transforming our world. While we have dozens of pamphlets, “The Interpreter” magazine, DVDs, a website, and other means of communication, we believe that more has not been better. We have too many funds, too many managers, and their messages are sometimes unclear. We need focus, clarity, and ways to evaluate effectiveness of the communication. We hope this first emphasis will be led by the appropriate agencies/structures and that the Call to Action Steering Committee will address this issue. We will be drafting legislation for the 2012 General Conference to help resolve these two concerns.

Second, we recommend that we create just one general fund to support all the work of the general Church: The United Methodist Fund (our current working title). We recommend that the current seven apportioned funds be combined into one. We anticipate that in the next quadrennium, we may see a reduction of the size and number of general agencies and special funds. Having one fund gives flexibility to our denomination to put our money where our primary mission might be. This system also provides more simplicity in communicating the work of our general Church. It is not the responsibility of our Study Group to set the budget of the general Church. What we recommend is combining all the monies requested for the seven apportioned funds into one.

In alignment with the recommendation for one general Church fund, we recommend the elimination of all general Church Special Sundays with Offerings. We would keep non-apportioned funds such as World Service Special Gifts, Advance Special Gifts, Youth Service Fund, and other offerings for specific needs. While Special Sundays with Offerings each support a vital need, these

Special Sundays with Offerings often compete with annual conference special offerings, district special offerings, special offerings for local missions, and special offerings for local congregations. Currently general Church special offerings compete with the general Church funds and are received in less than half of our congregations and increasingly the cost of advertising has become a larger percentage of their receipts. These ministries would continue to be supported by the United Methodist Fund if they are in alignment with their agencies' goals.

Third, this new pattern of stewardship also proposes an "income based" system built upon proportional giving – a scriptural model that engenders a spirit of extravagant generosity. We propose a system that is proportional, fair, and encourages giving by all United Methodists to the missions of the general Church. We hope that the working percentage would not be the ceiling of giving to the general Church but a floor. Our Savior Jesus Christ always encouraged proportional giving. This system provides the opportunity to preach and teach this biblical practice.

This system of seeking a specific percentage of the income of local congregations is more direct, clear, and transparent than the current "expense-based" system. We believe the income-based model to be a more rational approximation of how local congregations operate in real time and within their means. This income-based model shifts the discussion from the budget of the general Church to the percentage of income coming from each local congregation. Initially, our study group would estimate that this percentage might be approximately 3%.

Rather than the general Church apportionment being based solely on prior years' figures and realities, the system is more flexible. If congregations are facing economic downturn, their giving to the general Church will go down; in times of prosperity, the giving will increase. We understand that this new system would be aided by a comprehensive, Church-wide method of reporting income and other critical data for accountability.

This system will not affect how annual conferences apportion their own expenses to local congregations. Some annual conferences may wish to base their formula on expenses, membership, worship attendance, or whatever combination of these is appropriate in each setting. The method of apportioning annual conference funds to local congregations is a decision for each annual conference and not the subject of our recommendations.

This new apportionment system will be created in conjunction with other ongoing dialogue about contributions by central conferences to the total apportionments of The United Methodist Church. We hope that the giving system for congregations both within and beyond the United States would be consistent.

Our work is being done in dialogue with the Call to Action Steering Committee and other study groups appointed to report to the 2012 General Conference. Other groups are focusing on the priorities and structures of the general agencies to accomplish the mission of The United Methodist Church. Our task is to explore and recommend the most effective and efficient way to raise the funds to accomplish the mission of The United Methodist Church. Ultimately, our work will go to the General Council on Finance and Administration and the Connectional Table, and then the 2012 General Conference.

As we continue our work, we wish to be in dialogue with everyone in our denomination, but especially with you, the annual conference treasurers. We are eager to work together. As we continue our work, give us your responses. Tell us when there are better ways to serve. And please be in prayer for us and know of our continued prayers for the Church and for your important work.

Sincerely,

Reggie Holder

Reggie Holder
Chair, The 2009-2012 Apportionment Structure Study Group
1045 South 20th Street
Birmingham, Alabama 35205
reggie@highlandsumc.net

2009-2012 Apportionment Structure Study Group: Reggie Holder (Chair), Jim Allen, Judy Benson, Peter Binder, Bill Brownson, Deborah Heisley-Cato, Ronald Henderson, Andy Langford, Jonathan Lee, Janice Palm, Martha Scarborough, Leah Taylor, Sylvester Weatherall. GCFA staff: John Goolsbey and Scott Brewer.

cc: Bishop Larry Goodpaster, President of the Council of Bishops
Bishop Greg Palmer, Co-Chair of the Call to Action Steering Committee
Neil Alexander, Co-Chair of the Call to Action Steering Committee