

February, 2009

To: Delegates of the 2009 Annual Meeting of the National Association of
Congregational Christian Churches

From: Budget Committee, Donald Sturgis, Chairman

Subject: 2009-2010 Proposed Budget

The **2009-2010** budget is comprised of three sections: the Shared Ministry Fund Budget (formerly called the General Operating Fund), the Capital Budget, and the Division Budgets. This budget for the current fiscal year, which began April 1, **2009** and ends March 31, **2010** has been approved by the Association's Executive Committee and is now being presented for adoption by the delegates of the **2009** Annual Meeting of the National Association of Congregational Christian Churches.

This budget was assembled from requests from the administration staff, the commissions and committees. The Budget Committee members reviewed these requests and, after some suggested revisions, presented it to the Executive Committee.

Shared Ministries Fund Budget (pages 1-4)

You will see that the description for each item is toward the right side of the page. Only one column of numbers, this year's proposed budget, appears to the right of the descriptions. The five columns to the left of the descriptions represent history; last year's budget and the last four years' actual figures.

Page 1 of the budget sheets provides a Summary of the Shared Ministries Fund Budget. You will note that the bottom line indicates a projected deficit of **\$153,550** for the fiscal year 2009-2010. There are a number of major factors that contribute to this deficit:

- Inclusion of a full twelve months worth of operation for the Congregational Center for Leadership. Operations of the Center began in September of 2008.
- No replacement for the \$75,000 transfer of funds graciously provided by CFTS last year to help get the Center up and running.
- Lagging pledges for the Branching Out Campaign that have not allowed for the drawing down of endowed collections to help offset Center expenses.
- Poor returns on investments which mirror the general economic downturn.

In all candor, our best efforts have not significantly changed the systemic financial operating shortfall, the association has traditionally operated under. We continue to struggle with the basic issue – we want to provide the services that you are expecting from the association but we are not receiving sufficient income from the member churches to provide these services.

The Shared Ministries Fund Budget for the NACCC Association covers:

- the operations of the NACCC office in Oak Creek, Wisconsin
- travel expenses for the Executive Secretary and Executive Committee
- travel expenses for the Associate Executive Secretary not covered by the Divisions
- funding for commission and committee expenses
- "new" salaries and non-CFTS expenses associated with the operation of the Center for Congregational Leadership at Olivet College in Olivet, MI.

“Other” activities are covered by the budget as well. They are:

- The *Congregationalist* Publication
- Other publications
- The Annual Meeting
- Youth Leaders Retreat

Pages 2, 3 and 4 provide the details for the Summary page figures. You will see that each item is numbered for easy reference. **Item 1** shows \$325,000 budgeted income from association member churches. This is a challenging goal based on the current economic climate and past giving history. However, we are encouraged by the response of our churches to the association’s marketing efforts and the efforts the EC is making in promoting the article and bylaw changes as they relate to member church giving. The committee feels that if all these factors are in place then this projection is a realistic goal. In spite of all this, budget item 1 still does not come close to covering the largest single expense, **item 16**, the salaries and benefits of the Oak Creek & Olivet office staff. It is imperative that efforts to grow member church income continue. The Committee also wants to go on record as supporting the article & bylaw changes and encourages the EC to actively promote its passage to other members of the leadership team and on the floor of the Annual Meeting.

You will note a significant increase in the salaries and benefits line **item 16**. While the budget freezes the salaries of the executive staff and assumes a modest 2% raise for most support staff, it does reflect a full year of salaries and benefits for the Olivet office staff whereas last year’s budget included only 7 months worth. Since the Branching Out Campaign is still ongoing, no drawdowns are scheduled to be received this year from the endowed collections, so the full effect of these full year positions must be absorbed by the Shared Ministries Fund.

We know it is not as glamorous or exciting to give to the Shared Ministries Fund as it is to support of the efforts of the four Divisions (CCD, CFTS, DFM and the Missionary Society); however 57% of the salaries and benefits of the Oak Creek & Olivet staff goes directly to supporting the Divisions. We are showing this allocation of staff labor as **items 16b through 16e on page 2** in hopes that it will encourage increased giving to the Shared Ministries Fund.

Although the commissions and committees, **Page 3, items 34 through 40**, account for only 3% of our expenses, at our insistence, they have all agreed to hold their budgets to the same as last year and in the case of Financial Services, reduced their budget. We thank them for their good fiscal stewardship. In fact their budgets have been reduced to reflect the change in policy approved by the assembly last June regarding Annual Meeting travel reimbursements. The EC’s own budget item 30 has been similarly reduced.

Pages 3 & 4 also shows the revenue and expense figures for the “other” activities, **items 55 through 69**. Each of these has its own source of income to cover their expenses; however when their expenses exceed their income the deficit must be covered by the Shared Ministries Fund. A net surplus of \$12,250 is budgeted for this year - **item 69**. A new task of the Budget Committee was to review the detail of the NAPF/HOPE budget. We were impressed with the thoroughness of their preparation. The committee realizes that the financial projections are mainly dependent upon the ability to promote the event to our youth and their families. Acknowledging the uncertainty of this variable, the Budget Committee commends the youth planners for their attention to fiscal concerns.

Items 42-54 are a new section of the budget. The section represents programs developed or coordinated by the new Congregational Center for Leadership that are beyond the scope of assisting and developing ministerial candidates through the CFTS program. These programs include some traditional programs such as the Lay Ministries program, working with DFM on the

Minister's Convocation, and developing new programs an example of which is last February's history and polity seminar for NA ministers at Olivet College. Being in its infancy and with the NA's current financial position, the initial programming is modest but the hope is that this will be an area of significant growth particularly when the Branching Out Campaign is mature and more funds will be available.

Capital Budget

There is no capital budget per se this year. However, we expect to complete the technology overhaul that began in the 2008-09 fiscal year. The project will be completed within the funding levels previously authorized.

Division Budgets (pages 5-9)

The four divisions are officially part of the NACCC Corporation, a not-for-profit Wisconsin corporation. Their budgets are found on the pages indicated below:

- Congregational Church Development Division (CCD) – (page 5)
 - Building and Loan Team (under CCD) –
- Congregational Foundation for Theological Studies (CFTS) – (page 6)
- Division for Ministry (DFM) – (page 7)
- Missionary Society – (pages 8&9)

As such their budgets do not appear in the NACCC Association's Shared Ministries Fund budget; however these divisions contribute to the income of the Shared Ministries Fund, see page 2, items 10 through 14. This financial support (13% of the Shared Ministries Fund's income) defrays a portion of the cost of services (salaries and overhead) the Oak Creek & Olivet offices provide to the divisions.

Each division has its own sources of income. Their annual budgets attempt to project a break-even goal; however they may have slight surpluses or deficits for any given year. Any shortfalls are funded from surpluses generated in prior years. The Budget Committee is satisfied that the Divisions are managing their financial activities on a sound and responsible basis.

The Building and Loan budget allocates all of its net revenues to the Shared Ministries Fund. We would like Building & Loan to be able to keep its generated interest, making these funds available for new loans; however, we must continue to use these revenues to help us reach a balanced budget for the Shared Ministries Fund.

Please note that because of the timing of the association's financial audit, this report can only show the actual results for the past fiscal year through January 2009. This represents eleven months of our fiscal year. A copy of this report with the full 2008-09 fiscal year results will be posted at the assembly hall for the June meeting; also we will make copies available by request.

The chairman wishes to thank our Financial Manager, Dan Drea, and the members of the Budget Committee, Ken Arnold, Jeff Dillon, Rev. Joan Laska, Joelle Sommers, and Jim Walsh, for their dedication of time and effort to arrive at this proposed budget.

NACCC
2009-2010 Shared Ministries Fund Proposed Budget

version 3.0

Summary

Actual 2005-06	Actual 2006-07	Actuals 2007-08	2008-09 YTD Jan.	Budget 2008-09		Proposed 2009-10
					INCOME	
662,912	574,762	664,631	511,387	619,300	Unrestricted Income	580,500
224,711	224,888	202,582	202,425	290,000	Other Activity Income	243,450
887,623	799,650	867,213	713,812	909,300		823,950
					EXPENSES	
695,289	729,337	654,838	564,246	669,000	Administration Expense	65% 696,400
51,886	38,843	36,042	30,775	34,200	Travel Expense	3% 25,000
41,282	26,907	23,428	29,482	30,900	Committees & Commissions	3% 24,900
248,300	270,836	233,328	195,603	297,900	Other Activity Expenses	29% 231,200
1,036,757	1,065,923	947,636	820,106	1,032,000	Total Expenses	977,500
(149,134)	(266,273)	(80,423)	(106,294)	(122,700)	Net Operating Income (Loss)	(153,550)
6,056					Gain/(Loss) on sale of Asset	
(92,500)	(5,000)		275,000	75,000	Transfers	0
			168,706	(47,700)	CHANGE IN FUND BALANCE	(153,550)
(235,578)	(271,273)				Ending Balance	

NACCC 2009-2010 Shared Ministries Fund Proposed Budget

Details

Actual 2005-06	Actual 2006-07	Actuals 2007-08	2008-09 YTD Jan.	Budget 2008-09
310,799	305,561	284,955	238,795	355,000
688	600	25	401	500
1,550	1,908	1,250	3,381	1,500
74,452	49,615	87,288	69,427	50,000
17,678	5,811	13,999	18,781	20,000
18,668	15,772	15,396	12,000	0
97,887	97,668	121,908	79,900	95,900
66,988	24,411	55,954	25,982	20,000
33,885	33,948	41,256	29,830	see below
---	---	---	---	5,300
---	---	---	---	14,300
---	---	---	---	11,200
---	---	---	---	5,000
40,317	39,468	42,600	32,890	40,600
662,912	574,762	664,631	511,387	619,300

465,489	482,597	454,822	339,176	446,200
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34,652	48,666	39,270	30,058	44,900
45,152	38,433	27,116	23,714	36,800
21,067	27,448	15,882	15,914	23,000
23,205	28,888	33,128	73,963	29,500
32,583	32,636	26,670	29,106	30,800
67,391	67,103	57,748	52,143	57,300
129	75	202	0	0
5,621	3,491	0	172	500
695,289	729,337	654,838	564,246	669,000

13,910	8,560	8,339	9,541	8,300
11,004	6,915	6,793	1,345	5,500
913	1,127	1,133	0	1,000
3,832	3,568	3,360	5,286	2,500
18,956	15,413	14,709	13,582	14,000
841	785	774	771	900
2,430	2,475	934	250	2,000
51,886	38,843	36,042	30,775	34,200

	Proposed 2009-10
INCOME	
1 Member Church Inc	325,000
2 Non Mber Church Inc	500
3 Association Inc	1,500
4 Trust & Bequest Inc	50,000
5 Individual Inc	20,000
6 Special Gifts	0
7 Investment Drawdown	88,400
8 Other Income	20,000
9 Support from Divisions	see below
10 Support from CCD	4,900
11 Support from CFTS	14,200
12 Support from DFM	5,200
13 Support from Missionary Society	11,300
14 Support from Building and Loan	39,500
15 Total Income	580,500

EXPENSES	
Administration Expenses	
16 Total Salaries & Benefits	492,700
16a 43% Salaries & Benefits - General Support	211,861
16b 15% Salaries & Benefits - CCD Support	73,905
16c 18% Salaries & Benefits - CFTS Support	88,686
16d 7% Salaries & Benefits - DFM Support	34,489
16e 17% Salaries & Benefits - MS Support	83,759
17 Building Operations	47,000
18 Office Supplies & Service	32,500
19 Telephone & Postage	19,500
20 Technology Expenses	29,500
21 Professional Expenses	29,700
22 Depreciation	45,000
23 Historian Expenses	0
24 Newsletter Expense	500
25 Total Administration Expenses	696,400

Travel Expense	
26 Richard Travel	8,300
27 DFM Travel	0
28 Technology Travel	0
29 Carson Reg/State Assn Travel	3,500
30 Executive Committee Travel	10,500
31 Historian Travel	700
32 WCRC/Fraternal Delegate Travel	2,000
33 Total Travel Expenses	25,000

4,250	(1,015)	0	0	0
(3,430)	(444)	(725)	0	0
820	(1,459)	(725)	0	0

224,711	224,888	202,582	202,425	290,000
(248,300)	(270,836)	(233,328)	(195,603)	(297,900)
(23,589)	(45,948)	(30,746)	6,822	(7,900)

64	Youth Leaders Retreat Income	0
65	Youth Leaders Retreat Expenses	0
66	Net Youth Leaders Retreat	0
67	Other Activities Total Revenue	243,450
68	Other Activities Total Expense	(231,200)
69	Net Other Activities Income (Loss)	12,250

NACCC 2009-2010 CCD Proposed Budget

Actual 2005-06	Actual 2006-07	Actual 2007-08	ytd Jan. Actual	Budget 2008-09		Proposed 2009-10
9,018	5,918	7,533	5,105	10,000	Temp. Restricted Income	
0	0	0	0	0	Member Church Inc	10,000
0	100	0	100	1,000	Non Mber Church Inc	0
5,155	1,500	220	0	5,000	Association Inc	1,000
7,480	8,233	8,141	7,182	5,000	Individual Inc	5,000
23,058	22,692	26,616	18,400	22,100	Trust & Bequest Inc	5,000
0			400		Investment Drawdown	22,200
44,711	38,443	42,510	31,187	43,100	Miscellaneous Income	
					Total Temp. Restricted Income	43,200
28,365	15,000	15,000	5,630	12,000	Project Expenses	
(175)	0	0	0	0	Special Project Expenses	12,000
1,599	1,130	1,747	3,065	5,000	Revitalization Expenses	0
3,592	531	2,515	300	4,000	Leadership Development	5,000
33,381	16,661	19,262	8,995	21,000	Annual Meeting Expenses	4,000
					Total Project Expenses	21,000
1,433	320	255	291	1,000	Administrative Expenses	
9,434	7,638	8,010	9,920	11,500	Promotion	1,000
7,212	6,597	4,135	6,297	5,500	Division Travel	11,500
1,745	1,745	464	0	0	Staff Travel	5,500
0	110	66	104	1,000	Vehicle Depreciation	0
2,570	2,593	2,389	1,667	2,600	Conference Call	1,000
243	0	0	11	500	Investment Fees	2,600
22,637	19,003	15,319	18,290	22,100	Other Expenses	0
					Total Administrative Expenses	21,600
56,018	35,664	34,581	27,285	43,100	Total Expenses	42,600
(11,307)	2,779	7,929	3,902	0	Net Income	600
		50,000			Transfers	
(336)	(11,643)	(8,864)	49,064	49,064	Beginning Balance	40,945
(11,643)	(8,864)	49,065	52,966	49,064	Ending Balance	41,545

NACCC 2009-2010 CFTS Proposed Budget

Actual 2005-06	Actual 2006-07	Actual 2007-08	Actual ytd Jan	Budget 2008-09		Proposed 2009-10
19,278	16,841	20,192	15,829	15,000	Income	
10,000	0	0			Member Church Inc	15,000
0	0	0			Non Mber Church Inc	
2,165	2,520	2,095	4,295	2,500	Association Inc	
22,902	8,233	8,141	7,182	2,000	Individual Inc	3,400
57,183	56,952	71,084	50,400	60,500	Trust & Bequest Inc	3,200
800	900	950	550	500	Investment Drawdown	59,600
140	80	0			Lay Ministry Program Income	
					Miscellaneous Income	
112,468	85,526	102,462	78,256	80,500	Total Temp. Restricted Income	81,200
					Expenses	
48,900	47,518	60,179	55,294	55,000	Grants	39,950
667	5,564	0	452	500	Student Recruiting	
9,057	16,177	9,761	9,861	5,000	Boston Seminar	12,000
10,855	10,218	6,656	6,198	8,000	Fall Seminar	6,000
0	(25)	0	45	0	Symposium	0
0	323	11,642	0	0	England Seminar	0
			(2,875)		History & Polity Seminar	
6,643	2,056	3,781	7,989	3,000	Grads & Spouses Ann Mtg	5,000
1,948	2,386	274	1,253	500	Annual Meeting Program	1,000
0	3,205	0	0	0	Lay Ministry Expense	0
8,095	4,034	4,821	1,957	4,000	Dean's Travel	4,000
0	0	0			Vehicle Depreciation	0
86,165	91,456	97,114	80,174	76,000	Total Academic Expenses	67,950
					Non-Academic Expenses	
3,696	2,253	1,055	2,572	0	Promotion	0
8,714	6,278	11,427	7,515	9,000	Directors' Travel	4,000
81	120	249	174	250	Conference Call	250
515	255	0	0	0	Dues & Memberships	
7,108	7,329	6,356	4,090	7,000	Investment Expense	7,000
8,623	3,893	3,135	110	500	EMERG PROGRAM EXP.	
7,302	5,102	6,331	1,562	1,000	Depreciation	2,000
2,606	1,428	335	288	0	Other	0
38,645	26,658	28,888	16,311	17,750	Total Non-Academic Expenses	13,250
124,810	118,114	126,002	96,485	93,750	Total Expenses	81,200
(12,342)	(32,588)	(23,540)	(18,229)	(13,250)	Net Income	0
315,484	303,142	270,551	247,011	247,011	Beginning Balance	140,487
			(75,000)	(75,000)	Transfer to Shared Ministries Fund	
303,142	270,554	247,011	153,782	158,761	Ending Balance	140,487

NACCC 2008-2009 DFM Proposed Budget

Actual 2005-06	Actual 2006-07	Actual 2007-08	ytd Jan. Actual	Budget 2008-09		Proposed 2009-10
0	1,270	741	750	200	Temp. Restricted Income	
150	0	0			Member Church Inc	
32	150	0			Non Mber Church Inc	
6,914	6,948	8,616	6,110	7,300	Individual Inc	
7,096	8,368	9,357	6,860	7,500	Investment Drawdown	7,200
					Total Temp Restricted Income	7,200
266	547	716	1,606	250	Administration Expenses	
7,132	11,130	8,351	6,926	10,000	Promotion	1,000
210	89	162	201	200	Meeting Expense	5,000
849	880	781	511	900	Conference Call	200
500	663	226	3	400	Investment Fees	900
63	0	0			Other Expenses	1,000
9,020	13,309	10,236	9,247	11,750	GOF Support	
					Total Administration Expenses	8,100
(1,924)	(4,941)	(879)	(2,387)	(4,250)	Net Income	(900)
(13,175)	(15,099)	(20,040)	(20,919)	(20,919)	Beginning Balance	(23,306)
(15,099)	(20,040)	(20,919)	(23,306)	(25,169)	Ending Balance	(24,206)

Projected Restricted Fund Expenditures

Ministers Assisstance Fund	3000
Ministers Assisstance Fund	6000
(For support of Minister's Conv.	
Various DFM awards	3000

NACCC 2008-2009 Missionary Society Proposed Budget

Actual 2005-06	Actual 2006-07	Actual 2007-08	Actual Jan. YTD	Budget 2008-09		Proposed 2009-10
MISSIONS INCOME						
43,840	50,870	56,731	53,661	60,000	1 Member Church Inc	55,000
10,800	0	0	0		2 Non Mber Church Inc	0
374	100	0	1,100	0	3 Association Inc	0
5,012	4,212	5,938	1,320	6,000	4 Individual Inc	6,000
8,480	9,233	9,141	9,349	5,000	5 Trust & Bequest Inc	8,000
1,233	1,050	5,205	3,122	8,000	6 Itinerations Income	6,000
69,739	65,465	77,015	68,552	79,000	7 Total Mission Support Income	75,000
MISSIONS PAYMENTS						
12,250	12,250	10,450	12,330	13,550	8 National Missions (page 2, line 48)	13,550
58,100	58,000	47,500	51,365	51,450	9 International Missions (page 2, line 64)	51,450
2,400	1,000	0	2,000	2,000	10 Spec Gifts for Nat/Int'l Missi	2,000
500	0	0	0	0	11 Church Based Comm. Outreach	0
7,939	5,885	3,764	4,072	8,000	12 Itinerations	6,000
81,189	77,135	61,714	69,767	75,000	13 Total Mission Support Expenses	73,000
(11,450)	(11,670)	15,301	(1,215)	4,000	14 Net Mission Support (line 7 - line 13) (to be applied to cum deficit)	2,000
ADMINISTRATIVE INCOME						
27,432	25,860	33,664	24,210	29,100	15 Investment Drawdown	24,500
4,100	4,000	4,842	3,863	4,000	17 Supporting Memberships	1,000
31,532	29,860	38,506	28,073	33,100	18 Total Administrative Support Inc	25,500
ADMINISTRATIVE EXPENSES						
1,576	2,914	3,864	3,178	2,000	19 Admin & Promotion	2,000
253	76	202	51	250	20 Conference Call	150
9,490	12,093	10,946	10,629	11,850	21 Division Travel	9,000
0	0	630	47	800	22 Reception at Annual Meeting	700
2,399	4,884	3,680	2,509	4,000	23 Missionaries' A M Expenses	4,450
6,466	6,876	5,576	5,580	6,000	24 Staff Travel	6,000
1,745	1,745	464	0	0	25 Vehicle Depreciation	0
3,370	3,737	3,103	2,068	3,200	26 Investment Fees	3,200
5,004	5,004	5,004	4,170	5,000	27 Shared Ministries Fund (GOF) Support	0
26	0	0	12	0	28 Other Expenses	0
30,329	37,329	33,469	28,244	33,100	29 Total Administrative Expenses	25,500
1,213	(7,469)	5,037	(171)	0	30 Net Administrative (line 18 - line 29)	0
101,271	95,325	115,521	96,625	112,100	31 Total Income (line 7 + line 18)	100,500
111,518	114,464	95,183	98,011	108,100	32 Total Expenses (line 13 + line 29)	98,500
(10,247)	(19,139)	20,338	(1,386)	4,000	33 Net Income (line 31 - line 32)	2,000
0	18,699	2,284	0	0	34 Transfers	
(1,344)	(11,582)	(17,021)	5,601	5,601	35 Beginning Balance	
(11,591)	(12,022)	5,601	4,215	9,601	36 Ending Balance (line 33 + 34 +35)	2,000

NACCC
2008-2009 Missionary Society Proposed Budget

Actual 2005-06	Actual 2006-07	Actual 2007-08	Actual Jan. YTD	Budget 2008-09		Proposed 2009-10
Mission Support Giving						
NATIONAL						
3,000	3,000	2,700	2,500	3,000	37 Bread of Life	3,000
0	1,000	1,000	1,200	1,200	38 Cook School for Christian Leadership	1,200
			1,200	1,200	Maine Seacoast	1,200
3,000	2,000	0	0	0	39 FCC Detroit After School Prog	0
			1,200	1,200	Piney Woods	1,200
2,500	2,500	2,500	2,080	2,500	41 Indian Trails	2,500
1,500	1,500	2,000	2,000	2,000	44 Morgan Scott	2,000
1,000	1,000	1,000	900	1,200	46 Rebecca Mackish Memorial	1,200
1,250	1,250	1,250	1,250	1,250	47 Seafarers' Friend	1,250
12,250	12,250	10,450	12,330	13,550	48 National Total	13,550
INTERNATIONAL						
5,000	5,000	3,000	3,000	3,000	49 Asoc Civil Crist Cong Argentina	3,000
2,000	2,000	2,000	2,000	2,000	50 U E Bulgaria	2,000
5,000	5,000	5,000	5,730	5,730	51 Ghana Word Alive Mission	5,730
3,000	3,000	3,000	3,110	3,730	52 Honduran Cong Mission	3,730
			5,000		53 Travancore Church Council	
6,000	6,000	6,000	5,000	6,000	55 India (Supervision)	6,000
5,500	4,500	2,500	2,080	2,500	56 India Travancore Council	2,500
3,000	3,000	4,000	4,395	4,730	57 Kenya Pilgrims Presence	4,730
4,100	5,000	5,000	5,000	5,000	58 Myanmar Cong. Church	5,000
5,000	5,000	2,500	2,330	2,800	59 Mexico Mazahua Mission	2,800
5,000	5,000	2,500	2,080	2,500	60 Mexico Pan American Institute	2,500
4,500	4,500	2,500	2,500	2,500	61 Nigeria Christ to the Village	2,500
5,000	5,000	5,000	4,780	5,730	62 Philippines CMFE	5,730
5,000	5,000	4,500	4,360	5,230	63 Philippines NACC	5,230
58,100	58,000	47,500	51,365	51,450	64 International Total	51,450