

Commonly Asked Questions about the Diocesan Budget and Finances

based on questions submitted prior to the Diocesan Finance Summit.

Apportionment for the Common Good (ACG)

What is the total amount of the ACG? What percent of Diocesan revenue does this represent?

For 2008, the budget net ACG is \$2,629,084. That represents 99.7% of Diocesan revenue.

How does the Diocese allocate ACG revenue? Who makes these decisions?

In accordance with Canon 220, final authority for the financial policy of the diocese belongs to Diocesan Convention, and is delegated to Diocesan Council to administer between meetings of Convention. Diocesan Council is charged with proposing balanced budgets to Convention on a triennial basis. Council has created the Diocesan Finance/Audit Committee (DFAC) to create the initial budget document.

How are Diocesan staff salaries determined? Are they in proportion to similar positions in other churches and nonprofits?

Canon 310 directs the salaries of all Diocesan staff to be determined by the Bishop. Salaries are based on national comparisons with professional staff in other Dioceses in the Episcopal Church and are established to attract qualified candidates. Salaries aligned with local conditions, individual staff qualifications, job expectations, length of service and level of responsibility. Current diocesan staff salaries and benefits for individual staff members were presented at April's Diocesan Council meeting.

Why is the ACG based on past congregational revenue rather than current year budgeting?

The ACG is based on Line A ("Operating Revenue") from parochial reports. The Diocesan budget is based on the most current set of consistent data for all congregations.

What effort is being made to offer adjustments to the ACG for individual congregations?

The First Stop Committee considers all requests for adjustments. For 2008, this committee allocated \$111,972 from the Diocesan budget. No further allocations are anticipated in 2008.

Funds

What funds exist within the Diocese and what is their purpose?

The Trustees of the Diocese manage 46 endowment funds which have a variety of restrictions on their use and distribution as designated by the donor. 12 of the funds are held by the Trustees, 29 are held by the diocese, and 5 held jointly by the diocese and trustees. 11 funds are expressly for use in the Diocesan operating budget. 9 have no distributions and 26 are distributed into restricted funds. A complete list of the funds and their purposes is available on the Finance Department's page on the diocesan website (www.episcopalmn.org/finance).

Bishop Search and Transition

How is the bishop search and transition process being funded?

The search and transition process funds are allocated by the Diocesan Finance/Audit Committee with approval from Diocesan Council and Standing Committee. Sufficient funding has been identified and approved for 2008. Specific funding for 2009 and 2010 have not yet been approved.

Budget and Mission Strategy Network, Goal 4

How does the budget reflect the intent of the Bishop's Commission on Mission Strategy, now the Mission Strategy Network (MSN)? Is Goal 4 being acted upon?

MSN has not taken any specific action on Goal 4. Until Bishop and Council approve actionable items recommended by MSN, the budget remains intentionally fluid so it can accommodate this future direction.