

Special General Conference Business Forum

Convened Virtually

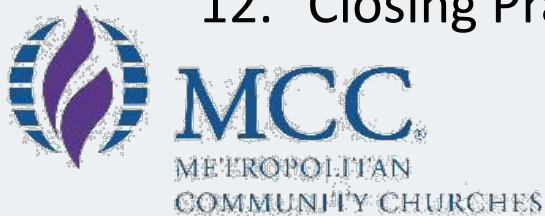
22 October 2018

10:00 am EDT



Agenda

1. Welcome and Process for Special General Conference Business Forum
2. Opening Prayer
3. Current Assessment Rate and schedule
4. UFMCC Bylaws on Church Finances
5. MCC Churches
6. Snapshot of Churches and Assessments Received January-August 2018
7. Restoration Plans (“Agreements”)
8. Summary
9. Overall Rate Change Impact
10. Motion for Vote virtually on 7 November 2018
11. Special General Conference Voting Details
12. Closing Prayer



Welcome and Process

Rev. Elder Rachelle Brown, Interim Moderator



Opening Prayer

Marsha Warren, Governing Board and
Finance Committee



Assessment Data

Various methods of data collection such as Excel, QuickBooks, and other donor databases have been used to gather and report Assessments and Donations.

In early 2017, UFMCC began building a Non-Profit Salesforce database. Data entry began in late 2017 and continues to ensure accuracy. In the last few months, data from Assessment reports has been entered, providing a snapshot of Assessments received.

Staff reductions over the last 8 years inhibited staff ability to carefully track Assessments received. In August 2018, the Assessment Liaison position was formed to follow-up on Assessments received and re-establish contact with local churches.

A dedicated staff person and a robust database is a step in the right direction to ensure accountability and accuracy. The work of these last months allows us to provide the following snapshot of churches and Assessments received so far in 2018.



Current General Conference Approved Affiliated Church Assessment Rate

Currently in 2018 – 11.5%

Beginning 1 January 2019 – 11%

Based on 2013 General Conference voting and approval



UFMCC Bylaws

UFMCC Bylaw: IX. B. 1.

B. REPORTING: Each emerging church and affiliated church shall report all church receipts each month to the UFMCC and with that report shall remit a percentage of the funds reported, as determined by General Conference.

1. Any money transferred permanently or for a long term from any exempt fund into the General Fund must be added to the income figures for that month, and assessments paid on them. Report and remittance are due to the UFMCC on or before the tenth (10th) day of the month following the month being reported.



Bylaws, Emerging Churches, and Partnerships

- At this time the General Conference has only voted on Assessment rates for Affiliated Churches.
- Since the General Conference has never voted on an Assessment Rate for Emerging Churches, the 10% Assessment Rate is only a request.
- The Governing Board is working with UFMCC Staff and Emerging Church Leaders to recommend an Assessment Rate for vote at the next General Conference.
- Also being discussed are Assessment credits offered when Partnership Agreements are created between Affiliated and Emerging Churches.
- 3 out of 13 U.S. Emerging churches gave \$3,331.80 from Jan-Aug 2018.



MCC Churches*

Affiliated - 154

Africa – 3

Asia – 3

Australia/New Zealand – 7

Canada – 3

Europe – 11

Iberoamerica – 13

U.S. - 114

Emerging - 59

Africa – 3

Asia – 2

Australia/New Zealand – 1

Canada – 0

Europe – 6

Iberoamerica – 34

U.S. – 13



*Oasis Communities, Authorized Ministries
and Aligned Organizations not included



Snapshot of Church Assessments January-August 2018

Snapshot of Global Assessments Received (Cash) ¹¹

January-August 2018

Assessment Rate overview

- Approximately 57% of churches give at General Conference approved rate of 11.5%
- Three give at 12%
- One gives at 13%
- Nearly 35% of churches give less than 10%
- Of those, about 25% of churches give 5% or less of monthly income as an assessment

Churches Size and Assessment Rates

- Nearly 68% of churches have less than 200 members
- Majority of churches giving **full** Assessment Rate have less than 200 members
- 3 of 10 churches over 200 members give at the full Assessment Rate

Snapshot of Affiliated Church Assessments Received

- Global Assessments Received in USD Jan-Aug 2018 = \$493,643.18 (USD)
- U.S. only, Assessments Received Jan-Aug 2018 = \$471,881.12 (USD)
- Churches giving 8%-<1% = \$82,537.89
- Churches giving 13%-10% = \$389,343.23
- Local church income may be impacted by attendance, storms, floods, holidays, or local building projects, leading to lower giving in Assessments.

2018 Survey of Global Affiliated Churches

Assessments Received Jan-Aug Totals According to Assessment Rate and Membership Category

Membership Category	Assessment Rate								Total per Membership Category	# of Churches
	13-12%	11.50%	11%	10.5%	10%	8-5%	4.5-1.5%	<1%		
>25		\$ 18,727.86			\$ 2,909.81		\$ 513.51		\$ 22,151.18	17
26-50	\$ 5,502.35	\$ 37,621.75			\$ 4,086.30	\$ 12,061.15	\$ 7,032.31	\$ 400.00	\$ 66,703.86	32
51-75		\$ 61,100.51	\$ 1,922.71				\$ 1,308.76	\$ -	\$ 64,331.98	16
76-100		\$ 29,221.44			\$ 4,439.59	\$ 2,378.91	\$ 2,874.82	\$ 200.00	\$ 39,114.76	15
101-150	\$ 11,323.42	\$ 73,215.47		\$ 3,150.79		\$ 11,781.23	\$ 5,880.00		\$ 105,350.91	14
151-200		\$ 42,308.55	\$ 15,330.53			\$ 5,725.98		\$ -	\$ 63,365.06	7
201-250		\$ 28,936.10			\$ 10,172.89	\$ 12,344.73			\$ 51,453.72	4
251-300		\$ 39,373.16							\$ 39,373.16	2
301-350							\$ 6,083.30	\$ 1,000.00	\$ 7,083.30	3
351-400										0
401-450							\$ 12,953.19		\$ 12,953.19	1
Unknown	\$ 69.62	\$ 6,692.38			\$ 14,425.02		\$ 575.71		\$ 21,762.73	43
	\$ 16,895.39	\$ 337,197.22	\$ 17,253.24	\$ 3,150.79	\$ 36,033.61	\$ 44,292.00	\$ 37,221.60	\$ 1,600.00	\$ 493,643.85	154

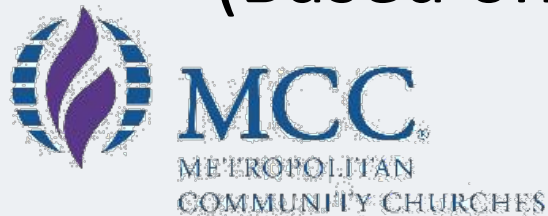
2018 Survey of US Affiliated Church Assessment Rates According to Membership Categories¹⁴

Membership Category	Assessment Rate (%)									# of Churches in Membership Category
	13-12%	11.5%	11.0%	10.5%	10.0%	8-5%	4.5-1%	<1%	0	
>25		14			1		2			17
26-50	2	15			1	4	5	3	1	32
51-75		12	1				1	1	1	16
76-100		7			1	2	3	1	1	15
101-150	1	9		1		2	1			14
151-200		4	1			1		1		7
201-250		1			1	2				4
251-300		2								2
301-350							2	1		3
351-400										0
401-450							1			1
Unknown								1	2	3
	3	64	2	1	4	11	15	8	5	114

Snapshot of Cash Received by Assessments

Nearly 25% of U.S. churches are not current with 2018 Assessments and Reports.

- Restoration of non-paying US Churches in 2018 would add approximately \$60,000 to this year's income. (Based on 2017 giving data)
- Restoration of churches 6-months behind in Assessment giving would add approximately \$77,000 to 2018 income. (Based on 2017 giving data)



Snapshot of Income Received by Assessments

- Churches from various nations submit assessments and reports quarterly, semi-annually, or annually depending on the nation.
- Assessment reports and records from outside the U.S. include deposit records from local (in-country) bank accounts.
- In a few cases, the exchange rate from local currency to USD is so low, sending assessments is unrealistic. In these instances, funds are held in escrow in the local nation (e.g. Kenya, South Africa, Brazil, and Philippines).
- The monthly P&L show income only when funds and reports are received from global accounts.

Restoration Plans or “Agreements”

Governing Board Policy 16

Governing Board Policy 16 – Assessment Payment (V12, 5 July 2016)

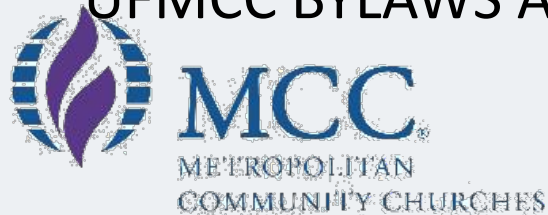
Purpose:

Develop a policy that addresses the implications of non-payment of assessments on a church's affiliation status and to clarify the relationship between the Governing Board and staff implementation of assessment collection procedures.

Policy:

It is the policy of Metropolitan Community Churches that each emerging and affiliated church shall report to MCC its weekly worship attendance and contribute a financial assessment in order to support the global ministry of MCC. The assessment rate and period for reporting and payment are determined by the General Conference. When a church is unable or unwilling to submit its report and/or contribute its assessments in a timely manner, MCC will implement the Assessment Compliance Process as established by the Governing Board.

UFMCC BYLAWS Article IX- Church Finances.



Governing Board Policy 16 – Assessment Payment cont. (V12, 5 July 2016)¹⁹

All churches that are in compliance with an agreed Restoration Plan become eligible for forgiveness of arrears to enable them to move forward in good relationship with the denomination.

Forgiveness of unpaid assessments for a church that has become at least six (6) months behind on reporting and paying assessments at the rate established by General Conference (currently 12%) will only be considered if that church has accepted support from the denomination and has complied with its Restoration Plan.

If a church neglects to report and pay assessments monthly and to communicate with MCC staff about its non-reporting and/or non-payment for six (6) months or more, the church will be deemed non-compliant with denomination affiliation criteria and certain measures will be taken.



Governing Board Policy 16 – Assessment Payment cont. (V12, 5 July 2016)²⁰

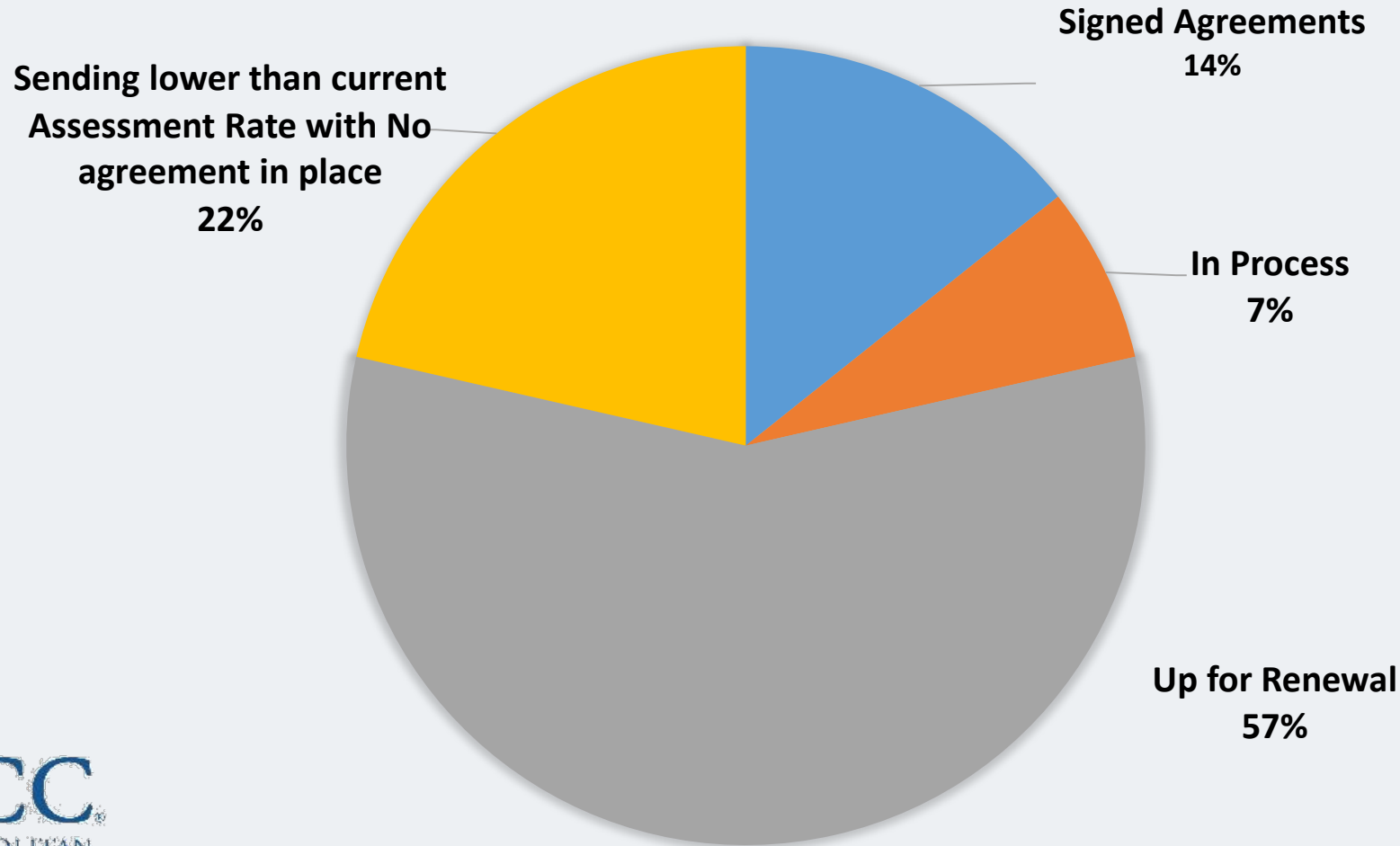
Possible measures to be taken may include failure to seat the church's lay delegate(s) at General Conference and/or failure to seat the church's clergy delegate(s) at General Conference. Continued non-compliance may result in additional measures such as non-renewal of clergy licensure for the church's senior pastor and/or suspension of the church affiliation status.

Decisions regarding these measures will be carried out in line with UFMCC Bylaws and the **MCC Ministry Leader Code of Conduct** and, as such, will be implemented by the appropriate member or body of Staff, Senior Leadership Team, Council of Elders and Governing Board.



U.S. Churches Assessment Payment Status

STATUS OF 42 CHURCHES



Assessments in Arrears

24 US Affiliated Churches are currently 6 months behind on Assessments and Reports

Of those, 17 have not sent an Assessment or Report in 2018

The Governing Board is actively engaging with these churches and offering Restoration Plans, or creating new Restoration Plans where possible.

Summary

UFMCC income equation remains reliant upon Assessments from U.S. Affiliated Churches.

Restoration Plans assist Affiliated Churches in meeting Assessment obligations

UFMCC General Operational Budget will significantly improve in 2018 as churches send either General Conference agreed upon Assessments or meet the agreed upon Restoration plans.



Summary

General Operating Budget Observations:

- Churches giving below the full Assessment Rate increase giving by 2% = approximately \$75,000 in 2018 income. This may vary by church size.
- Churches currently paying 8% or less increase giving by 2% would mean the overall 2018 UFMCC income would increase by approximately \$60,000. This may vary by church size.

Overall Rate Change Impact

- Reduction from 11.5% to 11% is small enough for simple expense adjustments.
- A reduction from 11.5% to 10% would equal approximately \$18,000 less in annual giving based on 2017 cash received through Assessments.

Looking ahead to 2019

More churches giving according the new Assessment Rate in 2019 (whether 11% or 10%) will create a positive financial impact for UFMCC.



Motion Presented for Special General Conference Vote

The General Conference adopt a 10% Assessment rate for Affiliated Churches, with present deductions remaining intact.



Special General Conference Voting Details

- Voting will open 7 November 2018 with a 48 hour window to vote.
- If the motion carries by 2/3 majority, it will be adopted on 1 January 2019. If the motion does not carry, then the current assessment rate and schedule will continue at 11.5% for the remainder of 2018 and reduce to 11% on 1 January 2019.
- *Delegates registered to participate in this survey do not need to re-register to vote on 7 November 2018. You will receive an email with a new link and passwords on 5 November 2018.*
- If you have questions about your registration status, contact Information Technology Manager Mike Haase: MikeHaase@MCCchurch.net.



Closing Prayer

Bob Niehaus, Governing Board Member