

January 2009

One Church, One Budget

General Statement of Policy on CCC's Finances

All financial affairs of Christ Congregational Church (CCC) are ultimately under the control of the congregation. Under Maryland law, orderly conduct of the Church's financial affairs is the responsibility of the Board of Trustees and the Treasurer.

For the Church's good reputation and the comfort of its donors, it is critical that its finances be transparent and that spending be in accord with deliberate and shared intentions.

I. Philosophy of the Unified Budget as Used by CCC

Since CCC's early days, it has conducted its financial affairs using the concept of a Unified Budget, and this principle is embodied in the church Constitution. The intent is to have all fundraising and all expenditures for common purposes of the church deliberated on and agreed to by the congregation. The philosophy might be aptly summarized as "one church, one budget."

The Unified Budget concept offers a number of advantages:

- It permits an organized attempt to insure adequate support for all priorities of the Church. In particular, it helps make sure funds are available for all necessary expenses, including staff compensation and building maintenance.
- It encourages our sense of community.
- It avoids multiple, competing appeals for various purposes, so donors can plan for their contributions to the church.
- It helps encourage regular stewardship as a mutual expectation of our faith community.

While the Unified Budget provides the guiding concept for our financial affairs, certain financial activities for specified purposes are nonetheless conducted outside of this budget. These are described in more detail below.

II. Categories of Finances

Unified Budget. As noted above, central to the Church's finances is the Unified Budget, which is intended to cover all of the Church's ordinary income and expenditure. Income is received from voluntary donations by members and friends, from payments for use of Church facilities, and from interest earnings. Expenditures support the Church's

programs and missions, maintenance of its buildings, utilities, compensation of staff, and the like.

The Unified Budget is prepared annually by the Board of Trustees in consultation with other Boards, staff, and the Executive Council, as well as with input from interested members of the congregation, and presented to the congregation for its consideration and approval at the Annual Meeting in June. All members are invited to pledge financial support to cover all the expenditure needs of the Church for the fiscal year as outlined in the Unified Budget.

Memorial Funds. The Church maintains the gifts to the Church in memory of particular individuals as Memorial Funds, which it holds in trust until particular uses are identified. The Board also approves specific expenditures of Memorial Funds, in accord with general categories for use of such funds recommended by Board of Deacons and approved by the Executive Council.

Endowment Fund. Planned gifts (by will, trust, life insurance, or otherwise) and substantial non-recurring donations are set aside in the Endowment Fund. Operational control of these funds has been delegated by the Board of Trustees to the Planned Giving Committee. Plans for expenditure of income are developed by the Planned Giving Committee and presented to the Annual Meeting for a congregational approval. At present, the Church is attempting to grow the principal of these funds, and no regular expenditures are planned for the near future, or at least until such time as the earnings are sufficient to support a certain ministry or other use.

Deacons' Fund. In addition, the Board of Deacons maintains a Deacons' Fund, which is replenished through special offerings several times a year. This fund is available for immediate charitable purposes, usually by request of one of the ministers.

III. Sources of Income

The members of CCC are solely responsible for its financial obligations, including staff compensation, major and routine building maintenance, missions, and program expenses. Unlike in some churches in other denominations, CCC as a part of the United Church of Christ receives no financial support from the denomination. The church's endowment funds are modest at this time and do not provide a significant source of income.

Gifts:

Annual Pledges. In accordance with the Constitution, the Board of Stewardship annually creates, prepares, and conducts the Church's annual pledging and giving campaign to solicit support to finance the Church's Unified Budget.

Special Offerings. CCC, under the leadership of the Board for Social Witness, invites its members and friends to participate in four annual special giving opportunities sponsored by the United Church of Christ: One Great Hour of Sharing, Strengthen the Church,

Neighbors in Need, and the Christmas Fund. In addition, special offerings are received for the Deacons' Fund, as noted above.

Fundraising Outside the Annual Stewardship Campaign. Notwithstanding the basic expectation of adherence to the Unified Budget, certain projects or needs surface from time to time that require fundraising activities among the congregation. These proposals may have been unexpected at the time of the adoption of the annual budget, have particular aspects associated with the Church's mission, and/or otherwise merit separate consideration during the course of the year. Such efforts are subject to the approval of the Executive Council, which in general scrutinizes proposals for fundraising to insure they comport with the Church's overall mission and are not overly frequent or intrusive.

The Executive Council has approved a modest number of fundraising projects each year, such as the "Souper" Bowl Sunday fundraising effort by the youth to benefit the Shepherd's Table; the monthly sale of the Fair Trade Coffee sponsored by the Board for Social Witness; and a talent auction sponsored by the senior adults group, the proceeds of which were applied to reducing our mortgage.

Capital Campaigns. The Unified Budget now addresses both the operating and capital budgets, and thus the annual stewardship campaign encompasses both of these needs. However, capital campaigns have been conducted separately in the past, and at some point in the future a capital fundraising campaign may need to be conducted for debt reduction or some other specific purpose.

Other Sources of Income:

Income from the Use of Building. CCC receives rental income for the use of our building by outside groups. The Board of Trustees agreed to a guideline of recouping a third of the cost of building maintenance through the building use and accordingly developed a schedule of suggested sliding-scale donation rates to building users. The Church Administrator administers this program on a day-to-day basis. The building thus not only serves our own worship and programming needs but also provides support for our mission to the local community. We also lease a neighboring building, 9601 Colesville Road, to the YMCA.

User Fees: Modest user fees are usually charged for overnight stays at the Retreat House to partially compensate for the cost of supplies and upkeep. Fees are not charged for worship activities, pastoral care, or counseling by church staff.

Control of Expenditures

Ultimate control of all expenditures lies with the Congregation.

Expenditures are, in general, governed by the Annual Budget of CCC, usually adopted at the Annual Meeting of the Congregation in early June. The budget and all subsequent

accounting are done on the basis of the Church's fiscal year, which runs from July 1 to June 30 of the following year.

Church funds are held by the Treasurer, who makes payments from these funds. The Treasurer also keeps detailed records of income and expenditures and presents this information in monthly reports to the Board of Trustees and in an annual report made available to the congregation in August, after the end of the Church's fiscal year on June 30.

The Annual Budget allocates spending to a number of line items, grouped in major categories: mission, compensation of staff, building maintenance and operations, and programs. Decisions regarding expenditures for most of these lines are made by the parties responsible for the corresponding programs over the course of the year. Major areas of responsibilities include:

- Staff Compensation: the Board of Trustees in consultation with the Personnel Committee.
- Building expenses: the Church Administrator.
- Discretionary Mission giving: the Board of Social Witness.
- Capital expenses, such as the mortgage: the Board of Trustees.
- Christian education: the Board of Christian Education in consultation with the ministers.
- Music and instrument maintenance: the Director of Music in consultation with the Music Committee.
- Computers and software: Technology Committee in consultation with the Church Administrator.
- Retreat house operations and maintenance: the Retreat House Committee

Other responsible parties include each of the Boards not already mentioned, several committees (including the Personnel Committee, the Arts Committee, and minister search committees), the Support Administrator (for office supplies and postage), and the Director of Senior Adult Programming.

Budget formulation: Each spring, the Board of Trustees requests input from all those responsible for spending about their needs for the upcoming year. Using this information, together with results of the annual stewardship campaign and projections of other income, the Board develops a draft budget. This draft is exposed for comment through meetings in late May or early June and, as appropriately revised, is presented to the Congregation for action at the annual meeting in early June.

Budget execution: As noted above, responsible parties are authorized to approve, within their areas, expenditures in conformance with the annual budget. Invoices are presented to the Treasurer and Assistant Treasurer, who pay them from the church's checking accounts. Relying on the reports of the Treasurer, the Board of Trustees monitors progress on income and expenditures during the fiscal year.

As the year progresses, deviations from the budget – for instance, for unanticipated maintenance expenses -- may be approved by the Board of Trustees. If these deviations become significant, the Board advises the Executive Council and if appropriate the Congregation.

Approved by the Board of Trustees, January 2009