

1 **FINANCE COMMITTEE REPORT**

2 We recommend:

3 1. That the Appalachian Conference maintain its present storehouse tithe system and that
4 all **LOCAL CHURCH MEMBERS (EXCEPT SALARIED MISSIONARIES) ARE**
5 **EXPECTED TO TITHE TO THEIR LOCAL CHURCH ON ALL SOURCES OF**
6 **NET INCOME. IN ADDITION TO THE TITHE, MEMBERS ARE**
7 **ENCOURAGED TO SUPPORT ADDITIONAL ESSENTIAL MINISTRY**
8 **THROUGH VOLUNTARY DESIGNATED GIVING. LICENSED AND**
9 **ORDAINED CLERGY (EXCEPT SALARIED MISSIONARIES) ARE**
10 **EXPECTED TO TITHE MONTHLY TO THEIR CONFERENCES ON ALL**
11 **INCOME FROM BOTH MINISTERIAL AND SECULAR SOURCES. INCOME**
12 **FOR THESE PURPOSES INCLUDES, BUT IS NOT LIMITED TO, SALARY,**
13 **HOUSING ALLOWANCE, UTILITIES PAID BY A CHURCH, AND**
14 **HONORARIA. IN ADDITION TO THE TITHE, CLERGY ARE EXPECTED TO**
15 **SUPPORT ADDITIONAL ESSENTIAL MINISTRY THROUGH VOLUNTARY**
16 **DESIGNATED GIVING. AN INDIVIDUAL HOLDING A LOCAL CHURCH**
17 **MINISTER’S LICENSE AND SERVING AS SENIOR PASTOR SHALL**
18 **FOLLOW THE GUIDELINES FOR LICENSED AND ORDAINED CLERGY.**
19 (Church Manual ~~2013-2017~~, **2017-2021**, Bylaws Page ~~194~~ **180**, Article V, Section D,
20 Subsections **1-4**.)

21 2. That ministers are permitted to deduct non-reimbursed traveling expenses incurred in
22 the ministry (i.e., pastoral visits, performance of executive duties for the church, travel
23 to and from conference meetings, funerals, weddings, etc.) and tithe the balance of their

- 1 income. (Church Manual ~~2013-2017~~, **2017-2021**, Bylaws, Page ~~196-197~~ **182**, Article
2 V, Section F, Subsection 1.)
- 3 3. That each local church support the General financial program as outlined by the
4 General Conference by contributing ten percent of all funds received into the local
5 church, with the exception of building fund and revival offerings and other special
6 offerings. This amount is to be sent monthly to the Conference Treasury at the close of
7 each month. Churches shall not divert tithes into building funds or other special
8 offerings to avoid contributing church tithe. (Church Manual ~~2013-2017~~ **2017-2021**,
9 Bylaws, Pages ~~193~~ **178-180**, Article V, Section C, Subsections ~~1-4~~ **1-7**.)
- 10 4. That the Conference Executive Council continue using the line item budget system.
- 11 5. That the salaries of the Conference Superintendent, the Conference Discipleship
12 Ministries Director and the Conference World Missions/Evangelism Director be set by
13 the Conference Executive Council according to General Conference guidelines, and
14 benefits be established as follows: parsonage and utilities and/or housing allowance,
15 ~~hospitalization~~, **HEALTH INSURANCE**, Social Security, and retirement. That this be
16 a part of the line item budget.
- 17 6. That the Conference Superintendent, the Conference Discipleship Ministries Director
18 and the Conference World Missions/Evangelism Director be given an extra week's
19 salary as a Christmas gift and an extra week's salary for Pastor Appreciation.
- 20 7. That the Conference Executive Council be authorized to purchase an automobile for the
21 Conference Superintendent. That the Conference Superintendent be permitted to
22 choose the appropriate automobile.

- 1 8. ~~That the Conference Secretary and Conference Treasurer each~~ **WITH THE**
2 **RECOMMENDATION OF THE RESOLUTIONS COMMITTEE THAT THE**
3 **CONFERENCE SECRETARY/TREASURER** be given a \$200.00 per month
4 honorarium.
- 5 9. That the Conference Discipleship Ministries Secretary and Treasurer each be given a
6 \$100.00 per month honorarium.
- 7 10. CONFERENCE FUNDS:
- 8 a. That the fiscal year for the Conference Ministry Center and all departments be
9 January 1 – December 31.
- 10 b. ~~That the Conference Treasurer~~ **WITH THE RECOMMENDATION OF THE**
11 **RESOLUTIONS COMMITTEE THAT THE CONFERENCE**
12 **SECRETARY/TREASURER** use the line item budget system of bookkeeping
13 and that ~~he~~ **THE SECRETARY/TREASURER** present an itemized financial
14 statement to the Conference Executive Council monthly. (Church Manual ~~2013-~~
15 ~~2017~~ **2017-2021**, Bylaws, Page ~~129-138~~ **177**, Article ~~H~~ **V**, Section B, Subsection
16 ~~2~~ **6**, Paragraph ~~d~~ **b**, Subparagraphs 1) & 2) ~~3) & 4)~~.)
- 17 c. That there is an annual audit of the treasurer's books according to the guidelines
18 set forth in the IPHC Manual. (Church Manual ~~2013-2017~~ **2017-2021**, Bylaws,
19 Page ~~193~~ **177**, Article V, Section B, Subsection 6.)
- 20 d. That the Conference Discipleship Ministries **TREASURER** submit a line item
21 budget to the Conference Executive Council by November 1 each year.
- 22 e. That the Conference Discipleship Ministries **TREASURER** submit a monthly
23 financial statement to the Conference Executive Council.

1 f. That the Conference Discipleship Ministries pay tithes to the General Discipleship
2 Ministries.

3 11. LOCAL CHURCH FUNDS:

4 a. That all local church treasurers deposit all monies of the local church in a
5 financial institution in the name of the church. (Church Manual ~~2013-2017~~ **2017-**
6 **2021**, Bylaws, Page ~~161~~ **146**, Article III, Section ~~D C~~, Subsection 1, Paragraph b,
7 Subparagraph 3, Item e, Sub-item 3)

8 b. The treasurer shall provide monthly financial statements, accompanied by the
9 most recent bank statement, reconciled to the financial records, to the Senior
10 Pastor and Local Church Administrative Council. Failure to comply shall be
11 grounds for dismissal as treasurer, as required in the IPHC Manual. (Church
12 Manual ~~2013-2017~~ **2017-2021**, Bylaws, Page ~~160~~ **146**, Article III, Section ~~D C~~,
13 Subsection 1, paragraph b, subparagraph 3, item e, sub-item 5).

14 **c. THE LOCAL CHURCH ADMINISTRATIVE COUNCIL SHALL**
15 **IMPLEMENT APPROPRIATE INTERNAL CONTROLS TO REDUCE**
16 **THE RISK OF EMBEZZLEMENT, FURTHER ENSURING THE**
17 **ACCURACY OF FINANCIAL REPORTS.**

18 e. **d.** The Church Manual states, ~~“Each Member Church shall be subject to some form~~
19 ~~of annual financial accountability. Member churches whose annual gross receipts~~
20 ~~are less than \$400,000 shall demonstrate accountability by having an external~~
21 ~~review by a competent outside accountant. If annual gross receipts are from~~
22 ~~\$400,000 to \$800,000, such accountability shall consist of an external review by a~~
23 ~~Certified Public Accountant (CPA). If annual gross receipts exceed \$800,000,~~

1 such accountability shall consist of an audit conducted by a Certified Public
2 Accountant (CPA). The report of such accountability shall be forwarded to the
3 Conference Ministry Center within 30 days of issuance.” **“LOCAL**
4 **CHURCHES WITH AN ANNUAL INCOME OF LESS THAN \$500,000**
5 **WILL SEND YEAREND FINANCIAL REPORTS, INCLUDING A**
6 **BALANCE SHEET AND STATEMENT OF INCOME AND**
7 **EXPENSES, TO THE CONFERENCE SUPERINTENDENT AND THE**
8 **CONFERENCE EXECUTIVE COUNCIL ON AN ANNUAL BASIS. T**
9 **HESE REPORTS SHOULD BE APPROVED BY MOTION OF THE**
10 **LOCAL CHURCH ADMINISTRATIVE COUNCIL; SIGNED BY BOTH**
11 **THE SENIOR PASTOR AND THE LOCAL CHURCH TREASURER,**
12 **THEN SUBMITTED TO THE CONFERENCE OFFICE BY JANUARY**
13 **31 ST OF THE FOLLOWING YEAR. LOCAL CHURCHES WITH AN**
14 **ANNUAL INCOME OF \$500,000 - \$2,000,000 SHALL HAVE AT**
15 **LEAST AN ANNUAL REVIEW OF THE FINANCIAL STATEMENTS**
16 **BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT. THE**
17 **RESULTS OF THE FINANCIAL REVIEW SHALL BE FORWARDED**
18 **TO THE CONFERENCE SUPERINTENDENT AND THE**
19 **CONFERENCE EXECUTIVE COUNCIL. THIS REPORT SHOULD**
20 **BE APPROVED BY MOTION OF THE LOCAL CHURCH**
21 **ADMINISTRATIVE COUNCIL AND SIGNED BY BOTH THE**
22 **SENIOR PASTOR AND THE LOCAL CHURCH TREASURER.**
23 **LOCAL CHURCHES WITH AN ANNUAL INCOME OF MORE**

1 **THAN \$2,000,000 SHALL HAVE AN ANNUAL AUDIT OF THE**
2 **FINANCIAL STATEMENTS BY AN INDEPENDENT CERTIFIED**
3 **PUBLIC ACCOUNTANT. THE RESULTS OF THE AUDIT WILL BE**
4 **FORWARDED TO THE CONFERENCE SUPERINTENDENT AND**
5 **THE CONFERENCE EXECUTIVE COUNCIL. THIS REPORT**
6 **SHOULD BE APPROVED BY MOTION OF THE LOCAL CHURCH**
7 **ADMINISTRATIVE COUNCIL AND SIGNED BY BOTH THE**
8 **SENIOR PASTOR AND THE LOCAL CHURCH TREASURER.**

9 (Church Manual ~~2009-2013~~, **2017-2021**, Bylaws, Page ~~171-173~~, **179**, Article V,
10 Section C, Subsection 6, **PARAGRAPHS c, d, e**) ~~Pending establishment by the~~
11 ~~Council of Bishops. (Church Manual 2013-2017, Bylaws, page 194, Article V,~~
12 ~~Section C, Subsection 6).~~

13 d. e. That church treasurers maintain the highest integrity in dealing with church funds.

14 **WE STRONGLY RECOMMEND** ~~That~~ all church treasurers be bonded.

15 12. That all churches ~~figure~~ **REIMBURSE** mileage at the rate set by IRS in
16 providing for travel expenses ~~beyond~~ **IN ADDITION TO** the salary of pastors.

17 13. That traveling expenses for ministers and those other than pastors, be ~~figured~~
18 **REIMBURSED** for travel in ministry at the rate set by the IRS.

19 14. That travel expenses, food and lodging costs of delegates and pastors to ~~Biennial~~
20 ~~and Quadrennial~~ **ANNUAL** Conference be paid by the local churches, and that
21 the Conference Ministry Center notify church treasurers 30 days prior to the
22 Conference.

- 1 15. That each church allocate a regular amount in an account to defray expenses for
2 pastor and delegate attending General Conference.
- 3 16. That the Conference Board of Trustees are authorized to make necessary financial
4 arrangements to implement adopted programs of this Conference.
- 5 17. That all churches receiving a new pastor pay the moving expenses of the
6 incoming pastor and charge the same to miscellaneous expense of the church.
7 That the church pays the titling or privilege tax, and licensing for vehicles for any
8 new pastor relocating from another state.
- 9 18. That full-time Conference officials who are eligible for re-election or re-
10 appointment and who are leaving office be given one of the following:
11 a. Up to ninety (90) days' salary and benefits by the Conference when they
12 do not receive a pastoral appointment or paid position when leaving office.
13 b. Up to sixty (60) days' salary and benefits by the Conference when they do
14 receive a pastoral appointment or paid position when leaving office.
- 15 19. That full-time Conference officials who are eligible for re-election or re-
16 appointment and who are leaving office without receiving a pastoral appointment
17 or a paid position be paid moving expenses by the Conference within its
18 boundaries.
- 19 20. Since an adequately supported pastor can do a better job, we recommend:
20 a. That the Conference Superintendent will, as needed, work with newly
21 appointed pastors and Local Church Administrative Councils to develop a
22 suitable compensation package. 1 Timothy 5:17-18 says, "The elders who
23 direct the affairs of the church well are worthy of double honor, especially

1 those whose work is preaching and teaching. For the scripture says, ‘Do
2 not muzzle the ox while it is treading out the grain,’ and ‘the worker
3 deserves his wages.’ “(NIV)

4 b. That the following guidelines be used as minimum weekly salaries:

5	Morning Worship	Minimum
6	<u>Attendance</u>	<u>Weekly Salary</u>
7	75 or less	\$450
8	76-100	\$550
9	101-150	\$650
10	151-200	\$750
11	201-250	\$850
12	251-300	\$950
13	Over 300	\$1050

14 c. The Local Church Administrative Council or designated finance
15 committee ~~will set the senior pastor’s compensation package (salary,~~
16 ~~housing allowance, insurance, retirement, self-employment tax~~
17 ~~reimbursement, etc.). The package shall be reviewed annually by~~
18 ~~December 31 for the following year. The Local Church Administrative~~
19 ~~Council will forward to the conference the results of its annual review in~~
20 ~~its January report of the following year. SHALL REVIEW CHURCH~~
21 **PERSONNEL AND PASTORAL COMPENSATION PACKAGES**
22 **AT LEAST ANNUALLY. EACH CHURCH IS ENCOURAGED TO**
23 **CONTRIBUTE SEVEN PERCENT (7%) OF EACH STAFF**

1 **PERSON’S SALARY INTO THE IPHC RETIREMENT PLAN**
2 **DESIGNATED FOR THE PERSONS INVOLVED. EMPLOYERS**
3 **OF CREDENTIALLED CLERGY AT ANY LEVEL SHOULD**
4 **CONSIDER PROVIDING A HOUSING ALLOWANCE INSTEAD**
5 **OF A PARSONAGE, WHEN POSSIBLE.** Church Manual ~~2013-2017,~~
6 **2017-2021, Bylaws, Page 156-168, Article III, Section D, Subsection 1,**
7 **Paragraph 5), Subparagraph g), Item (2).** **PAGE 182, ARTICLE V,**
8 **SECTION F, SUBSECTIONS 4 & 5.**

- 9 d. That the pastor is permitted to supplement his/her income as he/she feels
10 necessary.
- 11 e. That the Conference Superintendent, with the Conference Executive Council, in
12 March of each year, review all pastors’ salaries, and where there is no increase in
13 salary that the Conference Superintendent request an explanation as to why an
14 increase was not granted.
- 15 f. That each church gives its pastor at least the equivalent of an extra week’s salary
16 at Christmas as a Christmas gift and that the Conference Superintendent notifies
17 the local treasurer of this before December 1.
- 18 g. That local churches strongly consider an income disability policy for its pastor.
- 19 h. That local churches provide property insurance coverage for personal household
20 items for pastors living in church parsonages.
- 21 21. That churches that are financially able support evangelists conducting revivals,
22 with at least \$800 per week, plus expenses [minimum]. Luke 10:7b (NIV)

1 declares, *“for the worker deserves his wages.”* When revival receipts do not
2 reach the minimum, it is to be supplemented from the church treasury.

3 22. That ministers who fill the pulpit in churches that are in pastoral change be given
4 an adequate honorarium and travel expenses for their services by the local church.
5 In the case of churches that are struggling financially and are unable to adequately
6 compensate the fill-in minister, the Conference Superintendent shall consider
7 supplementing them in accordance with policies determined by the Conference
8 Executive Council.

9 23. That this report be placed in the hands of each Local Church Administrative
10 Council by the pastor as soon as possible after Conference.

11 Signed: Wanda Myers, Chairman; Danny Helmondollar, Craig Reed, Jeff Willhoite,
12 W. A. Mills, Secretary