

THE DIOCESE OF VIRGINIA

2021 Description of Budgeted Income and Expenses

INCOME BUDGET ITEMS

A. ANTICIPATED PLEDGE INCOME

Projected total voluntary pledges from Virginia churches for the support of the mission of the diocese.

B. OTHER UNRESTRICTED INCOME TO SUPPORT DIOCESAN BUDGET

Total of non-pledge income from various sources. Examples include individual gifts and donations, rents, and investment income from external trustees.

C. VIRGINIA EPISCOPALIAN INCOME: SUBSCRIPTIONS/ADVERTISEMENTS

This income line is zero because the print production of the Virginia Episcopalian will cease in 2021.

D. HEALTH INSURANCE ADMINISTRATION REIMBURSEMENT

A percentage of health and dental insurance premium was approved by the 1995 Executive Board to reimburse the diocesan budget for expenses of plan administration (consultant, staff, postage, audit and account float). Diocesan auditors monitor the appropriate level of this account. With the change to the Denominational Health Plan in 2011, this amount was reduced to two-percent of premiums and is continued in 2021.

E. RESTRICTED INCOME

These funds are available from endowed funds and restricted monies set aside by earlier donations. This income is generally restricted for specific purposes which are fulfilled through the operating budget. Income from the Reid Trust is designated to support the mountain missions and income from the Episcopal Fund is used to support our bishops.

EXPENSE BUDGET ITEMS

A. Support of Our Greater Church Community

This diocese is part of the worldwide Anglican Communion. Our support of the general Church budget is a vivid reminder of this truth; that in our differences we remain one in heart and spirit through Jesus Christ who continues to work through the people of the Church to fashion a new creation. The budget formula of the general Church, revised at the 2015 General Convention, asked the Diocese of Virginia for a 2021 pledge of 15% of total diocesan income after a \$140,000 exemption. Total diocesan income is generally defined as operating income from churches and all other unrestricted income sources based on the prior year's audit, in this case the 2019 audit.

B. Ministry Areas in the Diocese

1 Christian Formation

- a. **Staff Costs.** This category funds the compensation and benefits of full-time staff in support of diocesan christian formation activities.
- b. **Staff Travel.** This category supports diocesan travel, mileage reimbursements, conference registration fees, airfare, hotels, meals and
- c. **Committee on Aging.** The Committee on Aging is a resource for parishes in engaging our Senior Adults for the second half of life. This committee seeks to affirm that the older members of our community are fully recognized as an important part of the Body of Christ. The committee assists parishes in meeting the needs of their senior adult members and annually sponsors the Tri-Diocesan Fall Camp at Shrine Mont, a 50th wedding anniversary celebration and a Longevity Service, honoring those 90 or more years young.
- d. **Grants for Episcopal College Ministries.** Episcopal chaplaincy programs on college campuses within the Diocese of Virginia support our young adults at a critical time in life. The 2021 budget request includes support for an Episcopal presence at James Madison University, the University of Mary Washington & Germanna Community College, the University of Virginia, George Mason University, and Virginia Commonwealth University.

- e. **Committee on Parish Youth Ministries.** Focuses on providing opportunities for fellowship, service, and spiritual growth to the youth of the diocese. This is the ONLY committee in the diocese comprised solely of youth. PYM works to organize diocesan youth events & promotes youth involvement at the local, regional, diocesan and provincial levels. PYM members volunteer their time to provide staff support for Annual Council and training & leadership in youth ministry to adults and youth around the Diocese. Programs have included a Spring and Fall Day of Service, 6th/7th Grade Weekend, 8th Grade Weekend and Senior High Weekend.

- f. **Committee on Ministries in Higher Education.** The committee works with Episcopal campus ministries across the diocese to provide opportunities for youth to become more involved in the life of the diocese through participation in Annual Council, education and collaboration.

- g. **Other Christian Formation Programs**
 - 1. **Shrine Mont Camp Program Support.** Our camps and conferences program at Shrine Mont is one of the great assets in the diocese, and support of Youth and Young Adults is a priority of the diocese. This line subsidizes the general operating expenses (camp infirmary, insurance, etc.) for the camp program in an effort to keep tuition rates lower and make the program accessible to families throughout the diocese. Additional scholarship support is provided through the scholarship endowment fund.

 - 2. **Youth Ministry Development.** This line supports the programs for youth through resource development and sharing and development of a diocesan youth mission trip, as well as training youth leaders.

 - 3. **Clergy & Diocesan Conferences.** This line provides a subsidy for the programs at the Bishop's Conference, Clergy Retreat, and other diocesan conferences for clergy and lay staff. Through this line, the cost of attendance is held as low as possible.

 - 4. **Fee for Education for Ministry Program.** Education for Ministry is a comprehensive four-year program based on the core curriculum of the School of Theology of the University of the South. Lay persons meet weekly with a mentor to become confident in a thorough understanding of Scripture and the Christian tradition, to learn to find God's presence in everyday life and to decide how to live in response to that presence. This line item is the cost of the diocesan contract with Sewanee which dramatically reduces participant program tuition.

2 Strengthening Our Churches

- a. **Staff Costs.** This category funds the compensation and benefits of full-time staff in support of diocesan stewardship and transition activities.
- b. **Staff Travel.** This category supports diocesan travel, mileage reimbursements, conference registration fees, airfare, hotels, meals and other transportation.
- c. **Committee on Congregational Missions (CCM).** One of the largest elements of our common work, this item will provide assistance to over 20 mission congregations in the diocese in 2021. This section includes missions historically part of the Archdeaconry of the Blue Ridge. These missions are partially supported with income from the Reid Trust
- d. **CCM - Other items.** Among other items this includes the interest on the loan for Santa Maria and assistance to mission churches encountering unexpected expenses.
- e. **Committee on Stewardship.** Works to strengthen our congregations by curating resources and materials for annual giving campaigns, planned giving and capital campaigns. It also covers an annual membership to networks and databases including American Fundraising Professionals and TENS (The Episcopal Network for Stewardship), which provides all diocesan churches and organizations membership access to their resources. Lastly, this budget also provides funds for committee members and/or diocesan parishioners or clergy to attend the TENS conference and the national Episcopal Church development symposium.
- f. **Committee on Liturgy and Church Music.** The committee plans and executes diocesan liturgies (Annual Council, ordinations. Expenses related to these events will be covered in the associated budget lines or project codes.

g. **Other Areas for Strengthening Our Churches**

1. **Bishop's Minority Scholarship.** A tactical shift in 2007 funded this allocation for minority scholarships to support and encourage ordination or additional professional training for continued service to God's call. The 2021 budget includes this need-based aid for minority students at Episcopal seminaries and in supporting minority lay professionals in expanding their ministries.

2. **Transition Ministry Expenses.** The Transition Ministry Officer, working with the Bishops and the Canon to the Ordinary, provides services to the churches of the diocese related to clergy search processes and this line funds the expenses associated with providing these services. Typical expenses include consultant subsidies for congregations needing assistance, the costs of background checks for churches unable to afford those costs, and expenses related to the support of interim ministry and training of parish consultants.

3. **Congregational Development Expenses.** The Canon to the Ordinary, the Officer for Congregational Development, and the Transition Ministry Officer provide additional services to churches related to self-evaluation and discernment for future models of ministry. A key element to this provision of service is the diocesan contract with Percept, a demographics database, and the related reports which are able to be provided to the local church leadership.

4. **Insurance for Vacant Churches.** This line item covers property and casualty insurance expenses for vacant church buildings.

5. **Real Estate Tax (Undeveloped Land).** This item covers the real estate taxes on the undeveloped church site properties owned by the diocese. The steep decline is due to the sale in 2020 of a parcel of land that had a substantial tax bill each year.

3 **Mission and Outreach**

a. **Staff Costs.** This category funds the compensation and benefits of full-time staff in support of diocesan mission and outreach activities.

b. **Staff Travel.** This category supports diocesan travel, mileage reimbursements, conference registration fees, airfare, hotels, meals and other transportation.

- c. **Committee on Mission & Outreach.** Sponsors guidance for churches and individuals in mission & outreach opportunities beyond the diocese as well as highlighting issues and making connections within and beyond the diocese. Projects include Food security work in Tanganyika, a shared subscription to ChurchNext, and translation in Spanish and Korean of diocesan events.
- d. **Committee on Ecumenical and Interfaith Issues.** Provides an annual report to the diocese; promotes our LARCUM Covenant, our interfaith and interchurch ecumenism dialogues in all mission & ministry of our Diocese.
- e. **Other Mission and Outreach Areas**
 - 1. **Ecumenical Partnerships.**
 - i. **GraceInside.** Formerly Chaplain Service Prison Ministry, Grace Inside works to provide chaplains for our siblings who are incarcerated in the Commonwealth and to restore chaplaincy to the state's juvenile correctional centers. Since 1920, they have assigned Christian chaplains to the prisons throughout Virginia, offering this ministry to over 30,000 prisoners. Chaplains conduct worship services, lead Bible studies, coordinate volunteers and counsel prisoners.
 - ii. **Virginia Council of Churches.** The Virginia Council of Churches is our core link among 22 judicatories, representing many denominational groups within the Commonwealth. VCC provides for interchurch study, planning, work & witness, fostering ecumenical action and encouraging relationships with other ecumenical, private and public agencies whose interests are consistent with the purpose of VCC.
 - iii. **Virginia Interfaith Center for Public Policy.** A non-profit, statewide organization committed to representing the faith community in Virginia on matters of public policy. Issues the Center has advocated for in the past include: increasing the minimum wage; rewarding work through the Earned Income Credit; affordable and accessible health care; food and nutrition assistance through SNAP; and voting rights and non-partisan redistricting.
 - 2. **Office of Mission & Outreach Support.** This line is designed to support the work being done in the office of M&O which had previously been funded by donor gifts. This year, the funding is intended for the production of the Intercultural Summit and provision of Racial & Environmental Justice training.

4 Ministry

- a. **Staff Costs.** This category funds the compensation and benefits of full-time staff in support of diocesan ministry activities.
- b. **Staff Travel.** This category supports diocesan travel, mileage reimbursements, conference registration fees, airfare, hotels, meals and
- c. **Commission on Ministry.** COM's canonical responsibility is to identify, raise up and support and assist in the formation of priests, deacons and lay persons as leaders in the Church. This year's budget includes funding to complete a racial audit of our processes toward the ordination of priests and deacons.
- d. **Committee on Discernment.** Mission is to develop and oversee the discernment process of both lay and ordained ministries: recruit, train and support Diocesan Spiritual Discernment Facilitators; design and deliver Diocesan Discernment Retreats; provide advice and counsel to the Bishop on matters related to discernment; serve as a resource on discernment for the diocese.
- e. **Committee on Leadership Formation.** Inactive
- f. **Committee on the Diaconate.** Develops and oversees the diaconal formation process; including assisting individuals and parishes with application and screening processes; provide continuing support and assistance to persons in the diaconal formation process; help in preparing and administering canonical exams for deacons; develop and oversee the Deacon's School and related curriculum. The project has been re-formed as the St. Phoebe School for Deacons; the reduced allocation is driven by lower cost of the new instructional model, a mix of in-person and remote learning.
- g. **Committee on the Priesthood.** The priestly formation process is the focus of this committee, seeking to continually develop and oversee the involved policies and procedures related to ordination. Included are six Mid-Atlantic program stipends for seminarians and application & screening costs for the formation process.
- h. **Young Priests Initiative.** Responsible for the recruitment, selection and oversight of persons under 25 years of age who are exploring a possible call to service in the Church, especially priesthood. A structured process of discernment and parish internship is involved. This amount is for the stipend of the facilitator. Internships to be funded by a dedicated fund.

- i. **Diocesan Board of Examining Chaplains.** This line provides for the GOE fees for our senior seminarians. This year there are six @ \$750 each.
- j. **Committee on Continuing Clergy Formation.** The work of this committee is the development and administration of the Fresh Start program for newly ordained clergy and clergy new to the Diocese as well as the New Clergy Orientation. This reduced amount provides for facilitator stipends while recognizing that for part of the year it will not be possible to have this program in-person.

5 Human Dignity and Justice

- a. **Committee on the Stewardship of Creation.** Develops programs to bring together church leaders and subject matter experts to explore and educate concerning threats to Virginia's natural resources. The committee will explore means to deploy resources to support churches seeking to become models of sustainable operations.
- b. **Ministry for Racial Justice and Healing.** Supports the Diocese, its churches, committees, commissions and related organizations in eliminating racism and encouraging cultural diversity, recognizing and incorporating the diverse & enriching gifts of all races and cultures. This allocation includes funding for two proposed diocesan events, a partnership with VTS to provide study groups and materials, and funding for initiatives at the parish and diocesan level to identify and eliminate racist structures.
- c. **Triangle of Hope Youth Pilgrimage.** The Triangle of Hope began as a way to name and counter the Triangle of Despair caused by the transatlantic slave trade. It is a multi-year program coordinated by and between the Dioceses of Kumasi, Ghana; Liverpool, and Virginia. This initiative has been funded privately until now and this allocation reflects a commitment to sponsoring full participation by all three dioceses.
- d. **Committee on Mental Health.** Inactive - funding for continued hosting of web resource developed by this group has been added to the Communication budget.
- e. **Committee on the Prevention of Sexual Misconduct.** This work is largely covered by the staff of the Ministry team.
- f. **Committee on Women in Mission and Ministry.** Inactive.

C. Governance and Commission Support

- 1 **Staff Costs.** This category funds the compensation and benefits of full-time staff in support of diocesan governance activities.
- 2 **Staff Travel.** This category supports diocesan travel, mileage reimbursements, conference registration fees, airfare, hotels, meals and other transportation.
- 3 **Standing Committee.** Exists by Canon to help conduct the constitutional affairs of the Diocese. It is a board of counsel and advice to the Bishop. Participates in the process toward ordination, the approval process for incurring church debt, and giving and withholding of consent for the consecration of new bishops. In rare cases, it may act as the ecclesiastical authority. The reduced allocation for 2021 reflects the likelihood of fewer in-person meetings but retains a provision for an annual retreat at the end of 2021.
- 4 **Executive Board, Deans and Presidents.** The canonical responsibilities of the Executive Board include carrying out the directions of Annual Council between sessions of Council, oversight of the budget adopted by Council, submitting a proposed budget to Council, and oversight of inactive churches.
- 5 **Province III.** Province III deputies represent the Diocese of Virginia at provincial committee and Synod meetings. Representatives are elected by Annual Council. This line shows the provincial assessment which is calculated at 0.35% of the same income base used to derive our pledge to The Episcopal Church.
- 6 **General Convention Representation - Reserve.** Funds are set aside each year to create a reserve to defray the travel costs for deputies going to General Convention every three years.

D. Communications & Technology Across the Diocese

- 1 **Staff Costs.** This category funds the compensation and benefits of full-time staff in support of diocesan communications activities.
- 2 **Staff Travel.** This category supports diocesan travel, mileage reimbursements, conference registration fees, airfare, hotels, meals and
- 3 **Virginia Episcopalian & e-Communique.** We will not be producing a print VE in 2021.
- 4 **Web Presence.** Increasing the accessibility of the Diocese of Virginia to programs, documents and general information is efficiently done through a well-supported web page. The Communications Office also provides template support for churches developing their own web sites. The increase here is to cover the cost of hosting websites for committees and projects of the diocese, such as the mental health and stewardship of creation resources.
- 5 **Other Communications Expenses.** Provides for the use of translators, videographers/photographers, and layout designers to provide the best possible communication products for the diocese. This line item also provides for the costs of materials, equipment and professional dues.

E Bishops, Staff and Support

1 The Episcopate

- a. **Bishops.** This category funds compensation (salary, housing, social security, pension, health & life insurance) for the bishops.
- b. **Episcopal Office.** This category covers compensation for administrative assistance to the bishops.
- c. **Other expenses of the Office of the Bishop.** This line covers hiring Assisting Bishops for parish visitations, the expenses of the Canon to the Ordinary, the Transition Ministry Officer and other miscellaneous expenses of the Bishops' offices.
- d. **Bishops' Travel.** This category supports diocesan travel for the bishops, automobile costs, insurance, mileage reimbursements, conference registration fees, airfare, hotels, meals and other transportation.
- e. **Bishop's Office Travel.** This category supports diocesan travel for the other staff in the Office of the Bishops, automobile costs, insurance, mileage reimbursements, conference registration fees, airline tickets, hotels, meals and other transportation.
- f. **Lambeth Conference - Reserve.** This reserve account provides for a sinking fund allowance for the Bishops attending the Lambeth Conference, held every ten years in England.
- g. **Episcopal Transition Expense and Reserve.** This reserve account provides for a reserve to offset the search, election and transition expenses associated with new bishops for the Diocese of Virginia. We will begin the search process for a new bishop diocesan in 2021.

2 Staff

- a. **Mayo House Staff.** This category funds the staff costs for diocesan operations, including Receptionist and Maintenance.
- b. **Finance and Administration - Staff.** This category funds the staff costs for the Finance Office staff. It reflects the compensation and benefits of three full-time positions: Treasurer, Financial Administrator, and Benefits Administrator.
- c. **Finance - Travel.** This category supports diocesan travel for Finance Office staff, including automobile costs, insurance, mileage reimbursements, conference registration fees, airline tickets, hotels, meals and other transportation.
- d. **Temporary Assistance.** In previous years, this line covered temporary assistance during the year to maintain a high standard of customer service ministry.
- e. **Other Staff Expenses.** Included here are expenses for continuing education for all staff, workers compensation insurance, and other general expenses. Combines former "Temporary Assistance" line.

3 Support

- a. **Automobile Expense and Reserve.** This category supports direct insurance and maintenance expenses for diocesan vehicles, such as repairs or inspections, and also provides for a sinking fund for replacement of vehicles. Reduction is due to reduced usage on fewer diocesan-owned vehicles.
- b. **Telephone and Cell Phone Expense.** The expenses for the diocesan telephone system, software, support and all diocesan provided cell phones are included in this line item. Reduction is due to fewer diocesan-provided cell phone lines.
- c. **Office Supplies, Equipment and Services.** Costs associated with the Mayo House and Northern Virginia offices are funded here. Expenses include paper, printing, postage, copying, office equipment, service, supplies and maintenance. Annual depreciation of office equipment is included in this line item. Reduction is due to increased telework and transition to cloud-based document storage.
- d. **Building Related Expenses and Reserve.** Expenses related to the upkeep of the Mayo Memorial Church House are recorded here, including property insurance, utilities, maintenance and custodial care. Reduction is due to decreased usage of utilities with increased telework.
- e. **Audit, Legal and Professional Fees.** This category covers costs of the annual audit of the diocesan accounting and an allowance for usual and customary legal expenses.
- f. **Other Operating Expenses.** Expenses in this category includes payroll service fees, bank service charges, and miscellaneous expenses of operating Mayo House. Reduction reflects lower negotiated banking and card service fees.